

# MINUTES

## December 9, 2004

### BOARD MEETING

A Quorum was established and the meeting was called to order at 1:00 pm by Chairman Dennis Carter. Board members attending were Dennis Carter and James Newton. Staff attending were Andy Newton and Sherry Evertson.

James moved to approve the minutes of the October 13, 2004 Board Meeting. Dennis seconded. Motion carried unanimously.

#### Guests:

Dave Patterson with Barsonberg, LLC  
Bill Kopacz and Darwin Thurston with Midstate Electric Co-op  
Dr. Robert Moss and Jodi Moss with La Pine Dental Center  
Candace Fronk with Harrigan, Price, Fronk CPA

Dave Patterson said that he was unaware that renting to the Hair Nook would increase their SDC amount by \$7,620. He requested that he be allowed to pay \$1,000 per month until paid in full. He has already paid \$1,000. The Board said they will consider his request and let him know. Dave also wanted to know why he was not informed by Deschutes County that he would have to pay SDC for sewer when he applied for permits. Andy said we have made great strides in cooperation with Deschutes County on this issue and will continue to work on it.

Dr. Moss said that he is unable to pay the entire SDC charge of \$11,430 immediately. He requested that he be allowed to pay \$1,000 per month until it is paid in full. The board said that since he is a tenant, the arrangement would have to involve the property owner. The Board said that they will consider his request and get back to him.

Darwin Thurston said that he has reviewed our methodology and disagrees with it. He said that some of the toilets they were charged an SDC for are being installed just for convenience and should not figure into the equation. He also said that based on water meter usage they should only pay 5.5 EDU's. He thinks SDC's should be based on water meter usage or on number of employees. The Board said they will consider his request and get back to him.

Candace Fronk reviewed the annual audit with the Board. She suggested that if we budget a surplus in the future, we budget it as a contingency rather than as remaining balance. Contingency can be used, remaining balance must be left as a balance. James moved to accept the audit. Dennis seconded. Motion carried unanimously.

#### Operation Manager's Report:

Our hay buyer was only able to get \$95 per ton for our hay because of brown stem in it. James moved to change our hay purchase agreement from \$100 per ton to \$95 per ton. Dennis seconded. Motion carried unanimously.

Andy suggested we give gift certificates to our septage customers as a Christmas appreciation for their business. James moved to send the septage haulers certificates for 100 gallons free dumping worth \$47.50. Dennis seconded. Motion carried unanimously.

#### Financial Reports:

Financial reports were reviewed. Sherry reported that we received the money from Deschutes County for the accounts that were turned to them for collections. As usual, we received 97% of the amount submitted.

#### Old Business:

The draft ordinance requiring landowners to pay sewer bill for residential accounts, changing our current policy of billing the tenant was discussed. The possible Measure 5 ramifications were discussed per the attorney's letter. James moved to proceed with the approval process for the ordinance as it is written. Dennis seconded. Motion carried unanimously.

Construction Project billing was discussed.

James moved to approve Partial Payment #5 for R&G Construction. Dennis seconded. Motion carried unanimously.

James moved to approve Partial Payment #6 for R&G Construction. Dennis seconded. Motion carried unanimously.

James moved to approve Partial Payment #2 for Vic Russell Construction. Dennis seconded. Motion carried unanimously.

James moved to approve Partial Payment #3 for Vic Russell Construction. Dennis seconded. Motion carried unanimously.

James moved to approve Change Order #1 for LAS. Dennis seconded. Motion carried unanimously.

James moved to approve Change Order #1 for Vic Russell Construction. Dennis seconded. Motion carried unanimously.

The status of the construction work was discussed. Andy said the punch list is extensive and the penalty phase begins December 19<sup>th</sup>.

#### New Business:

Sherry handed out a letter from an attorney representing Jesse Stoner, deceased. The attorney requested that late fees be waived until the estate can arrange a way to pay the sewer bill. The board said that they are not willing to set a precedence for making that kind of exception and instructed Sherry to reply such.

The board discussed Dr. Moss's request. They decided that a lien would be filed for the SDC amount and payments of \$1,000 would be accepted. Interest would be charged at the legal rate of liens.

Dave Patterson's request was discussed. The Board decided to allow him to pay \$1,000 per month with a lien filed on the property. Interest will be charged at the legal rate of liens.

Midstate Electric's request was discussed. The Board decided that they do not wish to change the Sewer District's Methodology at this time.

The period of paying Sherry \$1,000 extra per month for grant administration is up. James moved to continue paying Sherry \$1,000 extra per month until the project is completed. Dennis seconded. Motion carried unanimously.

Delinquent accounts were reviewed.

Bills to be paid for November were reviewed. James moved to pay the November bills. Dennis seconded. Motion carried unanimously.

Bills to be paid for December were reviewed. James moved to pay the December bills. Dennis seconded. Motion carried unanimously.

There being no further business, the meeting adjourned at 3:35 pm.

Respectfully submitted,  
Sherry Evertson