

**NORTHEAST PUBLIC WATER AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES
November 20, at 1:30 PM**

Call to Order:

- President Jay Sabella called the meeting to order on November 20, 2025, at 1:38 PM.

Roll Call:

Jay Sabella, President, took roll call and members present were Linda McClellan, Dylan Osmon, Matt Bennett, Brett Cox, Sonia Boling, and Matt Stone with his proxy given to Jay Sabella. Also in attendance were Kim Jones, Office Manager and Rickey Lee, Field Manager.

Approval of Minutes and Reports:

- Approval of the minutes as distributed for October 2025. Linda McClellan made a motion to approve, seconded by Matt Bennett and approved by unanimous vote.
- Approval of the Office Report as distributed for October 2025. Linda McClellan made a motion to approve, seconded by Sonia Boling and approved by unanimous vote. The Office Report showed a 14.6% increase in revenue from the same YTD in 2024. Lock-offs increased 56% from YTD in 2024.
- Approval of the Treasurer's Report distributed for October 2025. Linda McClellan made a motion to approve, seconded by Sonia Boling and approved by unanimous vote. Kim Jones provides a detailed treasurer's report, explaining the categorization of funds into short-lived asset reserves, customer deposit reserves, debt service reserves, and depreciation reserves. She also shared that she met with Mike Stockton to discuss the goals of each reserve.
- Approval of the Field Report distributed for October 2025. Dylan Osmon made a motion to approve, seconded by Linda McClellan and approved by unanimous vote. Rickey Lee shared that the field guys continue working hard to identify water loss and fix leaks as soon as possible to improve the water loss numbers. They had fixed 7 leaks this past month.

Old Business:

- The first item of old business was to discuss the office's progress regarding sewer interest survey calls. Kim Jones told the board that they are very busy with many other things, including establishing a meter and radio replacement program master list to use indefinitely for our replacement program. Paula Lambert is working on that during any of her free time, and Kim has been busy doing her wide range of duties as Office Manager, bookkeeper and aiding the water clerk and field manager with administrative tasks. Dylan Osmon mentioned that sewer calls, although important, are not the priority right now, and until we have the restructuring completely accomplished, it can be on hold. Kim Jones said they will continue to call when or if they have extra time in the office. She also pointed out that she has been able to squeeze in some calls from time to time and has CR 30 and most of Cranfield Rd completed and an external committee could take that data and begin the petition process in those areas. Kim and Rickey assured the board that as they understand and implement their own procedures that were completely left unknown by the previous manager, things will become less hectic and there will be more time to do these extra tasks. However, because the previous manager did not show Rickey Lee many things, he is having to learn them from scratch, which takes his time. Rickey Lee also mentioned again that he does not understand how the previous manager was able to correctly balance inventory because there are items in the inventory that have different prices that the manager had consolidated as one item and price. The office staff has also had to spend time learning these things in order to be of help to the field now and in the future.
- Kim Jones announced that Brian Haas, CPA, has still not submitted the 2024 completed audit. Brian had surgery the day prior and that is most likely the reason for the absence of the audit. She contacted Neal Hodges as the USDA, and he is fine with the delay.

New Business:

- The first item of new business was to go over the Arkansas Freedom of Information Act and the guidelines for meeting notices. Kim Jones discussed with the board the requirements for regular, annual, special and emergency meeting notices. It was also noted that meetings with employees by board members of less than a quorum for HR related items are acceptable provided they are for information gathering purposes only and the information is taken to the board at the next regular meeting and deliberated and discussed as a board. There was also discussion of submitting some changes for approval for annual meetings for 2026 and on. Kim Jones suggested NPWA work to submit a change for the month the annual meeting is

held each year. If the annual meeting changes to February, for the future, the Authority could present data for a complete fiscal year that matches the annual reports. This would keep reports cohesive with the financial reports for a given fiscal year. Kim also mentioned the by-laws need to be clearly written in a way that a water user can run for an open position, essentially stating their intent to run for a position that has expired against a current board member who might be seeking re-election. Emphasizing transparent communication with all water users regarding how open positions can be filled. Board positions will also be numbered and referred to as such, rather than a board member's name. The board expressed agreement with the suggested changes and Kim then said she will proceed with writing up the proposed changes to present to the board sometime in the first quarter of 2026 for approval and then submit the changes to the ANRC for their approval. In the meantime, the annual meeting, nomination and election process will follow the current by-laws as they are written.

- Rickey Lee was excused from the meeting at 2:08 pm.
- The second order of new business was to discuss the HR meeting that some board members had with both managers, Rickey Lee and Kim Jones on November 13, 2025, to discuss the needs of the field and office. Jay Sabella presented the information gathered at that meeting with the board. He said the field is behind on clean-ups due to being shorthanded in the last couple months and the number of leaks they have had to repair. Rickey was instructed by the board to continue and train Tony Lischeron in all the duties of the field and field management so that the water department doesn't suffer in the future from any employee changes. Dylan Osmon then made a motion to hire another full-time field employee. The board instructed the Office Manager to advertise for a laborer, however if a licensed water operator applies and is a good fit, management is authorized to hire them in place of a labor position. The board also approved hiring an outside contractor to come in and catch the water department up on clean ups. Two companies will be contacted to give bids, and one will be hired to catch up on the clean-ups that the field has gotten behind on since the beginning of the year, dating back before the management changes in June.
- The next item that was discussed was the increase in employee health insurance premiums and how to possibly address this for future budgets. Kim Jones was asked to provide the Board, at the next meeting, with the annual cost for the family premiums comparable to other options, including the possibility of changing the benefit for future employees to individual premiums covered by the water department instead of family premiums. Jay Sabella expressed concern that we are such a small company and that offering the entire family premium for all employees has helped with employee retention and that needs to be considered when weighing options regarding future changes.
- The final item of new business was to remind the board of the Christmas Party scheduled for that evening at 6:00 pm at Colton's steakhouse. All board members stated they would be in attendance.

Other Business:

- There was no HR business to conduct.

Meeting Adjourned:

There was no other business or water users present at this meeting, so Jay Sabella made a motion to adjourn the meeting. Dylan Osmon provided a second and the motion passed unanimously. Meeting adjourned at 2:42p.m.

Respectfully submitted,

Brett Cox
Secretary

Prepared by Kim Jones, Office Manager

Board Approved: 12/11/2025