

MINUTES

OZARK MOUNTAIN REGIONAL PUBLIC WATER AUTHORITY Special Called Meeting March 4, 2019 Valley Springs City Hall

Andy Anderson, Skip Armes, Bill Braden, Gale Ruhwedel, Steve McCallister, Charmaine Seaton, and Don West were present.

Chairman Anderson called the meeting to order at 6:00 p.m. He stated that the purpose of the meeting was to deal with the Judge's ruling that ESI is excused from the S&J lawsuit meaning that we will have to pay the legal expense to defend our non payment and to deal with some personnel matters.

The attorney for S&J has just filed a motion with the court to bring ESI back into the suit but we do not have a ruling on that at this time.

The Highway Department will not approve the work S&J did on the Highway bridge crossings over the Buffalo River. S&J says it was faulty design and ESI says it was faulty workmanship. We are caught in the middle and are withholding final payment to both S&J and ESI for those contracts.

S&J says we owe them approximately \$120,000.00 for the original work plus extra expenses for their attempts to repair the faults. The contracted money is on deposit with the Newton County Court pending the trial. Estimated repair costs were \$250,000.00 a year ago. ESI is no longer involved due to the Judge's ruling on statute of limitations. We are left to defend ourselves. Our additional attorney fees are estimated to be \$70,000.00. Mr. Braden asked what would happen if we sued S&J for not properly doing the job, and if we lost could we then sue ESI? Mr. Anderson will discuss that with the attorney.

Mr. Anderson is trying to get the remainder of our \$257,000.00 ANRC loan converted to a grant for the legal expenses. USDA will allow us to take money out of debt service reserve for the legal expense but it would have to be paid back within sixty months. That would take about \$1,150 extra per month that we do not have.

Our attorney Bruce Tidwell says we need to get depositions now to be ready for a May court date. The consensus of the Board was that we should discuss with the attorney and proceed as required.

Plant manager Gayle Stude plans to leave that position on soon. Darrell Ott will take over that position. An additional employee will need to be hired. Mr. Ott

would like to hire two entry-level employees. The consensus of the Board was to attempt to hire an operator with Class 4 first.

Mr. Anderson stated that Mr. Ott will get an increase in pay when he takes over as manager and that Mr. Stewart also needs a pay increase. The Board was in agreement.

Mr. Anderson has been doing a lot of work at the Plant that could be done by employees. Mr. Ott will take over some of what Mr. Anderson has been doing.

Mr. Anderson stated that no funds have been put into Certificates of Deposits yet due to the unknown S&J legal expense.

The meeting adjourned at 7:20.

Joyce Anderson, Secretary

Approved