

BEVERLY BEACH WATER DISTRICT MINUTES

MARCH 15, 2017

IN ATTENDANCE: Board President Jack Barbay, Board Members Gene Hogan, Tim Gross, and Leon Nelson; Water Operator Ted LePine; District Accountant Lurlyn Patrick (briefly to drop off files); and guest Kendra Holloway.

Gene Hogan passed out copies of the minutes from the meeting on January 18, 2017, as well as documentation of the fact that the meeting scheduled for February 15, 2017 had been cancelled due to a lack of a quorum. Tim passed out copies of the minutes also, as well as the following financial documents received from Lurlyn:

- (1) A/R Aging Summary (as of December 31, 2016)
- (2) A/R Aging Summary (as of February 28, 2017)
- (3) January/February Activity Report
- (4) Balance Sheet (as of February 28, 2017)
- (5) Profit & Loss Report (July 2016-February 2017)

The meeting was called to order at 7:07 p.m. by Acting President Tim Gross since Board President Jack Barbay had not shown up yet. Jack arrived one minute later, at 7:08 p.m. and presided over the meeting from that point on.

WATER OPERATOR'S REPORT:

According to Ted we are currently experiencing a loss of 30,000-50,000 gallons of water a day from the system. He mentioned that if we can continue to produce water we will ride it out OK. He noticed we had a leak somewhere about five days ago, and we are losing 7 feet/day in the tank (1-2 ft. loss/day is normal). He has Tony from ALD (American Leak Detection) coming tomorrow at 8:30 a.m. to work on detecting where the leak is, and they will also check out the areas between service connections for leaks.

Ted said he is running the plant 24/7 and the creek is extremely dirty. To alleviate the amount of filth entering the system he had to shorten the intake pipe today and borrowed a 3-inch diaphragm and a gas-powered mud pump. Hopefully, if the rain stops, he'll be able to find the leak (it's too hard to see where accumulations of water from leaks are with the vast amounts of standing water from rain).

Jack said he had finally gotten the seal kits on order. Ted cannot operate remotely at all right now because the filter-to-waste valve is still messed up. He said the air scour also needs a seal kit too.

We are still on PAC, but are near the end of that (it's close to 10 degrees).

The leak across from Patti Frazier's house has been fixed. It was the district's responsibility to fix since it was not on the owner's property. The steel pipe upright was replaced with blue poly pipe.

There is one tree leaning further out down by the creek at the plant, and it will land on the dam if it falls. We own both sides of the creek, according to Jack, who has looked at the property map. Tim said he will look at it and see what needs to be done (possibly contract out the tree's removal). It is pretty swampy down there right now.

According to Ted, we do not need to do a "restricted water use request" to the public just yet, regarding our current water shortage.

Ted said the wet well is letting silt in somehow, and it is accumulating in the bottom.

*****TED LEFT THE MEETING AT THIS POINT (BACK TO THE PLANT): 7:28 p.m.*****

PAST MEETING MINUTES:

The minutes from the meeting on January 18, 2017 were read by those present. Gene made a motion that the minutes from the January 18, 2017 meeting be accepted, and also that documentation of the cancelled meeting on February 15, 2017 be accepted. The motion was seconded by Jack. In Favor: Jack, Gene, and Leon. Opposed: None. Abstained: Tim (due to his absence at the January meeting). The motion carried.

FINANCIALS:

Tim stated that the BBSI paperwork from Lurlyn needs contact numbers added. A lot of the information received from Lurlyn was discussed including her charges. Tim will file these as Treasurer. With regard to the Aging Summary, the board had a discussion on how we should try to collect old debt owed to the district from unpaid water bills. It was determined that a lot of the debt was carried over even though ownership had changed at some residences. It would be impossible to recapture debt from these locations.

Kendra Holloway was concerned about the \$276 in water charges that had been accumulating on the property they bought just a year ago. She stated that she and her husband had come in to a board meeting some time ago to inquire about how they could avoid charges on this property that did not use water. We had failed to get back to them with an answer. Much discussion ensued, and when a solution of capping the service to avoid charges was brought up, she inquired if new SDC charges would have to be paid if they ever wanted to use the water at some future date. The board was sure that at some time in the past the SDC charges had probably been paid. Tim explained that the way it works at the City of Newport is as follows: If a property where water has been terminated sees no new development for a period of 20 years or more, it reverts to "empty lot" status, and then new SDC charges are applied if subsequent development occurs. According to Kendra, Pacific City has a flat "stop fee" of \$200 that allows a property to avoid monthly water charges when it is not being used. Jack thought that maybe a stop fee might be in order and this would be listed as a specific circumstance in our billing procedures. Gene added that perhaps we would want to purchase a few service lockout devices for the few times this occurs just to prevent owners from turning on their services unbeknownst to us. The board thought this would require a change to our bylaws, which would require a public notice in the newspaper, and a public meeting (which could be scheduled on the same night as a regular meeting but previous to it).

Tim said that he would work on some other definition changes to our rate structure so that we can make the most of the trouble of doing a bylaws change. It was stated that the county's Vacation Rental Law is now in effect. It was suggested that we use inactivity on a property for ten years, rather than twenty years, as the basis for new SDC charges being applied.

Discussion returned to our dilemma of charges being applied to new owners of residences for prior owner's debt in water fees. One account in particular was mentioned where Jeff Peterson had sold a property to someone named Kennedy. \$378 dollars was listed on the A/R Aging Report for this residence.

A motion was made by Tim to allow for the removal of the Jeff Peterson account debt from the books, as well as the other miscellaneous debt (approximately \$1300 plus) attributed to past owners of residences now owned by new people. The motion was seconded by Gene. In Favor: Jack, Gene, Tim, and Leon. Opposed: None. The motion passed unanimously.

Kendra asked the board about her debt of \$276. The board asked her to let it ride for now till we develop our new rate structure.

We are "in the black" (just barely) according to our new Profit and Loss Report.

We have 33 additional charges that have been submitted to the district from Frances for \$1800 plus. Jack asked her to itemize the charges.

The board was still concerned about whether Darrel Lockwood is considered an employee or a contractor. If he is a contractor he is supposed to be carrying his own insurance. Gene seemed to think that we never received proof of his insurance and that we were paying him as an employee. Tim said he would ask Patti Frazier if she had a copy of the signed contract with Darrel since she was involved with that.

The board agreed that we would pay no more money to Frances.

Jack mentioned that next month we need to start working on our budget. Jack also said he would talk with Lurlyn about adding a YTD column (for budget use) to our financial reports. Jack also mentioned that if we go beyond 10% of our budget, we have to do a re-stated budget.

BBSI: Tim said we need to fill out their forms with contact people. Jack was selected to be the "approval" person for validating Ted's work hours for BBSI. Jack said he would take care of the BBSI forms, and that he would scan and send them to the board members.

A motion was made by Tim to allow Kendra Holloway to fill the seat on the Beverly Beach Water District Board that was vacated by Shelly Burnett. The motion was seconded by Leon. In Favor: Jack, Gene, Tim, and Leon. Opposed: None. The motion carried un-opposed.

A motion was made by Gene to go into Executive Session, which was seconded by Jack. In Favor: Jack, Gene, Tim, Leon, and Kendra. Opposed: None. The board entered into an Executive Session.

*****THE BOARD RETURNED TO THE REGULAR MEETING*****

RAISE AND BONUS FOR TED:

A motion was made by Tim to give Ted LePine an increase in wages of \$2.00 more per hour, as well as a bonus of \$500. Said wage increase and bonus was to go into effect as of April 1, 2017. The motion was seconded by Gene. In Favor: Jack, Gene, Tim, Leon, and Kendra. Opposed: None. The motion passed unanimously.

BARRETT'S:

A motion was made by Gene that the board should use Barrett's for our payroll. The motion was seconded by Jack. In Favor: Jack, Gene, Tim, Leon, and Kendra. Opposed: None. The motion carried un-opposed.

POND SITUATION AND ODOT:

Tim seemed to think that ODOT had stopped pumping water from the pond at the intersection of Beverly Drive and 121st Street, but Leon said that a few weeks ago he had still seen them pumping. Tim said we should get a "cease and desist" order and replace the fence. Jack asked Gene if he would contact our attorney, Dennis Bartoldus, to find out what our options were, and he agreed to do so. Jack said he would also attempt to call ODOT one more time. It was brought up that perhaps we should replace the fence and file a claim with the state for re-imburement. It was suggested we ask Dennis if we can do this. The board wondered if the pumping structure was technically now ours since it was on our property. Apparently we gave them verbal permission to put the pumps in, and we were told it would only take a year. It is now going on the second year.

WEBSITE:

Leon, who has been working on the website for the district, said the tools are limiting, so he is using a different system to build the website. He said there is a navigation bar and a home page (which will feature bulletins, a calendar, etc.). Tim said we needed to change the contact information for emergencies. It was determined that for security reasons, we do not want to make the website interactive. Gene asked how to access the website and was told the address is: BeverlyBeachWaterDistrict.org.

Gene made a motion to adjourn the meeting, which was seconded by Tim. In Favor: Jack, Gene, Tim, Leon, and Kendra. Opposed: None. The motion carried unanimously and the meeting was adjourned at 8:39 p.m.

Signed and respectfully submitted

Gene Hogan, Sec. Beverly Beach Water District- March 16, 2017
