

**MINUTES**  
**La Pine Water District**  
**Board of Commissioners Meeting**  
**August 13, 2002**

Those present were LWD Board members BarbeAnn Nelson-Dodson, Kitty Shields, Brian Earls, Richard Pelissey and James Newton. Also present were Dick Nored, H.G.E., Jim Gustafson, La Pine RFPD, Lee Smith, LIGI, Darwin H. Thurston, LIGI, Neal and Peggy Russell, Tom Scott and Cindee Gannon, LWD Admin. Assistant.

A quorum was established and the meeting was called to order by President BarbeAnn Nelson-Dodson at 1:10 p.m.

**Minutes of previous meeting:** Brian Earls made a motion to approve the minutes of the July 30, 2002 Board of Commissioners meeting as presented. Second by Kitty Shields. **Motion carried.**

**Treasurer's Report:** The Treasurer's Report ending 6/30/02 was presented to the Board.

*Bank Account Balance Limitations:* Cindee asked for Board direction regarding bank (checking) account limitations. She cited the example that the Construction checking account has a balance, as of 6/30/02, of \$4,679.55. This is because when the loan funds were deposited into this account and then transferred to the Local Government Pool Account, the interested earned on the funds, for the period of time that the monies were in the Construction checking account, were not transferred to the Local Government Pool Account. The Construction checking should only be used for the payment of invoices presented for the construction project and those funds all require approval prior to transferring them from the Local Government Pool Account to the Construction checking account.

Kitty Shields made a motion that the Operations checking account balance should be maintained at \$750 and that the Construction checking account balance should be maintained at \$50. Second by Richard Pelissey. **Motion passed.**

**Guests:** Mr. Tom Scott was present to express his interest in working for the LWD as Water System Operator. The Board asked that he submit a resume and they will contact him to set up an informal interview.

Dick Nored, H.G.E., updated the Board on the progress of the construction. Well drilling is taking place now and the contractor is putting the piping in place. Construction of the pump station building at the reservoir site and of the reservoir are ready to start next week.

**Old Business:**

*Neal Russell Agreement:* Mr. and Mrs. Neal Russell were present at today's meeting to discuss options in order to finalize the purchase of the Russell Water System business by LWD. There was much discussion regarding ownership transfer dates, agreement-

signing dates, LWD needs for operator upon signing and the incurring of expenses in the interim. No decisions made regarding the issues listed above. It was decided that BarbeAnn Nelson-Dodson and Neal Russell would work together to draw up an informal agreement that would bind both parties to the purchase agreement as presented by the District's attorney.

The key issue that needs to be resolved prior to both parties signing the purchase agreement is that of the need for the LWD to have an operator on staff. The operator would be responsible to work with Mr. Russell in learning the operation of this business and taking over the functions of the business operation.

Operator Position: All of the Board members participated in a lengthy discussion regarding the true needs and responsibilities that the LWD has to employ an operator at this time. It was determined that the immediate need, propagated by the purchase of the Russell Water System business, is to have Mr. Russell continue the day-to-day operation of his system after LWD makes the purchase. LWD will seek to employ a qualified operator who is willing to work on a limited basis with Mr. Russell and will be available to sign off on all necessary documents, etc. James Newton was asked to contact Mr. Dave Crider and inquire about his desire and availability to perform the operator's responsibilities during this interim and transitional period.

LIGI Land Purchase: Darwin Thurston informed the Board that LIGI had received the appraisal on the property that LWD has offered to purchase. The land was appraised at \$28,500. One issue that came to light during the appraisal is that this property is zoned residential and would have to be re-zoned prior to LWD building on it. Mr. Thurston and Mr. Smith offered their assistance in working with Deschutes County personnel to discuss this re-zoning issue and determine the process and timelines for accomplishment.

Also explained was that the LIGI Board had not seen the appraisal yet and Mr. Thurston could not, at this time, make any counter offer(s) to the LWD purchase offer. LIGI has a Board meeting scheduled for later this same date and would review this issue.

James Newton made a motion for LWD to re-submit the original offer to LIGI for the purchase of this property for consideration at the LIGI Board meeting today. Second by Richard Pelissey. **Motion carried.**

Ordinance Change: It was decided to table this item at this time and schedule as Special Board Meeting for the purpose of a work session to work on this item. The Special Meeting has been scheduled for August 15, 2002 at 10 a.m.

#### **New Business:**

Revision of Resolution 2001-4: Resolution 2001-4 has been revised to include the monthly service charge for La Pine Rural Fire District as approved by the Board at the June 30, 2002 Board meeting. James Newton made a motion to approve and accept the revision to Resolution 2001-4 "Monthly Service Charges" dated August 13, 2002, as presented. Second by Richard Pelissey. **Motion carried.**

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

**Correspondence List:** The correspondence list was reviewed. A Partial Pay Estimate was received for Bill Booker Construction in the amount of \$332,131.81. This needs Board approval before forwarding to R.U.S. Once R.U.S. approves it can be paid out. James Newton made a motion to approve this Partial Pay Estimate #1 as presented. Second by Richard Pelissey. **Motion carried.**

Meeting adjourned at 2:30 p.m.

Respectfully submitted by:

Cindee Gannon  
Admin. Assistant  
La Pine Water District