

NORTHEAST PUBLIC WATER AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
May 21, 2026, at 1:30 PM

Call to Order:

- President Jay Sabella called the meeting to order on May 21, 2026, at 1:42PM.

Roll Call:

Jay Sabella, President, took roll call and members present were Jay Sabella, Matt Bennett, Sonia Boling, Brett Cox and Linda McClellan and Dylan Osmon by phone. Managers, Kim Jones, Ricky Lee we present along with Tony Lischeron.

Approval of Minutes and Reports:

- Approval of the minutes as distributed for April 2026. There were two sets of minutes to approve for April, the regular board meeting and a special meeting that was held to discuss the purchase of a CASE Backhoe. Linda McClellan made the motion to approve all minutes with a second made by Sonia Boling and approved by unanimous vote.
- Approval of the Office Report as distributed for April 2026. Linda McClellan made a motion to approve, seconded by Matt Bennett and approved by unanimous vote.
- Approval of the Treasurer's Report distributed for April 2026. Kim Jones explained that she will be providing a report quarterly for our investment funds showing fees, dividends, accrued interest and unrealized gains or losses. Jay Sabella made a motion to approve, seconded by Linda McClellan and approved by unanimous vote.
- Field Report distributed for April 2026. Rickey Lee said the field fixed 3 leaks in April and also installed a new 1" meter for Ulta Beauty in the Plaza Way shopping center. Jay Sabella made a motion to accept the Field Report, with a second by Sonia Boling. It was approved unanimously.
- Jay Sabella also read the resignation of Matt Stone from the Board of Directors. Kim Jones read to the board the section of the by-laws that explain how to handle a vacancy on the board. *Article III: SECTION 12. Vacancies: Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office or until he selection, nomination, and confirmation of a successor director in accordance with these bylaws, whichever occurs first.* And in *Article IV: SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors for the unexpired portion of the term.* Article III, SECTION 12 states that the Board of directors may seek out and appoint a person to fill the vacancy until the upcoming elections of officers at which time the appointed director would be up for election this coming annual meeting. Jay Sabella then said that they need to be looking for a person who would be willing to help out, at least for a short term, that would be great.

Old Business:

- The first item of old business was to revisit the peridium policy that went into effect around February of this year. Some Field employees wanted clarification on if they could receive their peridium money prior to their trip rather than after. At the end of a discussion with Tony Lischeron, it was decided that the policy could state that an employe will receive their peridium check prior to going on the trip to be used for eating with, and that if the employee for any reason did not end up going on the trip, that money would be paid back to the water authority by the employee. Jay Sabella made a motion to amend the peridium policy, Sonia Boling made a second and it was passed unanimously.
- The next item of old business was to discuss the Rate Study required by every water utility in the state of Arkansas Via Act 605 of 2021. This Act mandates that retail water and sewer providers conduct unbiased rate studies every five years or any time before major development projects. Providers must implement recommended rate changes or risk being declared in fiscal distress by the state. The study has to be conducted by an unbiased third party, and in our case that entity is Arkansas Rural Water Association. This study is then reported to the Arkansas Natural Resource Commission for regulation (ARNC) and also reported back to the water utility. The water utility has up to one year to implement the new rates or two years if the rates are to be increased more than 50%. NPWA has received our rate study back and Kim Jones has been in discussions with ARWA. Kim's biggest concern with their recommendation was the lowering of our minimum bill to only use of 1000 gallons as apposed to the current 2000-gallon usage. She spoke to the rate study specialist and asked if the minimum usage could be kept at the 2000 gallons as not to impact some of our most financially venerable customers, the elderly on a fixed income who use somewhere between 1000 and 2000 gallons a month. The rate study specialist is working to accommodate that concern and offset it with the price of the per 1000-gallon price as that is actual water use and a customer can control that use

if they so chose to, thus controlling the size of their water bill. She also explained that the objective of the rate study is to require water utilities to put 5% of their annual water revenue in a dedicated fund for future needs. Jay Sabella wanted to call Stetson Painter, our state representative during the meeting to voice his frustration with these rate recommendations. Mr. Painter did not answer the call during the meeting, so Jay Sabella left a message for him.

- The next item of old business was to further discuss the proposed by-law changes in regard to electing directors, removing offices etc. The board tabled this discussion for the following meeting

New Business:

- The first item of new business was to discuss the purchase of some new hydrant meters. Rickey Lee said he had spoke to Lee at Core and Main and that for a new 2” Hydrant Meter it costs around \$1,900. There was also a discussion of the current rental rates and a motion was made by Jay Sabella to purchase 2 hydrant meters, raise the refundable deposit on a hydrant meter to \$800, refundable upon return in good condition. Also, the rental rates would change to not have a monthly rate, but only a daily rate of \$15.00 and a weekly rate of \$50.00. And finally, to require the renter to give a return date to better plan for future rentals. Sonia Boling provided a second, and it passed unanimously.
- The next item of new business was to discuss a Mobile Food Unit policy. We had the first mobile food unit set up on our water system and that has created some questions that need to be discussed. A letter from the Arkansas Department of health was passed out discussing what is allowable for a MFU to have access to potable water and using that as a guide the board discussed how best to manage these as there may be more that come on the system with our proximity to the lake etc. After much discussion it was decided to adopt a policy for all future MFU on the water system. The following will be added to the authority’s Rules and Regs and any MFU seeing to use a meter on the water system will abide by this new policy:
New Policy as follows:
Mobile food units (MFUs) have the following requirements for water use within the Northeast Public Water Authority system, in accordance with applicable state regulations and the Safe Drinking Water Act. MFUs are not designed for permanent connection to public water systems and pose a potential cross-connection risk if not properly controlled. MFUs operating within the Authority’s service area shall comply with all applicable state regulations when accessing the potable water system. If the meter will be a Non-Continuous Connection (Hose disconnected after each use), a waiver may be granted by the Authority and the water user must use a dual check valve that meets ASSE 1024 and NSF/ANSI 61 installed at the hose bibb. Hoses must be disconnected immediately after filling unless an RPZA is installed. Equipment must be maintained in proper working condition and NPWA reserves the right to inspection at any time. Any continuous connection to the potable water system is considered a cross-connection and must be properly protected with a Reduced Pressure Zone Assembly (RPZA) that has been installed and tested after installation and annually thereafter. Atmospheric Vacuum Breakers (AVB) are not permitted for continuous connections.
- The next item of new business was to discuss our current backflow tester contract and some issues that have arisen in the past couple months that need to be discussed. First Paula Lambert was asked to join the meeting as she is the primary contact for all of our customers who have backflows, she also is the primary contact with Rob Stanton who does our in-hour testing. As it stands now and will continue to stand; every customer who requires an annual test on their backflow assembly can choose anyone they want to test it, as long as they are licensed to do so, and then have that test turned into us to keep on file. However, in order to use someone outside our inhouse person, they need to call us and opt out of our backflow program. They are not in any way required to use Rob Stanton, our contracted tester. However, if they choose to, it is very convenient for the customer and the fee is billed on their water bill after the test is performed. Paula was asked how she felt about Rob, and she expressed he is a very thorough and honest person and she would like to continue working with him. Linda McClellan made a motion to continue using Rob Stanton, as their in-house tester until at least December 2027 as the program is working out so well. Also to accept Rob’s increased price of \$5 per backflow while increasing the customer’s price by only \$2 to continue to break even. Jay Sabella gave the second and the motion was passed unanimously. Kim Jones noted that NPWA does not administer this program to make revenue on it, but rather to help the program run smoothly and conveniently for our customers. Attention was then given to Paula Lambert, our backflow specialist, to bring to the board’s attention some concerning matters regarding another backflow tester in the area. She brought 3 examples to the board of backflow assemblies that had been tested and passed exclusively by this one backflow tester that Rob Stanton discovered were not installed properly, and therefore could not pass by virtue of the installation of the assembly. One had been being passed for approximately 15 years while being installed incorrectly. The board made a motion to go into executive session as this affects the safety and security of the water system to further discuss what measures they wanted to take.
Board went into executive session at 3:00 pm and came back into regular session at 3:07 pm. Jay Sabella stated the purpose of the executive session was to further discuss the implications of the information Paula Lambert had presented to them. Jay Sabella then made a motion to revoke the backflow testing and repair privileges of Gerry Lance anywhere connected to the water system of the Northeast Public Water Authority, effective immediately. Sonia Boling provided the second and the motion passed by unanimous vote. Paula was also asked to approach Rob Stanton with a request to go back and visually inspect the assemblies that Mr. Lance had tested in the last year, and to ask Rob to provide us a flat rate for those visual inspections.
- The last item of new business was to announce that there was a special meeting that was held on April 17, 2026 that was properly announced on local media. During that meeting a vote was taken to purchase the Case Backhoe with a municipal

lease to purchase at 6.5% for 60 months. It was also decided to keep the current backhoe for a backup piece of equipment or to do smaller jobs where the new one might have trouble fitting. The Backhoe has been delivered.

Other Business and Meeting Adjournment:

- There was only one item of new business that came up since the agenda. The drive-thru cash drawer that both Kim Jones, and Paul Lambert use came up short. Kim and Paula discussed it and decided to contact Jay Sabella regarding it. Cameras were checked; however, it was never determined how the money came up missing. Kim Jones was instructed to call someone to have the safe moved to the board room where it can always be on camera and also to keep separate tills for each office personnel that only the one person assigned to that till can transact from. These changes were agreed upon without further discussion.
- With no other business to take care of, Jay Sabella made a motion adjourn at 3:37 pm, Sonia Boling provided the second and all were in favor.

Respectfully submitted,

Brett Cox
Secretary

Prepared by
Kim Jones – Office Manager

Board Approved – 06/18/2026