

LA PINE WATER DISTRICT
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Minutes of February 27, 2001, regular meeting

A quorum was established and the meeting was called to order at 1:08 pm by chair BarbeAnn. Other board members present were Kitty, Dennis, James and Brian. Also present were George Palmer, attorney Ken Jones, and Lee Smith of Elesco, Ltd. development consulting.

Introductions were made. Lee Smith advised the board that he has been hired by Deschutes Co. to develop the infrastructure for the "new neighborhood," which will require working closely with the districts and other organizations serving La Pine.

The first order of business was to consult with the attorney on the issue of Neal's system. Ken said the things we need to know before making any decision are *the condition of what's in the ground, that we would be buying the right to use it - that is, be sure any necessary easements or deeds have been acquired, check well logs for quality and quantity of water (this is already being done through LIGI, with HGE getting reports to the district), and if the water right is transferable (no water right was ever issued, and we have learned the district would be allowed to operate the same way Neal has been until full system operation begins)*. We should also know if fire flow requirements are a condition of the USDA/RUS grant/loan and decide if we want to consider that as a self-limiting factor. In addition to the customary elements of a purchase agreement such as payback terms and warranties on condition, Ken suggested that we include a clear statement that the district has the option to return the system if for some reason we can't follow through on this venture. The district will have to have ordinance and rates established, an operator on line, and arrangements for water testing in place to begin operating.

* Ken suggested that if we want to proceed with this, we should appoint one person to work with him on the details. Brian was appointed to this position. He will get info on paper to show just what Neal does own and get info to Ken. Ken will do a UCC (uniform commercial code) search, and Dennis will ask Nancy to do any title searches we may need. Dennis will get a copy of the LSSD ordinance and Kitty will try to get same from other water districts and get these to BarbeAnn in the next few days to help in setting up La Pine Water District ordinance. * Ken would also like a copy of the MOU between the district and Deschutes County that was done for the Regional Problem Solving project. Ken left the meeting at 2:18 pm.

BarbeAnn asked Lee Smith if he had anything he would like to discuss with the board. He said the county is committed to the development of the new neighborhood, and may be able to assist the district in obtaining additional funding, both for present needs, and to expand for this project. Lee says he needs answers to the same questions we are asking, and will help us in any way he can. Kyle Gorman had told Lee to get a copy of the "water right map" from the district. This apparently should have come with the water right transfer, but it didn't. Kitty will pursue this.

The minutes of the February 15, 2001, meeting were read. James moved, Brian seconded, and the motion passed unanimously to approve the minutes as read.

► The treasurer reported no account activity, and a balance of \$14.16 in the account.

No incoming correspondence items needed attention. During the call from John Potts, Kitty had told him the district will pay the Plan Review Fee as soon as funds are available.

Under Old Business, BarbeAnn had talked with Dick Nored by phone and learned that he and Susan Mayea will be at a meeting in Salem on March 13 to try to get additional funding for the district. They would like for a board member to attend also, but no one is able to do so. Dick also said he *might* be able to make some existing funds available for posting costs. He also said that Ken Durrell said the grant application allocates \$20,000 for the purchase of property, which doesn't have to be real estate. That was before there was so much line in the ground (through LIGI and other projects), so the figures have changed, and we can use less for construction and more for purchases.

Under New Business, Kitty said she does not have the time this year to act as budget officer. Dennis agreed to the appointment.

There being no further business the meeting was adjourned at 2:13 pm.