



Regular Board Meeting Minutes
May 21, 2025

The Regular May Board meeting of the Lee Hammond MDWCA was called to order at 18:08 on May 21, 2025, at 414 RD 5500 by Barbara Kiipper.

Present

Barb Kiipper
Teresa Steven
Joe Lewis
Doug Smith
Russell Cloer
Aaron Lee
Tiffany Alcon

After the review of the minutes of April 23, 2025, Barb asked if there were any questions or concerns, Doug thought there was an estimate given for the refabrication of the 2 tanks. Aaron stated it is about \$210,000-\$240,000 each. We do not have a price yet, but that is the estimated guess at what it will cost. Barb asked for a Motion to approve the minutes from April 23, 2025.

Teresa Stevens Motioned, Doug Smith seconded to approve the April 23, 2025 minutes. All in favor. Motion carried.

A handwritten signature in black ink, appearing to be "Doug Smith", written in a cursive style. The signature is located in the lower right quadrant of the page.

Approval of Agenda

The agenda included, Approval of agenda, Consideration and approval of last meeting minutes, Financial report, Operational report, we are removing the approval of the 2024 audit as the final is not complete at this time. Discussion and approval of the accounting policy and procedure manual, and to changes to financial reporting to the Board of Directors, member/Customer issues.

Barb asked for Motion to approve Agenda. **Teresa Stevens moved, Russel Cloer seconded to approve the agenda. Motion carried.**

System Report

Financial Report

Aaron gave a financial report for April, Revenue was \$99,563 83% of the budget. Expenditures were \$163,092 95% of budget. Other Revenue was \$1,546 which was interest income, which was about 206%. Our Net revenue after all of our expenses was -\$101,353.91. Once the Audit is released, these numbers will change a little after the adjustments are made. We used to include everything that we brought in on the revenue, now it doesn't include what we pay out for GRT, or what we pay out for water conservation fees. We take that out of revenue because it wasn't really water sales. We are now trying to move to complete cash accounting so we won't have accounts payable. Accounts payable liabilities will be in there, also capital assets will no longer be tracked in our books, and the auditor will be the one putting them in at the end of each year, but we will track them in a separate program. Doug asked; How does an auditor see all of this, Aaron- They will see all the journal entries made. The transactions still show up, just not on the financial report. All other state agencies have their books done in cash, and when they are audited they are done so on an accrual basis. So from now on the board will see the financial report as a cash basis.

Operation report:

We produced 16,073,641 gallons of water, and sold 14,893,810. Lost was 1,179,831. This does fluctuate every month because of tanks, leaks, and other reasons. We did have a pretty significant break by Magee Park.

We had 4 transfers through the month. And 1 new member.

We did let Earl go, so if anyone knows of an equipment operator looking for a job, we are hiring for another operator/equipment operator. We are giving our younger employees the opportunity to operate a couple hours on Fridays to try and get them some experience.

Update and approval of our accounting policy:

There weren't a lot of changes, but a couple. 1. needing at least 2 signatures on everything. 2. We did adjust the chart of accounts. 3. Travel vouchers have to be on appropriate forms, which includes time employee left and time employee returns. We do have the updated forms available now. 4. Requiring a po for all purchases. 5. A fixed asset log. We do have in place a program called AssetTiger, it is free as long as you buy a few of their tags each year.

Barb asked: Under division and responsibilities, we are using some terminology, and maybe it's always been there, but just picked up on it. But it doesn't necessarily match what we hire at! So who is the executive director? (Aaron). Barb resumed, so it doesn't match a job description listed in the accounting policy. Aaron- These were adjusted when we became a Mutual Domestic. We still need to fix a couple of titles. The Administrator is our 3rd Party accountant. Barb would like to have a target date to find a replacement administrator, as the one currently has made numerous typos, missed deadlines, etc. for bookkeeping purposes. Barb asked if David Berry is gone, Aaron replied, he is not gone, and will only be doing our taxes. She would like us to also look at someone different for that as well going forward.

Aaron has given a time frame of the end of the year to find a new bookkeeper and tax professional to do our taxes. The customer service rep is Sandra.

We don't have to take action tonight on the approval of the updated accounting policy, we can wait until we get the audit back.

Teresa states, we are already doing what is updated in the accounting policy so might as well vote on it.

Motion to approve; Doug Smith made a motion, Teresa Stevens seconded, all in favor.

Member/customer issues;

Doug had some questions about the bylaws. Section 3 and section 4 about the meetings. Section 3; It states the president of the association may declare a quorum for any meeting for the 2 members of the association per the transaction of minutes. Then when you go to page 5 it states 1 half plus 1. Aaron states; these are two different meetings. Yes in section 3 that is a typo and we will need to get those updated for next year's annual meeting. The meeting that is referenced in Section 4 is a meeting of the members of the association. That is the meeting where board members are elected. Once a year we have an annual meeting of the members, most of the time the only ones who show up are the board members anyways. But at that meeting, everyone who has a water meter gets to show up and has a vote on anything we are voting on. So the President runs the meeting, but is not a board meeting, it's a membership meeting. Every other year we have an election of directors, this meeting is where the members get to vote on the incoming board members. If anyone notices more changes that need to be adjusted please make a

list and we can make the changes for the next annual meeting. Aaron does know of one other thing, it has been in the talks about adjusting term limits for board members. Many boards of water systems and probably irrigation systems tend to be the people that up up anyways, and too often it is hard to find replacements. Currently , we have a 2-term limit, which is 8 years total. Barb believes this is great because new people in the roles give new/different view points. This isn't something that will change tonight, but something to think about possibly updating the term limits in the bylaws.

Russel: Last month I called in, and we were talking about projects and upgrades on some things. What is that and where are we at with that?

Aaron: We do have a few , we did get funding for \$450,000 from the State. We basically turned down the first funding cycle, as we aren't ready to spend the money just yet because we haven't gotten the quotes for the tanks. We will probably do that the next funding cycle in or around December. Unless the board decides not to. We will use the money to coat the 2 tanks. So looking at trying to get that done in the winter. We always coat the inside in colder months because water usage is down. We will however still probably have to set up a temporary tank at Songbird because we can't get enough water pressure to the people at the top of Songbird. This is just for coating the inside, we can coat the outside anytime. The other tank would be Cottonwood. There is a small section of piping that needs to be replaced also, we believe there is 3 meters on it for this section. This section of pipe is almost always an annual repair due to it being laid in sandstone. We also have a line by Magee Park that will cost a little more. We are guessing around \$30,000. We have to bury a 6" pipe 15' below the wash.

The Next board meeting will be June 18, 2025. Barb does not think she will be available for this one.

There being no further business, adjourned the meeting at 19:31.