



## **PUD BOARD MEETING MINUTES**

**JANUARY 10, 2012**

**PRESENT:** Tom Ashmore, Mike Elmore, Marla Skroch, Rod Peterson, Richard Kessler, Roger Prowell, Patsy Busick, Jeb Miller, Tom Peachey and Ben Beseda.

**Note:** Rod Peterson attending meeting via conference telephone call.

**GUESTS:** Nate Reagan.

**Meeting called to order at 6:30 pm by President Tom Ashmore.**

**Motion by Mike Elmore; second by Marla Skroch to approve the December 13, 2011 minutes and consent agenda. Motion approved 5 ayes, 0 nays.**

**PUBLIC COMMENTS:** None.

**First order of business was the 2010-2011 Fiscal Year Audit report presented by Nate Reagan representing Friend & Regan, P.C. He gave a explanation of his firm's audit and the position of the District. He indicated the records were clean, in better condition than years' past. The records didn't show any collectability problems and the District is in sound financial shape.**

**The only issues while performing the audit were expenditures for goods and services received prior to June 30, 2011 were posted after the fiscal year ended; and pumps/wells/reservoirs operational expenses would be more appropriately identified under capital outlay. There was a error in the reporting Audit of Financial Statements of the expired terms of office of the Board of Directors and their positions. Nate assured the Board he would make the proper changes and file a corrected copy with the Secretary of State. Mike Elmore asked several detailed questions about the audit concerning the accompanying letters to the audit. He thanked the District's personnel for their cooperation and professionalism working with his staff and has enjoyed the long term relationship with the District.**

**FINANCIAL REPORT:** Patsy Busick presented financial reports. With interest earned by December 31, 2011 of \$335.10, less \$10.06 service charge and transfer of funds to the CSB general checking account of \$15,000.00 the LGIP account balance was \$793,312.25. As of December 31, 2011, Columbia State Bank account balance was \$52,630.13. The balance of the CSB SDC checking account as of December 31, 2011 was \$27,728.39. CSB Connections checking account was \$12,519.43. The balance of the CSB Service Deposits Held-Restricted account as of December 31, 2011 was \$19,017.01. Financials were approved as presented.

**ENGINEER OF RECORD REPORT:** Ben Beseda presented the Engineer of Record report.

**Sunrise Estates Expansion:** This project is still one line, still working on financing.

**Ben indicated no new items have come up over this past month.**

**DISTRICT MANAGER'S REPORT:** Roger presented his Manager's Report .

Reminder of the Special Districts of Oregon Annual Conference February 10-12, 2012. Any Board members interested in attending need to inform Patsy by Friday January 13<sup>th</sup>. Tom Ashmore and Roger Prowell will be representing the District at this conference.

Mr. Peachey and Roger made the most newsworthy events in The Dalles Chronicle for 2011. Also article "Kicking Dirt" written by Roger was published in the OAWU Journal. This article was about LC3 nitrate issue and the solution to this water quality situation.

The system has finally reached hydraulic harmony with LC3 and the well has been running close to 20 hours per day and making about 444,000 gallons of water per day. Reservoir levels are reasonably flat in the main system and Allen Reservoir moves 3-5 feet per day. Our latest nitrate level officially was 1.55 ppm which is a very nice number.

There is a new data sheet in the Board packets beginning this month entitled Transaction List. This will be a monthly addition per recommendation by the auditor. The goal is to ensure that no person is getting an unfair deduction on their water bill. The form will be printed out at the end of the normal billing, reviewed and signed for approval by Roger.

Lea has been working on the aged accounts. She and Roger had a meeting with Windermere Real Estate office personnel regarding an outstanding bill from a foreclosure in which they handled the sale. The outcome of the meeting was positive and successful and the realtors now have a better understanding of the importance in contacting us for any outstanding balances before closing escrows. The District and the Windermere office now have shared paperwork to prevent this type of issue in the future.

Roger's Power Point presentation showed the normal charts and graphs showing water production, revenue, unaccounted for water. Also photos of progress in the field were shown.

Field crew completed the new work bench at the shop. Also work continues on the ADA approved bathroom. Major maintenance on the smaller equipment was completed and organized storage shed. Also the crew worked on the fencing at our reservoir sites to help assure no unauthorized entry.

Jeb is now the new President of the Wasco County Underground Coordinating Council and will hold rein for the year.

Jeb and Roger are going to Salem on January 24<sup>th</sup> for initial review of our Water Management and Conservation Plan. They will also pick up a rebuilt motor at Tri-Motor Machinery in Canby.

Dan Hardin of Datamatic Corporation gave a most interesting presentation Monday on the newest system to electronically read meters. The data collected not only provides the meter reads, but also reports meters that run backwards to locate backflow issues in the distribution system. The batteries are replaceable and battery life is longer due to the low power needed to transmit the data. The units are also designed to accept new programming over many years and are conceived to last for decades. They also have a remote valve that can turn on individual service lines from the office computer. These units, again, can be used with a new technology that can locate leaks in the distribution.

Jeb presented the Board with an understanding of the Lockwood Project. The project will be done in-house using the knowledge and experience of the field staff. The cost estimate of the project is 40K. Considering the purchase of a used 1-ton dually 4x4 with small dump bed, the District can remove the spoils, haul back-fill material and pull our equipment trailer. We can also save \$10 per yard for crushed rock by hauling the material ourselves.

**OLD BUSINESS: None.**

**NEW BUSINESS: Preliminary Budget Discussion was held. The mission for the District this fiscal year is to put 200K into LGIP. With a decent water year it will be possible and next year at this time we will have close to 1M.**

**The 60K paid by Sunrise Estates for the SDC's is an opportunity to fund the Lockwood Project. Mike Elmore questioned if the project was already a budgeted item. Roger explained it is but limits the funds deposited in the reserve account.**

**Rate increases over the next three years was discussed. Mike Elmore's point of view is if we need it, he's not opposed but would like to see the revenue generated by a 1 ½% and a 3% rate increase. Consideration was taken on a 1 ½% rate increase over the next 3 years. Counsel advised it can happen with the proper procedures and Board approval.**

**The long range plans is to have the Second Street Project designed and working with the City of The Dalles on construction by 2014. The estimated cost of the project is 500K. Other projects that need to be considered in the meantime is line replacement on Verdant Street which is designed and ready to begin and field data suggests Floral Court needs the line replaced as well. Estimate for both projects would be 100K.**

**The question to the Board was their desires to focus on 1M in the reserves account or utilizing the funds to invest in infrastructure. The Board agreed they are comfortable proceeding with the Lockwood project this year, Verdant Street and Floral Court projects in 2012 or 2013 and the Second Street project in 2014.**

**Rod Peterson commented he would like to wait and see where the District is financially before a rate increase is considered.**

**TRAINING SEMINARS & CLASSES: Special Districts Association of Oregon will hold its annual Conference February 10-12, 2012 in SunRiver. Tom will be attending representing the District and the Mid-Columbia Fire & Rescue and Roger will also attend.**

**OAWU Conference will be March 6-9, 2012. Roger and Jeb will be attending this year. Roger will give his presentation "Water Hunters" at this year's conference.**

**BOARD COMMENTS: None.**

**With no further business, motion by Marla Skroch; second by Mike Elmore to adjourn meeting. Motion approved 5 ayes, 0 nays.**

**Meeting adjourned at 8:08 pm.**

**Submitted By: \_\_\_\_\_  
Patsy Busick, Admin./Human Resources**

**Approved as to content at regular meeting held February 14, 2012.**

**By: \_\_\_\_\_  
Tom Ashmore, President  
Board of Director**