

MINUTES

March 10, 2005

BOARD MEETING AND CONTRACT REVIEW BOARD MEETING

A quorum was established and the meeting was called to order at 1:00 pm by Chairman of the Board of Directors and of the Contract Review Board Dennis Carter. Board members attending were Dennis Carter, Beverly Lawlor and James Newton. Contract Review Board members attending were the same. Staff members attending were Andy Newton and Sherry Evertson.

Dennis opened a public hearing. There were no guests present. The Board discussed the changes our attorney made from the Attorney General's model contract rules that will be incorporated into the Rules for LSSD.

James moved to adopt a policy limiting the "contracting agency's" ability spend or contractually obligate the District to \$10,000. Beverly seconded. Motion carried unanimously.

The public hearing was closed.

Resolution No. 05-3, A JOINT RESOLUTION OF THE BOARD OF DIRECTORS AND LOCAL PUBLIC CONTRACT REVIEW BOARD OPTING OUT OF THE ATTORNEYGENERAL'S MODEL PUBLIC CONTRACTING RULES AND ADOPTING PUBLIC CONTRACTING RULES FOR THE LA PINE SPECIAL SEWER DISTRICT was read. James moved to adopt Resolution #05-3. Beverly seconded. Motion carried unanimously.

The contract review board meeting was adjourned at 1:17 pm.
The LSSD Board meeting continued.

Beverly moved to approve the minutes of the February 10, 2005 meeting. James seconded. Motion carried unanimously.

Operation Manager's Report:

- Andy said plans have been submitted for a drive up cigarette stand. They will be charged one EDU for an SDC the same as the drive up coffee stands are.
- A radio monitoring system for the pump stations was discussed. It will be paid for out of the project funds. It would allow us to discontinue the monthly phone bill for each pump station and the East Cascade Security bill. James moved to submit radio monitoring equipment purchase as a change order for the expansion project. Beverly seconded. Motion carried unanimously.
- Andy pointed out a letter from our attorney saying that new legislation that just passed says we can now run sewer into areas zoned RR10 if it is within our

boundaries. Sherry was asked to find out from the attorney if we can expand our boundaries to include RR10 areas.

- Andy pointed out that our Electric bill at the plant this month is \$1,140 which is a considerable jump from its usual \$400. This will most likely be the norm with the new equipment operational.
- H.G.E. Engineering sent a letter to D.E.Q. requesting to change us from 3 million gal/year to 4 million gal/year of dumping septage into the primary lagoon. At this point, we still do not plan to irrigate this year.
- Nitrate level on the center monitoring well was below 10 this month (9.89)
- Andy checked with the hay buyer and the money is coming soon.
- Andy said we still have not received a report from Deschutes County on the SDC credits that have been applied to the loan. Sherry will follow up.

Financial Reports were reviewed.

Guests: Richard Nored from H.G.E. Engineering arrived. He handed out a “draft proposal” for our shop building. He got a bid from Brad Foote for a metal building, 60 x 60 that is constructed in a way that allows us to expand it in the future. The building was discussed. Dick was advised to get 3 bids on it.

Dick said R&G Excavation is “substantially complete” with the project. They ran over by 42 days so liquidated damages would be \$21,000. Liquidated damages are hard to enforce and the attorney fees often exceed the award. Andy said he thinks they gave us a good price on change order #4 in hopes that we wouldn’t charge liquidated damages. Dick recommends we drop the claim for liquidated damages. The Board said to proceed as Dick feels is most advantageous to LSSD.

Old Business:

Transferability of SDC’s was discussed in light of the letter received from our attorney. The board decided not to change our ordinance to allow transferring SDC’s. Sherry advised to inform Rex Leseuer.

Partial Payment #8 for R&G Excavating was reviewed. James moved to approve it. Beverly seconded. Motion carried unanimously.

Dick said that LAS would like to do the ribbon cutting on April 5th because they will be in the area. The board agreed.

Delinquent accounts were reviewed.

Bills to be approved were reviewed. James moved to approve the bills. Beverly seconded. Motion carried unanimously.

There being no further business, the meeting adjourned at 3:55 pm.

Respectfully submitted,
Sherry Evertson