

Heceta Water People's Utility District  
87845 Hwy 101  
Florence, OR 97439  
April 21, 2026  
Board of Directors' Meeting

1. CALL TO ORDER

President Rohner called the meeting of the Board of Directors of the Heceta Water People's Utility District to order at 4:00 pm on April 21, 2026.

2. ROLL CALL

Directors: Wendy Rohner, Debby Todd, Vito Coviello, Frank Spencer and David Goss; Secretary of Record Brittany Hornung; General Manager Carl Neville, and Administrative Assistant Cindy Spinner, all present.

3. PUBLIC COMMENT

No public comment.

4. APPROVAL OF MINUTES

ACTION: Director Goss made a motion to accept the minutes of HWPUD Board of Director's meeting of February 17, 2026, as presented. Director Todd seconded the motion. Directors Rohner, Todd, Coviello, and Goss voted aye. There were no nay votes. Director Spencer abstained.

5. PRESIDENT'S REPORT

No president's report.

6. FINANCIAL REPORT

a) Secretary Hornung reported that the District financials are in good standing. She went on to say the financials represent nine months of the fiscal year and we are nearly through the tenth month. She stated at this point we start paying extra attention to the money being spent to make sure there is no danger of over-expenditure across any category or fund. President Rohner asked if the Board needs to be worried about anything. Secretary Hornung responded that financials are looking good. She discussed that \$475,000 was redeposited to the Oregon Short Term fund in February. President Rohner asked if the rate changed or was it just due to the increase balance. Secretary Hornung responded that the balance has gone up but the interest rate has steadily gone down. Director Todd inquired about the five-cent fee. Secretary Hornung stated the five cents is a transfer fee, we did two transfers and were charged ten cents. Director Spencer inquired about why there is a \$200 thousand variance in water revenue. Secretary Hornung stated the year to date is monies that have come in through March compared to the total budget number for the entire fiscal year. Director Spencer inquired about the variance for the new office and shop being over \$173 thousand. Secretary Hornung responded that delays in payment carryforward were included in last year's budget but expense this year's budget. She went on to say that the total in Capital Outlay is under budget.

ACTION: Director Spencer made a motion to accept the financial report of March 2026, as presented. Director Todd seconded the motion. Directors Rohner, Todd, Coviello, Spencer and Goss voted aye. There were no nay votes.

b) FY 2024-25 Audit Report – Secretary Hornung presented the audit report. President Rohner mentioned the statement included in the report under internal controls there is a deficiency in internal controls. Secretary Hornung stated that is boiler plate language and the auditors are limited in scope and not designed to identify all internal control deficiencies. Director Spencer asked if we should expand the auditor's scope. Secretary Hornung stated that if we chose to have an internal audit that would be a different audit. She went on to say this State mandated audit covers the financial report, looking for material misstatement and risk based on internal controls. Director Todd asked if the auditor looks at the bank statements and compares them to the financials. Secretary Hornung states they will take

samples based on the percentage of assessed risk, asking for samples on random transactions. GM Neville asked if the District is required to have an audit as a PUD. Secretary Hornung believed based on revenues we would be required to have a financial audit, which also helps with State loans and grants. Director Spencer inquired about looking for alternative auditors. GM Neville believes there are very few auditors available.

ACTION: Director Todd made a motion to accept the FY 2024-2025 Audit Report, as presented. Director Coviello seconded the motion. Directors Rohner, Todd, Coviello, Spencer and Goss voted aye. There were no nay votes.

## 7. STAFF REPORT

GM Neville discussed Operator Paselk's testing and passing the Filter Endorsement in March. He reported on the raw water generator fire caused by a faulting block water heater pump. He says we may need full replacement of the control panel but will know more on Friday when Pacific Power Group comes out to look at the generator. President Rohner inquired if this is covered by insurance. GM Neville will contact Zolezzi Insurance to confirm. Director Spencer asked if we missed regular maintenance. GM Neville stated the generators have maintenance every six months. Director Spencer inquired about the locates and the high volume for one vendor. GM Neville discussed the process of locates can be time consuming, but we know based on experience that lines get damaged without marked direction. Director Spencer is asking if there could be a charge for locates to cover the time of staff. GM Neville will investigate our options. Directors continued discussing water rights, easements, the process for establishing and whether we could expand the permits. GM Neville will research and report back to the Board at a future meeting.

## 8. UNFINISHED BUSINESS

No unfinished business.

## 9. NEW BUSINESS

a) Appoint Budget Committee Members – Admin Spinner mentioned that Jerry Ward and Wade Davenport have agreed to serve another three-year term, if the Board approves their appointment.

ACTION: Director Todd made a motion to appoint Jerry Ward and Wade Davenport as Budget Committee Members serving a three-year term. Director Goss seconded the motion. Directors Rohner, Todd, Coviello, Spencer and Goss voted aye. There were no nay votes.

b) Employee Health Coverage Opt Out Policy – GM Neville introduced a summary explaining how this policy came into effect, due to inquiry by a staff member. He stated the attorney has reviewed and approved the policy. He stated it would be a saving to the District even with the stipend offered in the opt out policy. He did mention that our insurance is age and use driven. President Rohner asked if that means the young staff opt out it would cost the District more to cover the others. GM Neville stated yes but if the others opt out it would cost us less. Director Goss stated with the savings between the stipend and the premium cost of insurance would probably offset any rate increases, creating savings for the District. Director Todd stated she had some thoughts on the opt out policy. Her view is that the District should provide insurance benefits to all employees as it was offered as part of their employment package. She does not feel right about reducing benefits. Directors continued to have an extensive discussion regarding the policy.

ACTION: Director Spencer made a motion to accept the Employee Health Coverage Opt Out Policy, as presented. Director Goss seconded the motion. Directors Rohner, Coviello, Spencer and Goss voted aye. Director Todd voted nay.

c) Proposed Rate Increase – GM Neville presented a summary explaining the need for a rate increase to get above the affordability rate to qualify for \$400,000 forgivable loan with Business Oregon. He reported that the Board shall make a decision on what increase to impose and present next month in a public hearing and vote for the resolution to go into effect 7/1/2026. Director Todd inquired about what the average usage is for customers. GM Neville stated the average varies as usage is seasonal. He went

on to say a bill for a family of four is about \$47.23 a month and with a 6% increase it would go up \$2.84. Director Spencer asked what date the last rate increase went into effect. GM Neville stated August 2022. Director Spencer asked what the CPI was in the last four years. GM Neville stated this year it is 2.7%, with four years well over 6% accumulative. Director Goss stated as a consumer he would expect a rate increase as prices are going up for other services and 6% is reasonable. Directors discussed varying rate increase options.

ACTION: Director Goss made a motion to accept the 6% rate increase, as presented. Director Spencer seconded the motion. Directors Rohner, Todd, Coviello, Spencer and Goss voted aye. There were no nay votes.

d) GM Evaluation – President Rohner asked that everyone complete the evaluation form and return to her.

#### 10. ITEMS NOT ON THE AGENDA

GM Neville made a statement that although this is not an official notice, he is looking to move out of town. He would be interested in staying with the District in a different role. He would like to continue to be a benefit to the District. Board planned to continue the discussion at a later meeting.

#### 11. AGENDA SUGGESTIONS FOR FUTURE MEETINGS

- a) 2026 COLA/Salary Survey
- b) Appoint two Budget Committee Members
- c) 2026 Board Elections – Dates for candidates to file July 7<sup>th</sup> thru August 18th

#### 12. ADJOURNMENT

The meeting adjourned at 5:26 pm.