



PUD BOARD MEETING MINUTES

NOVEMBER 9, 2010

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

GUESTS: Nate Reagan and Lea Stephens.

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

Motion by Mike Elmore; second by Gene Tobie to approve the October 19, 2010 minutes and consent agenda. Motion approved 5 ayes, 0 nays.

PUBLIC COMMENTS: None.

Nate Reagan presented the 2009-2010 Audit Report of the District's finances. His points of concern were lack of account coding and manager's approval on all invoices and no appropriate system for posting capital outlay purchases to capital outlay versus repair and maintenance expense. Nate gave an explanation of his firm's audit and the position of the District. His comment was favorable stating the District is in much better financial shape than last year due to the rate increases implemented during the fiscal year and we are no longer draining reserve funds to meet our obligations. He expressed the District's personnel were pleasant and professional to work with and his staff has enjoyed the long term relationship with the District.

FINANCIAL REPORT: Patsy Busick presented financial reports. With interest earned in October 31, 2010 of \$297.42 and money transfer from the CSB general checking account of \$60,000.00, less \$10.18 service charge, account balance was \$682,423.96. As of October 31, 2010, Columbia State Bank account balance was \$35,867.89. The balances of the CSB, SDC and Connections checking accounts are \$4,500.31. The balance of the CSB Service Deposits account is \$16,236.94. Financials were approved as presented.

ENGINEER OF RECORD REPORT: On behalf of Ben Beseda, Roger Prowell presented the Engineer of Record report. He reported the Master Plan was approved by OHD Drinking Water Program with a few minor changes. He also reported there was no action on the start up of the Sunrise Estates Phase I Project.

DISTRICT MANAGER'S REPORT: Roger Prowell presented his Manager's report.

Field staff completed the turning of distribution and hydrant control valves throughout the system. This process was much smoother than last year and took about 30% less time.

Have LC2 building weather proof and secure. This is an improvement to the local neighborhood.

We have spent time discussing about the effects of LC3 source water for the District in winter months. Looking at the numbers for power costs we could potentially save about 10K in 5 months by using LC3 instead of Well #4 since it is mostly once pumped water. This is a decent amount of cost saving.

We will do the plumbing around the Foley Booster Station starting this week as it will give another source of water to the main system in case of an emergency or failure of Well #4 and Well #3.

There are a number of things that we need to be very aware of for this process.

- **Will the aquifer be robust enough to handle pumping for 20 hours per day**
- **In terms of Nitrates.....run the well to waste for about 10 minutes and putting that water in Chenowith creek.....environmental/fish question. We need to meet in the field and discuss with ODFW about that. I have a meeting scheduled for Monday with the local fish biologist. Water temperature is always an issue with putting unnatural water into natural streams. Our well water is 60 degrees F and the magic number for fish habitat is 64 degrees F. That is a major hurdle not to have to jump through.**
- **Perceived/real water quality change going from summer to winter operations. Ascetically, LC3 water is excellent tasting water compared to Well #3 water.**
- **Fine tune the ClaVal device to keep water levels in Kingsley and Allen at OK levels and keeping Allen reservoir at sufficient levels for fire suppression.**
- **Will take some observations over time to get this show dialed up.**

We have new chlorine feed pumps installed at LC3 and Fleck with new technology and much more reliable. Had the factory rep here to set up and train field staff. The old LMI pumps struggle with air lock and leaks. We will try these smaller pumps before replacing our main well site pumps. These pumps are NSF (National Sanitary Foundation) certified.

We chatted with a customer on Lower Chenowith about water banging/hammer today and turned LC3 on and off 3 distinct times and could hear no water hammer. The lady of the house wrote down times she has heard this noise and they do correlate to LC3 start up and shut down. We will have Hage come and spread out the times in the soft start program to smooth this out.

We helped out Pacer Propane by filling their propane tanks on two trucks with our backflow protected hydrant meter and gave them 6K gallons of water. We did not charge them since this is a public safety issue and we had a major leak there a while back and caused them much difficulty. We now have a supporter of Chenowith Water via customer service.

Efficiency numbers:

- **Save 600 per year on fuel by switching to regular rather than premium for our trucks**
- **Do our oil changes and lube jobs 1K**
- **10-13K for lower pumping costs using LC3 water.**
- **Check into multiple houses on one service location. We need to investigate and research multiple dwellings on both single and same owner adjacent lots.**
- **By publishing the CCR totally in-house will save about 2K per year.**
- **We spend about 6-8K per year pumping unaccounted for water. Need to work on this issue**

Mike Elmore questioned the need for the I & M process and the cost to operate the facility. He also commented on the use of regular vs. premium gas for the District's vehicles.

OLD BUSINESS: In regards to abandonment of LC2, there are issues with getting it legally abandoned since there are no water rights. After meeting with WRD it all should be resolved with some additional paperwork.

Based on our customer survey of the customers the District we will not move forward with the on-line bill pay.

President Tom Ashmore opened meeting for public hearing for discussing SDC rates. There were no comments from the public on the System Development Charge changes. Mike Elmore expressed concerns if higher SDC's were weakening development then he recommends re-addressing the fees.

Motion by Marla Skroch, second by Mike Elmore to adopt Resolution No. 2010-04 "A RESOLUTION AMENDING THE METHODOLOGY FOR WATER SYSTEM DEVELOPMENT CHARGES AND ESTABLISHING SUCH CHARGES". Motion approved 5 ayes 0 nays.

Attorney of Record Tom Peachey explained to the Board law firm Jordan Tarlow and Schrader proposed to do the necessary paperwork to settle the Lower Chenowith Deed issue. Wasco Title will accept and insure the Deed once completed.

Motion by Mike Elmore, second by Gene Tobie to accept preparation and submittal of a Deed for signatures and filings. Motion approved 5 ayes, 0 nays.

Mr. Peachey noted he has prepared a draft blanket easements for Oakwood Estates. They are now awaiting Ben's review before submitting for signatures from appropriate parties.

NEW BUSINESS: Discussion was held on the ISO (Insurance Services Office) report. The overall rating for this area is going from a 4 to a 5. Chenowith Water District in itself was rated a 3 with a lower number representing a better rating. The District had no impact on the overall rate increase.

TRAINING SEMINARS & CLASSES: SDAO Annual Conference will be held February 10-13, 2011. Tom Ashmore and Marla Skroch showed interest in attending.

BOARD COMMENTS: Marla Skroch expressed to Roger her thanks for a job well done.

With no further business, motion by Gene Tobie; second by Rod Peterson to adjourn meeting. Motion approved 5 ayes, 0 nays.

Meeting adjourned at 8:04 pm.

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

Approved as to content at regular meeting held December 14, 2010.

By: _____
Tom Ashmore, President
Board of Directors