

**MINUTES**  
**La Pine Water District**  
**Board of Directors Meeting**  
**June 25, 2002**

Those present were LWD Board members BarbeAnn Nelson-Dodson, Kitty Shields, Brian Earls, Richard Pelissey and James Newton. Also present were Steve Cox, H.G.E., Susan Mayea, Deschutes County, Cindee Gannon, LWD Admin. Assistant and guest Tom Scott.

A quorum was established and the meeting was called to order by President BarbeAnn Nelson-Dodson at 1:03 p.m.

**Minutes of previous meetings:** Brian Earls made a motion to approve the minutes of the June 6, 2002 Board of Directors meeting, June 6, 2002 Pre-Construction Conference and June 11, 2002 Special Board of Directors meeting as presented. Second by James Newton. **Motion carried.**

**Guests:** Tom Scott is new to the area and stopped by to inquire about jobs available both with the contractors and as LWD Operator. He stated that he had several years of experience in the water system/waste management field. He was encouraged to submit a resume for the LWD Operator position and that it would be kept on file until which time the LWD is ready to hire an operator.

Steve Cox, H.G.E. reported that "Schedule C", the reservoir portion, of the project is underway; the road has been opened, the site has been cleared and the debris is being chipped and hauled. Grading and fencing of the site will be completed next to provide security at the site. Well drilling will begin in approximately 7 – 10 days.

Schedule "A", Bill Booker Construction and Schedule "B", Tapani Underground will most likely begin work on their portions of the project around July 29, 2002.

Steve presented a project budget overview that was prepared by Dick Nored. With actual costs accounted for and projected expenditures listed, the funds balance will be approximately \$295,682. He explained further that the estimated cost to install 12" waterline to Burgess Road from Reed Road, using the current contractor, would be \$525,000. Mr. Cox proposed that the Board of Directors apply for an additional grant in the amount of \$500,000. This grant would come from a new federal program that was established to provide additional funding to existing projects. If the Board were to apply for and obtain this grant, then the total funding received for the water system improvement project would be \$5,367,340.

Brian Earls made a motion to apply for this additional grant as presented by Mr. Cox. Second by Kitty Shields. **Motion carried.**

Susan Mayea, Deschutes County, explained that there is \$200,000 left from the Block Grant. She has researched the idea of using these funds to cover the cost of system hook-up for some low-income property owners. She found that these funds cannot be

used in such a manner. She will work to try to get an extension of this grant to apply towards the Burgess Road extension.

**Old Business:**

Neal Russell Agreement: Ken Jones, attorney, is in contact with Neal Russell. Mr. Jones is in the process of drawing up a contract between Mr. Russell and the La Pine Water District for the purchase of Mr. Russell's existing water system business. When the contract arrives at the La Pine Water District office, Cindee is to immediately notify each Board member that the contract is available for review.

Kitty Shields made a motion for the Board of Directors to be able to approve the Russell contract and the LIGI purchase agreement by phone. This approval must be unanimous. If it is not unanimous in a phone poll, then a special meeting of the Board of Directors must be called in order to approve the two proposals. Second by Brian Earls.  
**Motion carried.**

Operator Employment Contract/Duties: All members of the Board did not have time to review the contract document. Therefore, this item was tabled until the next meeting.

Administrative Assistant Job Description: All members of the Board did not have time to review the contract document. Therefore, this item was tabled until the next meeting.

Employee Payroll: A proposal was submitted to have AdvanTax provide full payroll services to the LWD. This would include setting up all state and federal accounts, processing paycheck information (twice per month) and preparing all state and federal tax/withholding payments. Cost would be approximately \$400 - \$600 per year for 1 – 2 employees. James Newton made a motion to have AdvanTax provide full payroll services for LWD. Second by Kitty Shields. **Motion carried.**

Administrative Assistant Pay Rate: Kitty Shields made a motion to pay the Administrative Assistant \$10.00 per hour, retroactively to her start date of May 30, 2002. Second by Richard Pelissey. **Motion carried.**

Purchase of System Operating Manuals: Kitty had computer printouts of five operating manuals for purchase consideration. After some discussion it was decided that the Board should consider the purchase of the two operation and maintenance manuals now and re-evaluate the need for the other three manuals at a later date. Brian made a motion to purchase the "Water Distribution System Operation and Maintenance" and "Small Water System Operation and Maintenance" manuals. Second by Kitty Shields.  
**Motion carried.** Cindee was directed to place the order for these manuals.

Billing/Accounting Software: Cindee researched payment records to determine if the water system billing software has been purchased yet. It was determined that a purchase was made, from U.S. Filter, for a hand wand, handheld unit, cradle and EZ Reader software (Neptune products) in the amount of \$11,631.00. These items are paid in full and are being stored at the factory warehouse until LWD is ready to accept delivery. It was further determined that the billing software is still needed. Cindee has received a listing of some available software packages. Also included are names of other local water districts that use some of these products for us to contact for questions, comments or demonstrations.

Steve Cox did want to verify that this additional billing software is not included in "Schedule A" prior to the Board making the purchase.

**New Business:**

Execution of Start Work Orders: Steve Cox explained that "Notice to Proceed" orders will come from H.G.E. and will need to be accepted and signed by the Board. The "Notice to Proceed" order for "Schedule C" will be dated June 17. RUS has not signed the contracts for "Schedule A" or "Schedule B" as of this date. RUS is waiting for copies of Worker's Compensation Insurance Certificates for both contractors and will not sign until those are obtained.

Resolution to Formally Adopt the 2002-2003 Fiscal Budget: Brian Earls read Resolution 2002-3 (copy attached) to formally adopt the 2002-2003 fiscal budget. Brian Earls made a motion to adopt the resolution as read. Second by Richard Pelissey. **Motion carried.**

Construction Project Public Relations: Kitty explained that the Board had previously discussed placing a news release type of advertisement in the Frontier Advertiser and other print media, but did not have the funding to do so. Her discussion with the Board was that the District now has funds to place this type of advertisement, was there still interest to do so. After discussion the Board directed Cindee to draft a news release for publication in local print media that could be reviewed at the next Board meeting. Cindee will also draft a "Fact Sheet" that would include answers to frequently asked questions regarding the construction project, property owner responsibilities, time frames and estimated costs. This will also be ready for review at the next Board meeting.

Business Cards: Frontier Advertiser designed Business cards for La Pine Water District. The cost is \$35.00, which includes the initial set-up fee and 250 cards (the minimum order). Kitty Shields made a motion to purchase business cards, using the "faucet" design as the logo and purchasing the minimum amount. Second by Richard Pelissey. **Motion carried.**

Offer to LIGI for Land Purchase: In response to a letter from LIGI inquiring about interest from the LWD to purchase the land where their water reservoir resides for \$75,000, a draft letter of response was drawn up. The draft letter proposed a purchase price of:

Water System	\$ 315,000
Interest	\$ 2,000
Property	\$ 19,500
TOTAL	\$ 336,500

The discussion was to re-word this portion of the letter to:

Property*	\$ 19,825
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\*Amount based on Deschutes County Assessor property records showing real market value.

This would make the total offer \$336,825.

Brian Earls made a motion to re-word the letter as stated and send the letter as a formal offer to LIGI for the purchase of their lines, reservoir and land. Second by James Newton. **Motion carried.**

**Payment of Bills:** James Newton made a motion to accept bills as presented and authorize payment. Second by Kitty Shields. **Motion carried.**

**Correspondence List:** The items on the correspondence listed that were identified as action items were reviewed. Several of the items had already been dealt with, either in the meeting today, or prior to the meeting by Cindee. Cindee will handle those items remaining with assistance by Board members if required.

Meeting adjourned at 2:30 p.m.

Respectfully submitted by:

Cindee Gannon  
Admin. Assistant  
La Pine Water District