



PUD BOARD MEETING MINUTES

JULY 28, 2009

PRESENT: Tom Ashmore, Mike Elmore, Marla Skroch, Gene Tobie, Rod Peterson, Roger Prowell, Patsy Busick and Ben Beseda. Attorney Tom Peachey absent.

GUESTS: Charley and Delma Roush, Bruce Humphrey, Jeb Miller, Sam Bishop and Lea Stephens.

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

Motion by Mike Elmore; second by Marla Skroch to approve the June 9, 2009 minutes and consent agenda. Motion approved 5 ayes, 0 nays.

PUBLIC COMMENTS: Charley Roush voiced his concern regarding the upcoming water rate increase. He asked that the Board reconsider their proposed rate increase.

Bruce Humphrey, owner of the Columbia Cinema, expressed his concern of another rate increase and compared to other towns such as Hermiston and Pendleton, our water rates were extremely high. He also asked that the Board rethink their proposed rate increase.

FINANCIAL STATEMENTS REPORT: Patsy Busick presented financial reports. With interest earned in June 30, 2009 of \$409.47, balance of LGIP account was \$504,461.09. As of June 30, 2009, balance of Columbia River Bank account was \$42,501.93. Financials approved as presented.

ENGINEER OF RECORD REPORT: Ben Beseda's Engineer of Record report included: Attended a financial funding class in Mt. Vernon with Roger Prowell. Representatives from USDA Rural Development, Oregon DEQ, Oregon DHS Drinking Water Program and OECDD (now Oregon Business Development Department), RCAC (Rural Community Association Corporation) gave a presentation. Ben explained that in order to qualify for any funding monthly rates need to be at state average for similar systems. Poorly maintained and financially broke systems qualify for funding, especially grants, better than systems with low rates and better maintenance. He noted that the data gathered with the hydrant flushing program, which is now complete will play a vital role in the pending hydraulic model project. He also discussed the paperwork process that Larry Toll, previous Wasco County Water Master and current employee with Tenneson Engineering, is prepared for Water Resources Department. No news on the Sagetech move in or site work at the former Westgate Market. From other sources heard that there schedule has decelerate and there may not be much happening on the site in the short term. Tenneson Engineering has been retained by Bert Hodges to prepare a site grading plan and partition application on his property off of Irvine Street. The work will include how to address the deep burial of an existing District waterline.

DISTRICT MANAGER'S REPORT: District Manager's report included: Yesterday, July 27, 2009 was a recording breaker, pumping 1.922 million gallons per day. The Internal Revenue Service (IRS) issue regarding the 940 form for December 2002 is in the process of being resolved. The OECDD made a billing error in the intertie project debt service payment of \$18,426. This balance is now due and payable. There will not be any penalties or additional interest charged.

Roger highlighted on the one year improvements and accomplishments made to the District since his initial hiring and commented that back-up water sources and reliability of the system has

greatly improved. The other area of improvement is that the current staff understands the system, have energy and heart in working for the District and providing quality water to the community.

Roger presented a power presentation on the "Big Picture" The main message of the presentation was that fixed costs compose the very large percentage of the budget and that additional debt service has been incurred during the past few years. A rate increase is necessary for the District to function.

OLD BUSINESS: Discussion of the budget process was held. Motion by Mike Elmore; second by Rod Peterson to form a committee of citizens and board members to work through the budget process. Motion approved 5 ayes, 0 nays. It was suggested the Charley Rouse and Bruce Humphrey participate in the committee. Date and meeting schedule will be announced at a later date.

NEW BUSINESS: Patsy verified that all board members completed the disclosure forms and mailed to the accountant's office preparing the District's audit.

Roger suggested Mid-Columbia Fire and Rescue contact the District through the on-call phone (541-296-5363) of any major fires to ensure water needed and yet still providing adequate water to the customers of the District. President Tom Ashmore will pass on the information to Fire Chief, Robert Palmer.

If was asked by Roger that the Board meeting scheduled for September 8, 2009 be moved to September 15, 2009; all Board member agreed.

Mike Elmore asked at last Board meeting for a survey of other agencies' sick leave compensation which was provided. After reviewing the information received, motion by Mike Elmore; second by Rod Peterson to adopt by majority vote a new sick leave program consisting of:

"Beginning July 1, 2009 each existing employee is granted 104 hours of sick leave. Of the 104 hours, 92 hours will be credited to the employee's individual sick leave account. The remaining 12 hours will be credited to the employee's Extended Illness Bank. Employees hired after July 1, 2009 will be granted 104 hours of sick leave, 92 hours in the individual sick leave account and 12 hours in the employee's Extended Illness Bank upon the 1 year anniversary.

The District will provide 4 hours of sick leave per bi-weekly pay period. 3.8385 hours will be credited to the employees individual sick leave account and 0.4615 hours will be credited to the employee's Extended Illness Bank.

An employee must submit a doctors' statement and a written request to the District Manager that clearly states the need for access to the Extend Illness Bank account. The District Manager must approve the request for access to the Extended Illness Bank and will notify the Board of such requests and actions." Motion approved 5 ayes, 0 nays.

TRAINING SEMINARS & CLASSES: All field staff are now certified flaggers. Roger and Ben Beseda attended the financial funding class in Mt. Vernon. Bill VanEk and Sam Bishop will be attending a control valves class in Springfield on August 4, 2009. Bill VanEk will also be attending the OAWU conference in Seaside August 17-20, 2009.

BOARD COMMENTS: Rod Peterson asked Roger how many man hours it will take to complete the valve exercising program. He was informed it will take a field crew of four approximately 2-2 ½ months.

EXECUTIVE SESSION: Regular meeting adjourned to executive session at 7:55 pm under ORS 192.660(2)(i).

Executive session adjourned to regular meeting at 8:02 pm.

Motion by Mike Elmore; second by Marla Skroch that the District Manager's contract date be moved to July 1st "Terms #5" be removed from the contract. Motion approved 5 ayes; 0 nays.

With no further business, motion by Mike Elmore; second by Rod Peterson to adjourn meeting. Motion approved 5 ayes, 0 nays. Meeting adjourned at 8:04.

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

Approved as to content at regular meeting held August 11, 2009.

**By: _____
Tom Ashmore, President
Board of Directors**