

# **Tri City Water and Sanitary Authority**

## **Regular Board Meeting Minutes**

**January 10<sup>th</sup>, 2024**

The Board of Directors of Tri City Water & Sanitary Authority met on Wednesday January 10th, 2024.

**Call to Order:** Meeting was called to order by Jeremy at 6:30pm.

### **Pledge of Allegiance:**

### **Election of Officers:**

**Chairperson of the Board-** Chris made a motion to elect Jermey as Chairperson of the Board. Joe seconded the motion. All in favor. Motion carried.

**Vice-Chairperson of the Board-** Chris made a motion to elect Roger as Vice Chairperson of the Board. Joe seconded the motion. All in favor. Motion carried.

**Secretary of the Board-** Chris made a motion to elect Paul as Secretary of the Board. Joe seconded the motion. All in favor. Motion carried.

**Budget Officer-** Chris made a motion to elect Paul as Budget Officer of the Board. Joe seconded the motion. All in favor. Motion carried.

**Attorney-** Chris made a motion to elect Eileen Eakins as Attorney of the Board. Joe seconded the motion. All in favor. Motion carried.

### **Roll Call:**

The following board members were present: Jeremy Medley, Roger Phillips, Joe Pospisil and Chris Dewald and Brandon Legg.

### **Employees Present:**

The following employees were present: Paul Wilborn, Lisa Rogers, Brian Kelly, Cody Hammond, Gage Maddux, Shane Williams, and Brooke Rainwater.

### **Minutes:**

- Chris made a motion to accept the December 13th, 2023, Regular Board Meeting minutes. Joe seconded the motion. All in favor. Motion carried.

### **Wastewater Treatment Plant:**

Cliff Church – Cliff provided the Board with a copy of his report. The report will be a permanent part of the minutes on file.

### **Visitors:**

### **Manager Report:**

- **Shane Williams** - Paul introduced the board to our new employee Shane Williams. He also informed them that it will be 3 years before he can obtain any certifications.
- **Financial Report** – Paul stated that we are halfway through the fiscal year and our revenues are around 60% of the yearly budget. Expenses are averaging 23% of the annual budgeted amount, but reminded the Board that these numbers include annual transfers that have not yet been completed.
- **Project Update:**
  - **Angus Ln** – Paul reported that we are still waiting for the BLA to be recorded before we can proceed with the land purchase.
  - **Progressive Design Build- Utility Shop Building** – Paul stated that Emery & Sons is trying to have an engineering budget for us by the end of the month. This will help us determine whether to enter into a Design/Build agreement with them.
- **Paid Leave Oregon** – Paul stated that the Board decided to pay the employee’s portion of PLO as a benefit at the end of 2022. That portion is 0.6% of gross wages. While working on taxes for the end of the year, it is apparent that that portion should be included as a fringe benefit, making it subject to both state and federal taxes. Neither PLO, the State of Oregon, or the IRS seem to have an answer on how to report this. Paul thinks it would be in our best interests going forward not to pay that amount on behalf of the employee. If the Board would like to absorb that cost, it would be better to increase wages to offset it. Chris made a motion for the Authority to stop paying the employee’s portion of the PLO. Roger seconded the motion. All in favor. Motion carried.
- **Health Insurance Contributions** – Paul reported that the Authority’s contribution for health insurance has been the same since July 2017 (over 6 years). It currently is not high enough to provide coverage for a family. Currently we are contributing \$1,625/month toward health benefits, coverage for a family is just over \$2,000. Paul asked the board if they would like to increase that contribution to cover the cost of providing health insurance for a family. Joe made a

motion to increase the contribution to \$2,010.00. Chris made a motion to increase the contribution to \$2,100.00. Roger seconded Chris' motion. All in favor. Motion carried.

- **Annual Financial Audit** – Paul reported that Neuner & Davidson completed our Audit. They issued an ‘unmodified opinion,’ which is the best opinion that you can get. They also noted no deficiencies. Our net position increased \$354,827 to \$11,351,566. We currently have \$4.5M in unrestricted assets to meet the Authority's ongoing obligations. Operating revenues for water and sewer are up approximately \$32K and \$40K respectively. Operating expenses for personal services for water and sewer are up approximately \$52K and \$39K respectively. Operating expenses for materials and services for water are up \$50K. The main increase in sewer operating expenses was due to the loan pay-off, otherwise they would have remained similar to last year. This amount should decrease significantly next year since the loans are paid off. Total interest income increased by \$95K.
- **Liability Insurance** – Paul reported that our liability insurance increased to \$47,848.00. Joe made a motion that we pay SDAO the annual charge for liability insurance. Brandon seconded the motion. All in favor. Motion carried.

#### **Operations:**

- Brian Kelly – Brian reported that everything is going great. He has been working on training Shane, testing, and yearly maintenance.
- Cody Hammond – Cody stated that the team is really excited about Shane joining the team. They have been working on training and routine maintenance.

#### **Board Discussion:**

- **Personnel Policy Review** – Paul is interested in combining vacation and sick leave into one ‘paid time off’ category. The board discussed their opinions and the pros and cons of making this change. They also asked the employees their thoughts. The board would like Paul to do some more research to determine if it would be in the Authority’s best interests.
- **Rate Review** – Paul stated about \$2M of the unrestricted assets are earmarked for the Water services. We are currently working toward building a new treated water reservoir that will cost upwards of \$2M. It would be prudent to look at the increased costs for operations and adjust rates accordingly. Chris made a motion to increase water rates by 3%. Joe seconded the motion. All in favor. Motion carried. Chris made a motion to increase sewer rates by 1%. Joe seconded the motion. All in favor. Motion carried.

**Old Business:**

**New Business:**

- **New Service Truck** – Paul stated that we budgeted \$70,000.00 for a new service truck and that he would like to start looking for one. Chris made a motion to approve Paul to purchase a new service truck for no more than \$70,000.00. Brandon seconded the motion. All in favor. Motion carried.

**Items not on Agenda:**

- **Wage Increase** – The board discussed the option of Cost-of-Living Adjustments. Chris made a motion to increase the employees' wages by 4%. Jeremy made a motion to increase the employees' wages by 5% as of July 1, 2024. Joe seconded Jeremy's motion. All in favor. Motion carried.

**Review Monthly Bills for Payment & Adjourn:** Joe made a motion to review the monthly bills and sign checks. Chris seconded the motion. All in favor. Motion carried.

**Adjournment:** The meeting was adjourned at 7:35pm

**Attested to by:** Lisa Rogers