

**MINUTES**  
**La Pine Water District**  
**Board of Commissioners Meeting**  
**August 27, 2002**

Those present were LWD Board members BarbeAnn Nelson-Dodson, Kitty Shields, and Richard Pelissey. Also present were Dick Nored, H.G.E., Jim Gustafson, La Pine RFPD, 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 1:05 p.m.

**Minutes of previous meetings:** Richard Pelissey made a motion to approve the minutes of the August 13, 2002 Board of Commissioners meeting and the August 15, 2002 Special Board meeting as presented. Second by Kitty Shields. **Motion carried.**

**Guests:** Mr. Tom Scott was present to express his interest in working for the LWD as Water System Operator. The Board acknowledged that he has now submitted a letter of introduction for the Board's review.

Dick Nored, H.G.E., updated the Board on the progress of the construction project. They now have water at 250 feet and are estimating that it will measure at 750 gallons per minute. They are about to start test pumping. Formation of the reservoir will begin within the next couple of days. Bill Booker Construction plans to arrive in La Pine to begin work on Schedule "A" on September 5<sup>th</sup> or 6<sup>th</sup>. Tapani Underground should arrive in La Pine at the end of September to perform the work under Schedule "B".

Dick has been trying to make contact with officials at Deschutes County Planning regarding permits and zoning concerns and needs on the property that LWD is purchasing from LIGI. Acquiring a Conditional Use Permit is the minimum required now and this must be accomplished before we can move forward with construction of the office/pump station on this site.

**Old Business:**

Neal Russell Agreement: BarbeAnn reported that she would work with Cindee, next week, to put a Personal Services Contract together for Neal Russell to continue as interim operator on the Russell Water system, after the Russell Water System business is purchased by LWD. This will be completed prior to the next regular scheduled Board meeting on September 10, 2002.

Operator Position: James Newton was not present so we do not know if he has been in contact with Dave Crider regarding Mr. Crider's availability and/or willingness to act as Water System Operator when LWD purchases the Russell Water System business. BarbeAnn indicated that she would contact Mr. Crider prior to the next Board meeting.

LIGI Land Purchase: LIGI has accepted the last counter offer made by LWD for the purchase of land at 51490 Hinkle Way. Total of the offer accepted is \$349,000. LIGI

has informed LWD that their attorney has been directed to draw up all necessary papers for this transaction.

Ordinance Change: The Board met at a special meeting on August 15, 2002 to work on revision to Ordinance #2001-1. Cindee then submitted these revisions to the District's attorney for review.

The attorney did have an opportunity to review the revisions as presented to her and sent back, to the District, a written response. This letter of response was presented to the Board. The attorney had very few and very minor adjustments that she felt were necessary to better clarify the intent of the Board. Richard Pelissey made a motion to accept the changes to Ordinance #2001-1 as indicated, in writing, by the District's attorney. Second by Kitty Shields. **Motion carried.**

Cindee was directed to finalize the Ordinance document and prepare a schedule showing at which Board meetings this Ordinance will be heard for consideration and advertise these meetings as such.

Update on FY 02 Audit: The audit for the period of July 1, 2001 – June 30, 2002 (FY 2001-2002) is nearly complete. The auditor hopes to be able to present the final audit to the Board at the September 10, 2002 meeting.

During the course of the audit, the auditor informed Cindee about the need for the District to acquire Collateral Certificates on any bank accounts (other than the Local Government Pool Account with the State Treasurer) that may have, at any time, a daily balance that exceeds \$100,000. This will ensure that if something happens to the bank, while FDIC insures the first \$100,000, the remaining funds would also be secured. These Collateral Certificates are required by the Secretary of State for government entities such as LWD. There is no charge for the acquisition of these certificates.

Cindee contacted Community First Bank and has requested Collateral Certificates on the Operations and Construction Checking accounts. The certificates will total \$900,000.

The auditor as requested that the Board make decisions on two items:

The first issue is whether the Board wants the audited financial statements to be on a cash basis or accrual basis. Cindee explained that cash basis would mean that at the end of the fiscal year, whatever cash on hand (bank account balances) would be used, while the accrual basis would mean that if services/supplies were received prior to June 30<sup>th</sup>, but invoices for such were paid July 1 or after a general ledger adjustment would be made to apply the payment to the correct fiscal year. This would also apply to accounts receivables. Kitty Shields made a motion that the audited financial statements be on the accrual basis. Second by Richard Pelissey. **Motion carried.**

The second issue is that of capitalization limits for depreciation purposes. When making capital outlay purchases what limit does the Board want to set as being considered capital outlay. It was discussed that this limit could be \$500, \$1000, \$2500, etc. or any amount that the Board decides on. The auditor indicated that they usually recommend either \$500 or \$1000. Richard Pelissey made a motion to set the District's capitalization limit at \$500. Second by Kitty Shields. **Motion carried.**

**New Business:**

La Pine Chamber of Commerce Membership: This item was discussed with no consensus and was tabled until a future Board meeting.

Public Relations: A press release titled "Construction Begins on La Pine's Water System" was submitted to the Newberry Eagle with photos taken by Mason Shields. Kitty Shields indicated that at one time the Board discussed having press releases such as this, submitted to the Frontier Advertiser, which may incur a cost to print. Board members in attendance agreed that it would be a good idea to place this press release in the Frontier Advertiser. Kitty Shields made a motion to place this press release in the Frontier Advertiser and incur the necessary cost of doing so. Second by Richard Pelissey. **Motion carried.**

**Payment of Bills:** Richard Pelissey made a motion to accept the bills as presented and authorize payment including Partial Pay Estimate #1 submitted for Jack Robinson and Sons, Inc. in the amount of \$10,914.30. Second by Kitty Shields. **Motion carried.**

**Correspondence List:** The correspondence list was reviewed. Action is required on one item, at this time. The Board has received a Survey of Needs and Issues for 2003 from Central Oregon Intergovernmental Council. Kitty Shields will complete and return this survey.

**Next Board Meeting:** The next meeting of the Board will be by September 10, 2002. It was decided to meet at the well site at 12:00 p.m. for a brief field tour and construction update. The meeting will adjourn there at approximately 12:30 p.m. and re-convene at the LWD office at 1:00 p.m. to continue with the business meeting as scheduled.

Meeting adjourned at 2:20 p.m.

Respectfully submitted by:

Cindee Gannon  
Admin. Assistant  
La Pine Water District