



PUD BOARD MEETING MINUTES

SEPTEMBER 15, 2009

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

GUESTS: Bruce Humphrey and Jeb Miller.

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

Motion by Gene Tobie; second by Mike Elmore to approve the August 11, 2009 minutes and consent agenda. Motion approved 4 ayes, 0 nays.

PUBLIC COMMENTS: None.

FINANCIAL STATEMENTS REPORT: Patsy Busick presented financial reports. With interest earned in August 31, 2009 of \$366.74 less \$10 service charge account balance was \$520,211.47. As of August 31, 2009, balance of Columbia River Bank account was \$86,373.61. Financials approved as presented.

ENGINEER OF RECORD REPORT: Ben Beseda's Engineer of Record report included: No site team items involving the District. Last month spent a couple of hours with Roger reviewing capital improvements list. Items considered are master planning, mapping and hydraulic modeling. Time line to begin will be after completion of valve exercising.

Mike Elmore asked Ben about the mainline the goes under I-84 at Snipes Street. Ben will look into it in depth and report at next Board meeting.

DISTRICT MANAGER'S REPORT: District Manager's report included: Presented letter to community budget committee participants from Tom Ashmore which was approved and signed got through the budget committee process with good recommendations from the committee; made good strides in water rights process. The District received a successful audit from state of OECDD funds. Meeting with Nate Reagan, District's accountant, and got a draft report of '08-'09 audit recommending the following: 1) better tracking of capital to maintenance items; 2) balance CUSI to Quickbooks; 3) the need of District Manager to look at each bill and document where/which account goes. Got the meter boxes moved for Ron Carter on W. 10th St. Valve maintenance is continuing with approximately 40% completed. Have respiratory program in place for asbestos pipe. Repaired steps to back door and replaced carpet.

Roger also reported the items in progress include: writing a Management Discussion and Analysis for the '08-'09 audit. He's also working on a message to our customers regarding the pending rate increase; need to schedule a public meeting for rate increase and reschedule the next Board meeting to October 20, 2009 which will include the audit report by accountant. Working on the ground water rule and getting into the calculations. Larry with SCADA will be here on Friday to get updates and repairs made to the telemetry system. Hage Electric is set to start on the upgrade of electrical at LC3 on September 23rd and Mathers has three (3) pending dates (September 28th, October 5th or October 19th scheduled to pull pump on LC3. The crew will be attending a competent person training class (trenching and shoring) on September 23rd working in cooperation with City of The Dalles. Working on communication with customers on rate adjustments. Nathan will be attending the COSHA conference in Redmond (replacing Lea) to get latest safety information.

OLD BUSINESS: Roger proposed to the Board of Directors the budget committee's recommendation to adopt a 25% rate increase in November '09, a 15% rate increase in March 2010 and a 15% rate increase in October 2010.

Board member Gene Tobie asked Roger if the rate increases will put the District on track with Roger's comment being the rate increases will not make the District "sound" due to the funds being pulled out of LGIP account making the balance under the \$500,000 as set by Board policy.

Board members and budget committee participants, Marla Skroch and Tom Ashmore, were very impressed and appreciative of the community budget committee members.

Board member Mike Elmore commented that he had given the pending rate adjustments considerable thought and consideration over the past few weeks and emphasized that he wished that the District was not in the stressed fiscal situation that it is. He state that there are only two places to make cuts in the budget, the first being labor and the second being capital projects. He stated that the District had gained half (1/2) full time employee over the past few years in order to keep up with the maintenance workload and that the aging infrastructure and condition of the system requires constant attention and maintenance. He could not see any advantage to cutting either field or office staff. On the capital discussion, he commented that most of the capital was for repair of LC3, a source of community watr and repair of a main booster pump at Well #4. These are capital items that must be done to keep the system in good operational condition. He commented that the line replacement along I-84 was a most serious project in future capital planning and spending as it represents a significant exposure in terms of liability with Oregon Department of Transportation (ODOT) and the Federal Highway system. Only by rate increases can the District fund such projects. Mr. Elmore supported the recommendation of the Community Budget Committee since it provides a path for the district to move into the future with more secure water distribution and a stronger system.

Motion by Mike Elmore; second by Marla Skroch to accept the recommendation of the Community Budget Committee of a 25% rate increase in November '09, 15% rate increase in March '10 and 15% rate increase in October '10. Motion approved 4 ayes, 0 nays.

Motion by Mike Elmore; second by Marla Skroch to approved the '09 – '10 proposed #2 Budget as present by District Manager. Motion approved 4 ayes, 0 nays.

NEW BUSINESS: With discussion of presentation to public of rate increases, Bruce Humphrey, owner of the Columbia Cinema, offered the small theater for public meeting. It was agreed to have the meeting on October 6, 2009 at 6:30 pm at the Cinema. Slide show and presentation of the "40,000 Foot View and Goals of the Community" will be the main topic.

TRAINING SEMINARS & CLASSES:

BOARD COMMENTS:

With no further business, motion by Marla Skroch; second by Mike Elmore to adjourn meeting. Motion approved 5 ayes, 0 nays. Meeting adjourned at 7:18.

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

Approved as to content at regular meeting held September 15, 2009.

By: _____
Tom Ashmore, President
Board of Directors