

CLOVERDALE SANITARY DISTRICT

Board Meeting Minutes

January 10, 2024

1. Board Director Warren called the meeting to order at 7:08pm
2. Directors present were Jeniffer Corcoran, Jon Warren, Candy Pengelly and Brenda Cooper
Kathy Garner was absent.
Staff members present were Operator in Training Jeremy Alexander, Assistant Operators Roger Jesinghaus, Office Administrators Heidi Reid and Jennifer Romero.
3. Correspondence
None
4. Minutes for meeting held in December 2023
The Board was presented with the minutes from the meeting in December 2023. They reviewed them and didn't see any changes that needed made.

Motion

Director Pengelly moved to approve the minutes as written.

Director Corcoran seconded the motion carried with four ayes.

5. Financial Review – Accounts Payable for month ending 12/31/2023
The Board was presented with the invoices that were to be paid for the month of December. Mrs. Reid let the Board know the monthly transfer to capital improvement had been made, DEQ permit fees were paid and a couple of invoices for parts were placed, all other invoices were normal for the month. She also let the Board know the invoice from G3 Electric had come in it was a little over \$6,300 for the repairs and updates to the system. That check was written out of capital improvement.

The P&L and Balance sheet were presented to the Board. Mrs. Reid let the Board know that we had a net loss of \$3,145. This loss was due in part to the DEQ fees. She stated everything looked good on the Balance Sheet, \$9,596 in the General Fund and \$141,444 in the Capital Improvement fund.

The Board was presented with the Delinquent accounts. She let them know Natane Woosley never pays her bill, Falconer will get a letter and we finally received a good address for Mehmet and sent them their bill with a past due statement.

Motion

Director Warren moved to approve and pay invoices for the month of December.

Director Cooper seconded the motion carried with four ayes.

6. Operators Report for the month of December 2023

Mr. Alexander informed the Board that the Plant had produced a good quality of effluent for the month of December. He spoke with John Hurley today, the parts for the pump still haven't arrived. Mr. Alexander stated he's not sure what's going on and the company seems a bit wishy washy. A lot of the parts have to be machined and its down in Missouri. They went to replace a check valve and there were some parts that could be got off the shelf but one of the rods have to be machined and it was \$471. Next time he is going to look for someone local to engineer it. Our electric bill is up a bit because the #2 pump is running constantly. Mrs. Reid asked if there was a way to replace it and Mr. Alexander explained it was so old it needed to be rebuilt, to replace it would cost too much and would be mute when we redo the plant.

7. Unfinished Business

a. Loan application update

Mrs. Reid let the Board know she didn't have any new information at this point.

8. New Business

a. Discussion re: opening an LGIP Account

Mrs. Reid let the Boar know, if we do get the grant, we will need to open an LGIP account. This is a local government pool account administered by the government. It is a high yield interest account; we would utilize it for our Capital Improvement Fund. Their interest rates can run as little as 3% and as much as 10%. It makes sense to make money on our money. Director Warren stated we have a bit of money in our CIF and it would make sense to make the move to a higher interest account. Mr. Alexander asked why utilities can not use a credit union. Mrs. Reid stated she did not know; it could have something to do with the FDIC. Mrs. Reid let the Board know the Water District has roughly \$200,000 in their LGIP account and it made a little over \$5,000 in interest last year. The Board agreed it was a good idea to open this account.

b. Resolution 24-01 Opening an LGIP Account

The Board was presented with the resolution to open an LGIP account. They reviewed it and did not see any changes that needed to be made.

Motion

Director Corcoran moved to adopt Resolution 24-01 Opening an LGIP Account.

Director Warren seconded the motion carried with four ayes.

c. Review & signatures on forms to open LGIP Account

The Board was presented with the forms needed to begin the process of opening the LGIP account. Director Warren and Director Corcoran signed the forms.

9. Unscheduled Business

a. Mr. Alexander stated he received a letter in the mail from Oregon DMV that his licenses may be suspended due to an accident he was in November 22, 2023. He did not realize he needed to file a police report for the accident as the insurance company said they would take care of it, and they never did. DMV told him if he filed the report and showed proof of insurance it would not be suspended. Mr. Alexander said he will bring in copies of the final paperwork once he receives it.

b. Mrs. Reid informed the Board that we have some hefty bills coming out of the account for January. One of them is our Comprehensive and Liability insurance, that bill is almost \$9,000. She let the Board know it went up tremendously this year due to the cost of everything going up. Between that and payroll we have to be careful of our spending for the month to make sure we have funds in the bank to cover everything at the end of the month. She asked Mr. Alexander, if he has any orders that need to be made to please talk to her about it first. He stated if he buys something it has to be done, he doesn't but anything we don't need. Mrs. Reid is just going to have to say yes and figure out how to pay for it. She let the Board know we are not bringing in enough money to cover what needs to be paid out for January. She is going to call SDAO and see if we can break the insurance payment into to payments but she is not sure that can happen. She simply wanted the Board to be aware we are running low on funds in the account.

c. Time to discuss new rate increase

Mrs. Reid let the Board know it was time to begin thinking about the next rate increase and how much they wanted to increase it this time. Mr. Alexander stated it should be \$100 per month, look at the other Districts. Director Warren stated he was not on the Board and it was a Board decision. Mr. Alexander stated it was not out of the realm. Mrs. Romero suggested the Board look at their financials for the month to see what they looked like so they could make an informed decision. Mr. Jesinghaus asked when was the last time we did an

increase. Mrs. Romero stated we did one that took effect in July last year. We were supposed to begin a new increase in November but we didn't do it. Mr. Alexander stated maybe it was time to explain to our customers things at the District are frantic, Mr. Jesinghaus stated inflation. Director Warren asked what our current rate was, Mrs. Reid said it was \$58.50 plus the \$5 CIF for a total of \$63.50. Mr. Alexander asked what Hebo's sewer rate was. Mrs. Reid explained it is \$75. Mr. Alexander mentioned Hebo's sewer district is responsible for pumping their septic tanks, so how is that working out?? Mrs. Reid stated it was working out fine. Mr. Alexander stated it didn't make sense to him. Mrs. Reid explained Hebo went without an operator for roughly three years. When they did their major rate increase, they did it all at once and were able to bank that money for nearly three years. This gave them the leg up they needed to be able to carry forward with current income and expenses. Mr. Alexander asked what they paid their operator, Mrs. Reid informed him it was \$26 per hour, he interjected and Hebo pumps customer tank at District cost. Mrs. Reid explained they two systems are very different with very different expenses. Its like comparing apples to oranges. Mr. Alexander asked how can their cost be so high and ours be much higher when we don't even offer those services. Mrs. Reid explained they are a joint water and sewer district so their income is much greater. Mrs. Reid explained that Hebo's water and sewer bills have been high for a long time, with that, they have created a cushion for themselves over a period of time. Mrs. Reid explained the old Sanitary Board did not want to raise the rates so we do not have that cushion. We have been running on a shoestring budget for many years. Mr. Alexander asked how that happened. Mrs. Romero stated it was the old Boards decision not to do rate increases. Mr. Alexander stated, so now we have to make a major increase. Director Warren stated we are at \$63.50 with all of the fees, Mr. Alexander interjected, and we have no money Jon. Board members began having sidebar conversations at this time. Director Warren stated the Board needed to be quiet, he was going to talk and they were going to listen, what he had to say was important. He stated we were talking about raising rates \$10 to bring it up to \$73.50. Mr. Alexander asked where the \$10 came from, Director Warren stated, out of his head. If we raise it that much right off the bat does that help us and if not what is an amount that will? Mr. Alexander stated that \$10 is \$9,900 a month. Director Warren stated he has the floor and he is talking. Director Warren asked Mrs. Reid if she had a number that will work. Mrs. Reid informed the Board that their minimum rate is going to need to be \$75. Director Warren stated that's not horrible from where we are at now, that is roughly a \$13 increase. Mrs. Reid stated it would be a \$16.50 per month increase. He went on to say this is an increase the customers could take relatively easily, if we move up to \$100 per month, we are going to get a lot of backlash from customers. Mrs.

Reid agreed this was a true statement. Mrs. Reid informed the Board that they need to understand we have a very small customer base and this is a huge part of the problem. Director Pengelly stated it was a lot for her, Director Warren agreed it was a lot of money for all of the customers especially considering they still have a water bill to pay. Director Warren asked if we made a motion now to raise the rate to \$75 would it help us. Mr. Alexander stated, don't do it and at this time he left the meeting. Mrs. Reid stated it would help but not until it is enacted and begins coming in. So, the reprieve will not happen until May or June depending on when we could have the 1st reading. Director Warren believes we have to do an increase to \$75, certainly the rate increase letter will state that along with the fact that we have new operators and a lot of additional expenses now. Mrs. Reid said she would explain it as best as she can. She will begin the process of getting the Ordinance together and hopefully have the first reading in February.

Motion

Director Warren moved raise the sewer rate to \$75.00.

Director Cooper seconded the motion carried with four ayes.

- d. Mr. Jesinghaus let the Board know the School was supposed to be contacting him for substitute work but at this time they have not. He has worked some extra hours at the District, he and Jeremy were wondering how many extra hours were available for him to work. He would like to get more hours to make it worth his time to come in and make time to work at the district. He is going to work more hours and Jeremy has approved the extra help. Mrs. Reid explained he needs to cover Mr. Alexander on the weekends and when he takes his vacations. Mr. Jesinghaus said he can do that with advanced notice. Mrs. Reid explained at this time he really only has 28 hours a month that he can work due to budget purposes. She will review the payroll budget and see where we can pull some extra hours for him to work. She will let him know. Mr. Jesinghaus stated he is looking for work every day and something with benefits, but he will always be available on the weekend.

10. Directors Comments

- a. None

11. Next Meeting Scheduled

February 14, 2024

12. Adjournment

Board Director Warren adjourned the meeting at 7:48pm

Motion

Director Cooper moved to adjourn the meeting.

Director Pengelly seconded the motion carried with four ayes.

These Minutes were approved by the Board of Directors by the following votes:

Aye: _____ Nay: _____ Abstain: _____ Absent: _____ Attest: _____

Board Member

Board Member

Minutes transcribed and submitted by Heidi Reid, Administrator/Bookkeeper