

Rural Water District No. 3

Washington County, Oklahoma

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BOARD OF DIRECTORS

ANNUAL MEETING

April 29, 2019

Chairman Richard Kriege welcomed the members to the 54th annual meeting. Let's all stand and pledge allegiance to the flag.

- A. **The meeting was called to order April 25, 2022 at 6:00 PM.** Chairman called roll: Chairman Richard Kriege, here; Vice-Chairman Bruce Hoover, here; Secretary/Treasurer Robert Scott, here. Directors: Bill Jacobs, here; Max Terrell, here; Gary Burd, here; Steve Cole, here. There is a quorum present, and the meeting may proceed. Let the records show that the annual scheduled meeting of Rural Water District #3, Washington County, OK was called to order at 6:00 p.m., at 10800 N. 140th E. Ave., Owasso, Oklahoma. Notice of the meeting was posted on front door and drive-up window of the district office, mailed to the membership with statements and posted on the website on March 15, 2022. This meeting will be conducted by the requirements of the Oklahoma Meeting Act and only items on the agenda will be addressed. Anyone wishing to address the board must call the district office on Wednesday prior to the monthly meeting date to have your name and the nature of your business placed on the monthly meeting agenda. The monthly meeting of the board is the second Monday of every month at 8:00 AM at the district office and open to the public. Also present is Jerry Gammill, District Manager, David Dollar, Water PAQ Engineering, Jack Roye, auditor, Larry Steidley, legal counsel, Dona Lewis, office manager, Chad Pennington, field supervisor.
- B. **Proof of Notice of Meeting was mailed to membership on March 15, 2022, posted at the drive-up window of the district office, and posted on the website.**
- C. **Reading and Approval of Minutes of the last meeting.** Chairman Kriege, I'd like to have a motion from the floor to either read the minutes or accept as written the minutes of the annual meeting of April 29, 2019. Bruce Hoover made the motion to approve without reading. Motion was seconded by Steve Cole. All in favor, raise right hand. Opposed? Motion carried. There's a copy of the minutes available in the office if you are interested.
- D. **Report of Chairman of the Board.** Chairman, we would like to begin by introducing our new auditor, Jack Roye. Jack Roye, clean opinions I always like to start with the all the good items. It is clean opinions all the way through. Listed on page 1, it is a new report format at the very top on my audit opinion second paragraph. In my opinion, the financial statements referred to above present fairly, in all material respects. The district is in very good shape. Jerry and the staff do a very good job. We always enjoy looking at your stuff. There are always two reports with water districts. The first is the independent auditors report which is referred to and the second one is on page 26 it's a report over Internal Controls.

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The water district here is a very large district, maybe the second largest in the state. They are able to hire enough staff to have enough controls. We have absolutely no findings on the Internal Controls. It means different people take money, count money and deposit money and things of that nature. It applies to all the aspects of the financial statements. Everything looked good. The books are in very good shape. Financial wise if you look at page 9 the water districts balance sheet is very good. You have been over the years to maintain assets. You have over \$57,000,000 million in physical assets. Water treatment distribution systems and your current assets which are your cash, investments, and accounts receivables you run about

\$11,300,000.00. Last year you did sell some bonds took on a little more debt, but you are in great shape. You run about \$17,000,000.00 in debt, on page 17. Overall if you look at the different ratios and different tests that we do this water district is in fantastic shape financial wise. What we have noticed that the management does a good job, and the board participates at a level that most boards don't. The board meetings I have been too they review invoices and discuss things. On page 14 there is a break down on of the different cash accounts and tells you what is restricted and unrestricted. The biggest part of your restricted cash is restricted for debt service and part is for capital projects. You have plenty of free cash to make your payments. On page 13 is a breakdown of the Fixed Assets as they are grouped up. The district has about \$2,300,000.00 in Fixed Assets for fiscal year 2021 and about \$1,650,000.00 is contributions from developers. Your Debt schedule is on page 17 and 18. You have a very manageable amount of debt and your next year's principle is \$591,000.00. You have plenty of cash to make those debt payments. I always like to make highlights and always will take questions if anyone has any about the financial audit we performed. Thank you. Richard Kriege. I want to take some time and show my appreciation for the people that run the water district. The board sits and does advisory but the people that actually run the water district are the seventeen employees we have that do a super job. I need to recognize each and every one of them if they will stand as I call their name. Jerry Gammill is our manager and he has 24 years with this water districts. Dona Lewis has 21 years, Debbie Jacobs has 17 years, Michelle Pack has 14 years, Chad Pennington has 11 years, Tom Still has 28 years, Randall Crase has 15 years. Doug Stickles, Doug is a champion. He has 42 years with the district. Just Witt has 2 years, and our newest member Paul Turner has 1 month. Randy Walker has 35 years, Mike Calhoun has 32 years, Fred Taylor has 16 years, Clyde McCain has 5 years and David Hayes has 9 months. Tim Dunagan has 16 years, Mark Loucks has 7 years. Give them a round of applause. During Covid time they never had a down time, always kept things going. It has been three years since our last Annual meeting. The last meeting, we had around 10,490 water meters then and now we are up to 11,340. So, we had about 500 customers a year. We are just getting started because we have developments coming on and will be larger next year.

- E. **Public Comments.** Chairman Kriege, do we have any public comments? A member complained about the mess in his front yard from 3 water repairs. A member asked if the water rate increase was earmarked for future infrastructure. A member praised the repair of yard work done on their property. Another member said she was moving to another water district where the membership fee was \$1400.00, she has always enjoyed the water provided here.

F. Discussion, consideration and possible vote of the membership to increase the meeting reimbursements to Board Chairman, Secretary / Treasurer and other Board of Director members. (Explanation: The proposed amendment is intended to help in deferring personal expenses uncured by the Board of Directors in attending meetings.) Richard Kreige. There are several reasons for that. It is a burden on people with jobs because our meetings are at 8:00 and usually run until 10:00 or 11:00. So, if you're on the job you lose about 3 hours of labor on your job. The other thing is that we have a tough time finding people to sit on the board and finding young people that will sit on the board. We find a lot of people that are retired but we can't find anyone that really in the prime of their life where they can be on the board for the next twenty years. At this time, I would like to propose we take a vote and change the numbers. The last time we voted on this it was 2015 which was seven years ago. The Chairman gets at the present time \$125.00, and the proposed amount is \$200.00. The Secretary / Treasurer the current amount is \$75.00 the proposed amount is \$200.00. You would be surprised how much work the Secretary / Treasurer has keeping track of the money when you have a lot of money. Spend time at the bank and getting the certificate of deposits. In your envelope there is a white slip. Doug Stickles made a motion to vote. Gene Austin seconded. A member asked if this increase is per meeting or month? How often do they meet? Richard Kreige. We meet once a month and sometimes we have a special meeting. This doesn't get paid when we go to conferences and things like that. A member asked is if there was feasibility study from other districts on the how much they pay? We want to be fair and what are the other districts doing? As the audit made the comment earlier, we are second in state in size. We want to be fair to each and every one of you. What you are proposing to us that came out with our April 15, 2022, statement. It could be too low, or it could be too high. My question is was there a study done so we know the pay? Richard Kriege. There was no study done. We had a motion earlier from Doug Stickles. Gene Austin seconded. All in favor, say aye. Opposed? Motion carried. Let's turn in your ballots and make sure we get an accurate count. We didn't have an election since 2019 and that was three years ago. So, the people in post #1, 2 & 3 are up for election this year, without any covid consideration. People in post # 4 & 5 will serve one year then be up for election again. The next year people in # 4 & 5 will be up for election or their term will end. People in post # 6 & 7 will be elected for two years and then in two years will be up for election then. The only way we can straighten out our voting situation where we have a rotating election. The results for the board pay raise are seventy-seven for, twenty-four against and 6 disqualified.

G. Election of Directors for Post positions:

Post # 6 – Robert Scott. A member nominated Terri Cooper on the floor. Terri Cooper asked to speak. Thank you, Deloris, for the nomination. I'm sure most of you are wondering who I am. Give me a couple of minutes of your time I will let you know. I am a married, conservative, patriotic, Christian and I would be most humble to have an opportunity to serve my community as a board member of Rural Water District #3. What qualifies me for this position is I believe I'm a resident of Collinsville since 2010 and Oklahoma has been my forever home. I hold a bachelor's degree from the University of Oklahoma, and I have been employed for the same company for nearly thirty years. I work has a contract management department which deals with attorneys and their legal teams. I brace the use of all technology that will enhance services to our members while keeping water cost down and quality up. I have no conflict of interest, no hidden agenda,

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no dog in this hunt. My motives are strictly community involvement and to serve fellow neighbors. I sincerely appreciate if you mark my name for post #6 Terri Cooper. Thank you. A member would like to hear from Robert Scott. I have been on the board for a while now. I'm the Secretary / Treasurer to the board. I got on the board to make sure our district ran well, and I think looking at the books you can tell it is well. I would love to continue with the board for a while longer if that's your opinion. But vote your heart out. Richard Kreige. Are there any more nominations? Ok mark your ballots, the pink one. Robert Scott had 70 votes, Terri Cooper had 27 votes and 8 disqualified. Motion carried.

Post #7 – Gary Burd. Michelle Pack nominated Terri Cooper. Melissa Allensworth seconded. Mark your yellow ballots. Gary Burd 71 votes, Ms. Cooper 31 votes and 3 disqualified. Motion carried.

Post #1 – Steve Cole. Doug Stickles made a motion to reelect by acclamation. Richard Greene seconded. All in favor, say aye. Opposed? Motion carried.

Post #2 – Bruce Hoover. A member made motion for Terri Cooper. Richard Greene seconded. Terri Cooper. In your opening remarks you had made mention that you wanted to see a more diverse board with younger members. The gentleman over here alluded to that too. Also, you don't have any women serving on the board so I think I would be more than qualified to break that threshold and provide some adversity to for you. Richard Kreige. You would not be the first female on the board. We welcome all members. Ok mark your green ballots. Bruce Hoover 74 votes, Terri Cooper 28 votes and 3 disqualified. Motion Carried.

Post#3 – William Jacobs. Doug Stickles made a motion to reelect by acclamation. Richard Greene seconded. All in favor, say aye. Opposed? Motion carried.

Post#4 – Max Terrell. Michelle Pack made a motion for Terri Cooper. Keith Wall seconded. Please vote on the purple ballots Max Terrell 67 votes, Terri Cooper 34 and 3 disqualified. Congratulations Max.

Post#5 – Richard Kreige. Louis Allensworth made a motion for Terri Cooper. Aretha Braggs seconded. Please vote on the orange ballots. Richard Kreige 73, Terri Cooper 31 votes and 3 disqualified. Richard is on for another year.

H. **Drawings for Door Prizes.** Twenty \$50.00 cash prizes were given to Glenda Burnley, Ed Harrelson, E Michell Borthick, Monte & Terry Lee, Clayton Cooper, Charles Hess, Jerry & Margaret Biggs, Frank Smith, Wesley & Jean Patterson, Robert & Lanece Young, Paul McWilliams Lee DeBoer, Leonard Bowdle, Donald & Kathleen Oliver, Dennis & Maureen Satterfield, Frank & Virginia Taft, Nancy Stout, Herb Gentowski, William Morgan, James Smith. Two \$100.00 cash prizes were given to Nora Anderson and Robert Szerbiak. Charleen Oswald received a \$200.00 cash prize.

I. **Public Comments.** A member asked what the process a person has to go through to get a rural water fire hydrant or see where they might be. I know a fire hydrant must be off a 6" main and there is a lot of places in the country that does not have hydrants. Have you ever discussed placing hydrants throughout the district for safety? Richard Kreige. We have fire hydrants throughout the district and where they are at you can probably get the

information from Chad or Doug. Every time we put in a 12" line we put one on every corner. Helga McElhoe. I've been a customer for along time. The Washington County line doesn't have any. Richard Kreige. The first thing we need to do is survey what size of line is in your area. Then we can determine if we can put one in or not. If it's on a 2" line or something like that we don't approve. It's usually on a 6" or an 8" waterline. Kyle Smalygo. I want to stand up and commend everyone that did vote for the raise. For these civic people that stand-up and do what is good for the community. I think that they do battle the fact that volunteers could do this and by raising this you should see a better clientele of people volunteering to do this for the fee. As one gentleman said it could too low or too high. I think when you look at the judiciary obligations this board does, they put themselves at some liability to themselves. So they should be compensated for that and in the future that if by the pay they could get more people to sign up for the board. Secondly, I challenge the board to consider the board to have evening meetings instead of daytime so more people not giving up their job times to do that. Something to consider in the future. I know a lot of districts do that and thank you for your vote for the pay. Richard Kriege. We used to have the meetings of an evening, but they last a lot longer because nobody has a place to go. Some would go from 6 in the evening until midnight. We get more visitors in the morning meetings. A member. We used to get a letter in the mail, where you have done water quality test? Jerry Gammill. It's called a consumer confidence report and we post it on our website. You can call the office and we'll make you a copy. Cathy Smith. I live at 12286 N Marion Ave. My neighbor across the street had a water leak and the water ran under the street into my yard and filled my septic tank. I had to have it emptied twice. She called two weeks before I found out about it and when I looked out in the street to see I had water. We took the cap off my septic, and it was a mess. She called in two weeks before I did. Her name is Marty Wilson. She told me that she done called the district and they had more fish to fry right now than to fix her leak. I called the county as well that day and they said they were backed up. That they couldn't get to it. I had it emptied on March 4, 2022 and it cost me \$325.00. Well then, I found out about the water leak and had it emptied again on March 25th for \$325.00 and I called the water company two more times to see when they were going to get this fixed. It caused my washing machine to back up in my house and messed up my flooring. The office said they were short on help and getting to it as soon as possible. I called the county again and she said she would send a gentleman out to access the situation. He said this was first time he had heard about it. He found a leak on Rural water. Point being it didn't get fixed as soon as I thought it should get fixed. They took over six weeks to fix this leak. I think the county should reimburse me for one of these times we cleaned out the septic. I talked to a young lady that didn't sound even twenty years old. This was Friday and Tom said we couldn't fix it until Monday because everyone has gone home. I pay my bill every month. My fence row is weak because the county didn't fix it. Richard Kreige. Let us investigate it and out it on the board for consideration which is the 2nd Monday of the month. We will put it on the agenda. A member. I have never had that problem. We know the water district is in good financial shape and it seems that the district is responsible for the time it took to repair that damage. That the district is responsible in that case. Richard Kreige. We can't address that because it's not on the agenda. We will put it on the monthly meeting for next month. Own Worley. The woman with the issue water and sewage. I think it's terrible because the amount of money lost is huge. On the other hand, I would like to compliment the district during covid I was putting in a waterline. The waterline was supposed to be on the other side of the street. I drove a t-post and hit the waterline. I immediately got a hold of the district and the dispatch got

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hold of the after-hour people. After-hour people was out to my place in 30 minutes, and they had it fixed in 1 ½ hour. I appreciate them attending to us as members after hours.

- J. **Adjournment.** A member Richard Greene made the motion to adjourn at 7.28 p.m. Doug Stickles seconded. All agreed and were invited to enjoy the dinner.

Robert Scott, Secretary/Treasurer

Recorded By:
Dona Lewis

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