

**NORTHEAST PUBLIC WATER AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
July 17, 2025, at 1:30 PM**

Call to Order:

- President Jay Sabella called the meeting to order on July 17, 2025, at 1:32 PM.

Roll Call:

Jay Sabella, President, took roll call and members present were Matt Bennett, Dylan Osmon, Sonia Boling by phone, Brett Cox by proxy given to Dylan Osmon. Linda McClellan joined the meeting after the roll call. Matt Stone was absent. Also in attendance were Kim Jones, Office Manager and Rickey Lee, Field Manager.

Interim Secretary:

Jay Sabella made a motion to nominate Dylan Osmon as interim secretary in the absence of Brett Cox at the meeting. Matt Bennett provided a second and the motion passed unanimously.

Approval of Minutes and Reports:

- Approval of the minutes as distributed for June 2025. Matt Bennett made a motion to approve, seconded by Dylan Osmon and approved by unanimous vote.
- Approval of the Office Report as distributed for June 2025. Linda McClellan made a motion to approve, Seconded by Matt Bennett and approved by unanimous vote. Kim Jones drew attention to the added data the board had requested at the last meeting, which had been added to the Office Report. The Office Report showed a 10% increase in revenue from June 2024 to June 2025. Lock-offs decreased but are rising again. Also noted was a shortage in the June inventory count. Inventory was exported from the old DOS program to an excel spreadsheet. Both the Field Manager, Rickey Lee, and Water Clerk, Paula Lambert, did their due diligence trying to find the shortage, however, they were unsuccessful identifying the cause. They concluded the shortage was either because of the program exporting values incorrectly or an error of the previous Field Manager's last count. An adjustment was made to allow the inventory to balance with the office records.
- Approval of the Treasurer's Report distributed for June 2025. Linda McClellan made a motion to approve, Seconded by Matt Bennett and approved by unanimous vote.
- Approval of the Field Report distributed for June 2025. Linda McClellan made a motion to approve, seconded by Dylan Osmon and approved by unanimous vote. The Field Manager shared that total water loss for the period between May 15 and June 15, 2025, was 2,742,408 gallons. A board member noted that the overall annual average loss was lower than last year at this time. Rickey Lee said they continue to identify water loss and fix leaks as soon as possible to improve those numbers.

Old Business:

- Kim Jones informed the Board that four new accounts were set up and three were funded with checks written to Pershing, in care of Ascend Wealth Management. We will be receiving quarterly statements, however there will be information regarding the standing of these investment funds monthly in the Treasurer's Report.
- The Board passed, with a unanimous vote, to add a Cross-Connection Program into the Authority's Rules and Regulations at the request of the Arkansas Department of Health. Also, it was reported that, other than some confusion by some customers regarding who did their backflows in 2024, everything is going well. The office cleared up these questions, as they were presented. Rob Stanton has done most of the tests this past month and is working out very well. Jay Sabella asked the office to report back on the program in a couple months to confirm the program is still good at that point.

- Kim Jones reported that the office is starting to see the survey responses come back to the office that are polling interest in a possible water expansion down Christensen Rd. It is too early to say whether there is enough interest, however we should know more by the next Board meeting. She also shared that she had spoken to Rep. Stetson Painter, and he referred her to the Northwest Arkansas Economic Development District (NAEDD) in Harrison, AR. She spoke to Tina Cole and received some more guidance on how to proceed with this project.
- Jay Sabella then asked Kim to give a report if there is anything about the sewer phone surveys. She reported that the office has not had time to do anything regarding this during this past month. Linda McClellan suggested a committee of community members be formed for these duties instead of the office for time's sake. Jay Sabella assured her the office did not need to find time for this task, that they should only help if or when time allows for them to do so and that there is a community group spearheading this effort.
- Rickey Lee reported that we are still in the process of gathering information for the easements to be obtained for Bay Point Dr. and that we will send those off as soon as possible so that the exposed water line can be replaced before the weather gets cold. There are 3 lot owners that we need to procure easements from before the work can commence.
- Rickey Lee requested that the field crew be allowed to discontinue filling out the time sheets because they are too busy to keep up with them. Linda McClellan made a motion to pause time sheets and to restart them if the Board feels they are needed later. Jay Sabella provided a second, and the motion was passed unanimously.

New Business:

- Kim Jones requested that the Christmas party be scheduled for Friday, November 21, 2025. The Board expressed a desire to have the party on the water system, so Colton's was selected as the location. Linda made a motion for the party to be at the place and time discussed, Jay Sabella provided a second and the motion passed unanimously.
- Kim Jones informed the Board that there was an envelope of cash that had been in the Authority's safe for more than a year and it was put there by the former manager. The money was from selling scraps from old meters and the scraps were sold by the manager for cash. Rickey Lee stated that when this was done in the past, the employees benefited from the sale of the scraps since they spent the time extracting the material before pitching the old meters. The Board said they would discuss the money in the executive session since it involved the actions of the previous manager, and they were not aware of its existence.
- Rickey Lee informed the Board that the 2011 Ford Truck needed some repairs. Jay Sabella asked Rickey to obtain a few more quotes and bring them to the next meeting.
- Rickey Lee informed the Board about a situation with a road bore for 1411 CR 390. A customer claims he was not told that he would incur the cost of a road bore as part of his meter installation. He said the former manager did not inform him of this. The Board decided to send the customer a letter explaining that his meter installation agreement that he signed states he is responsible for the cost and that if he needs payment arrangement, we will accommodate him.
- A discussion then took place about whether the water department should contract the road bores or should that be the responsibility of the customer to obtain those services. Linda McClellan made a motion that future road bores be the logistic and financial responsibility of the landowner. NPWA will share the names of reputable Boring Companies, and they will need to have all the proper licensing and bonds, and insurance. Once that company is hired by the customer, they should contact the water department and work with us to ensure the work is done properly. NPWA will no longer float the cost of a bore and will only be involved to the level of ensuring it is done properly by the boring company. A second was provided by Jay Sabella and the motion passed with a unanimous vote.
- Rickey Lee informed the Board that Casey Stone, a former employee, had been rehired as an Apprentice Water Operator. He expressed his satisfaction with Casey's performance, noting that he is doing very well in his new role. Rickey then inquired about the current policy regarding Water Operator education and certification. The Board acknowledged that the existing policy requires new hires to begin schooling immediately and to pass the Water Distribution test within six months of employment. Rickey asked for this policy to be reconsidered. He cited the City of Mountain Home's

approach, where apprentices are given two years of field experience before being required to begin schooling or take the certification test. In Rickey's view, this timeline is more appropriate and practical. The Board agreed that the timing of schooling and testing should be left to his discretion, as he is best positioned to assess an apprentice's readiness. It was agreed that this policy will be formally revised during the upcoming comprehensive policy review. Kim Jones then proposed that the Board consider granting Casey his full employment benefits earlier than the standard six-month waiting period, given his status as a rehire. Jay Sabella made a motion to award Casey full benefits, including full health insurance coverage, after three months of employment, recognizing that he is not a new hire but a returning employee. Dylan Osmon provided a second and the motion passed unanimously.

- Wayne Emby, from Nerds Inc, joined the meeting to discuss the computer system updates he will be installing this coming month. He also explained he will utilize the older computer from the drive-through as a network hub for file storage and network sharing for all 3 office computers. He also explained the age of the computers the office currently has and the importance of having a secure backup system for all data. He also recommends new antivirus protection. He was asked to put together a list of future needs for the Board to consider for budgeting in the future.
- Kim Jones reported on a recent meeting she had with Billy Pippin, CPA, and a few recommendations he would like to pass on to the Board. He suggested the Water Department seriously consider putting a Cash Reserve Policy and a Facilities Maintenance Assessment in place. He also suggested the Board consider phasing out a few costly employee benefits for future employees, while preserving those benefits for current employees. Doing so would aid in mitigating some expenses that will continue to increase significantly each year. The Board agreed these items would be beneficial and they should be discussed in more detail in future meetings.
- Kim Jones asked the Board if the Annual Meeting could be changed to the second Thursday of December each year at 1:30 pm to keep it more uniform with the other meetings throughout the year. Jay Sabella made a motion to accept that change and add it to the By-Laws, Matt Bennett provided a second and it passed unanimously.

The Board went into Executive Session at 2:52 pm. They came back into regular session at 3:15 pm stating the reason for the Executive Session was to discuss items consisting of some cash in the safe the Board was not aware of, put there by the previous manager, and how to handle that money. Jay Sabella made a motion to use the money from the sale of scrap to fund employee Christmas Bonuses. Dylan provided a second, and it passed unanimously. The next two items discussed in the Executive session were the unemployment paperwork regarding a former employee and current employee wage scales. Jay Sabella said the Board would examine the wage scales with a closer look at a future meeting.

Meeting Adjourned

Jay Sabella made a motion to adjourn the meeting. Matt Bennett provided a second and the motion was passed unanimously at 3:25 p.m.

Respectfully submitted,

Dylan Osmon

Interim Secretary

Prepared by Kim Jones, Office Manager

Board Approved: 8/21/2025