

**Rivergrove Water District
Minutes-Regular Board Meeting
October 31st, 2016**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:36 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners Roth, McDowell, DeVries, Johnson and Patterson were present. District Manager DJ Ezell, District Engineer Jim Helton, and Finance Manager Dan Zimmerman were also present.

Public Comments: No public present.

CONSENT AGENDA

TAB 1: Minutes-September 26th, 2016 Regular Board Mtg.

Commissioner Roth moved that we approve the September 26th, 2016 minutes as presented.

Commissioner Johnson seconded. Motion passed. Commissioners Roth, McDowell, Patterson, Johnson, and DeVries voted aye. Nays-None.

UNFINISHED BUSINESS

TAB 2: Engineering Update-2nd Generator plan/contract approval, CIP Update

Jim stated he provided a letter of recommendation for award and the bid opening results for the electrical work at Old Gate. Bids came in higher than their estimate. The low bid was Northstar Electrical was \$83,500. They felt that costs are in line for the project. There were some revisions-going to the automatic transfer switch, trenching to the shop building, the service to the chlorination building, and installing a concrete pad for the generator. Chair DeVries asked if the pricing was more due to our additions to the project. Jim felt it was a combination of things: construction is up, more bids were expected, contractors are busy, and then the changes. MSA has recommended to award the bid to Northstar contingent on no protests.

The second part of his report: quotes on the towable generator. They sent quote requests to 4 local companies that handle standby-generators. He put together a quote sheet showing the amounts and differences. He explained the quotes and what were included in some and left out of the others. Pacific power generation was closest to following their specifications. PPG included the cable plug assembly and breaker with the generator which would be necessary to have. He discussed the other 3 quotes and what was not included. MSA recommended that the District accept the Pacific power quote at \$88,552. He noted that there would be additional costs for the electrician to install the cable plug assembly and the breaker.

Funding of the additional expenses over the budgeted amount. Jim noted that DJ met, discussed it, and she had put together options on covering the additional \$36,000 within the adopted budget. It was recommended that the additional \$36,000 be provided out of the money budgeted for Master plan project #2 since this project not been started and won't be funded in this fiscal year.

Jim also discussed the development being done by Timberland Developments on Pilkington. Water line on the frontage of the development is a 10" AC main and they will be replacing it with ductile iron. From the end of the frontage South to Dawn is 130' of 10 inch AC. We asked them to replace the frontage from their development to Dawn. According to records the line from Dawn to Childs is ductile. Replacing this would mean there would be ductile from the development to Childs. They finally gave us a price for the 130' plus putting in new valves. They are giving us the same price that they are paying their Contractor for their

installation. The portion of the cost that is the District's is \$46,223. This is what DJ noted as the second funding issue. There were two options. One use almost entire Capital Outlay project. The 2nd using the funds from Master plan project #2 in the Capital Improvement Fund. The Board discussed the options and felt that the second option was the best one. Jim mentioned that he did talk with the funding agencies and they felt that the safe drinking water loan would be the best option for us due to the landslide and seismic issues. Jim and DJ will be working on the loan application during November to get it submitted prior to the December 15th deadline.

Chair DeVries moved to accept Jim's recommendation to approve the electrical bid from Northstar Electrical and the Pacific Power Generation quote for the standby generator, as well as transferring funds from Master Plan #2 to cover the overage on the generator project and in addition to transfer the funds from Master Plan #2 project to cover the Pilkington 130' line replacement. Commissioner Patterson seconded. Motion passed. Commissioners DeVries, Roth, McDowell, Patterson, and Johnson voted aye. Nays-none.

Jim's last item was that he talked with City of LO about the improvements in front of Old Gate that could be done. City does not want us to put a paved apron in the right of way. We could put gravel. We are limited on what we can do. We can repair the driveway going in to the site. DJ noted that we will most likely surround the valve cluster with cement to keep them in place but that it was talked about to wait until the electrical project was complete to do additional work in front.

Chair DeVries asked how important was security at the site? DJ felt it was important. Security issues such as activating the motion lights were discussed. Commissioner McDowell noted that we have an obligation to all of our customers to provide safe water not just the neighbors. Commissioner Johnson stated that if it was a residence next door that put up a light the neighbors wouldn't have any say about that light. DJ and Commissioner Patterson discussed some of the history of site security, like neighbors having keys, 13 cars parked on it, etc. Board consensus was that security was important. DJ will continue to get more fence quotes.

Engineer Jim Helton left the meeting at 8:06 am.

Inside notebook: Audit Report

DJ called our Auditor Dennis Connor and put him on speaker phone. He wanted to talk to the Board about closing one of the LGIP accounts. You have one and everything can be reported from that. You would save service charges and some charges for transfer accounts. He also mentioned his suggestion about using the Quickbooks classification system for coding deposits and withdrawals by class. This will separate the funds out in one report for profit and loss. Dan and he sat down and figured out how to void a check from a prior year so it didn't affect the current year.

Last thing he wanted to say he wanted to thank Dorothy and Dan for all their help. He said that the District only has one problem and that is that you can't segregate the duties as much as you should. But it would take hiring 5 people in order to have perfect segregation of duties. And he knows that the District is not in the position to do that. He thinks the way the District is set up now is just about as good as you can get. It is better than a lot of Districts that he deals with. Any questions?

Chair DeVries is his first question goes back to Dan about closing the pool account would that be okay with his workload? Dan said it would be fine it stops having to do as many transfers

and the funds are just shifted in Quickbooks. That will stop fees for transfers and also a separate service fee.

Chair DeVries noted that Dennis made the comment about diversifying funds. If this goes into the same pool account is it a diversified account? Dennis said it is a totally diversified account. They have some rules that are pretty tight. It would make it easier for Dan to track the transactions. Any more questions?

Chair DeVries thanked Dennis for his work. Dennis left the meeting by phone at this time. Chair DeVries pointed out on page 17 the cash ending balance was \$250,000 and based on a rate perspective maybe we are at a point where rates might not have to be raised? DJ felt the person to answer that question would be Deb. She will get in touch to see what it would take to bring our numbers current.

Dan passed around a report for last fiscal year with the classes that breaks out the status of the funds.

Commissioner McDowell moved to approve the Audit done by Dennis Connor, CPA.

Commissioner Roth seconded. Motion passed. Commissioners DeVries, Patterson, Roth, Johnson, and McDowell voted aye. Nays-none.

TAB 5: Financial Report-Deposits Reconciliations and Board Report Checklist Beginning Fiscal 7/1/16

Dan stated that everything is currently reconciling. Nothing to report there.

TAB 6: September 2016 Bank Statements and Reconciliations Dan stated that we are still tracking a lot of transfers that deal with the Generator. These types of transfers will still happen. Usually the bill is paid through the checking account then the money is paid back to the checking account from the Capital Improvement Fund.

Dan stated on the reports it will really look the same breaking out the numbers and transfers. But in Quickbooks transactions will be done rather than actually moving the money from one pool account to another. There will be one less statement from the LGIP.

TAB 7: Fiscal year 2016-2017-Budget vs. Actual

Dan said looking at the balance sheet looking at line 1110 the money will still have a balance but physically the money will be in the same account. Other than that nothing else stands out to him. Transfers being done. He felt that this year more than ever with making this class change it made more sense to him and feels that this document will be easier to do in the future.

Approve Financials/Pay Bills

Commissioner McDowell moved that we approve the financial report. Commissioner Roth seconded. Motion passed. Commissioner Johnson, Roth, McDowell, Patterson, and DeVries voted aye. Nays-none

Commissioner McDowell moved that we pay the bills and approve the bank statements. Commissioner Roth seconded. Motion passed. Commissioner Johnson, Roth, McDowell, Patterson, and DeVries voted aye. Nays-none

All Board members present reviewed and signed the “Approval of Payment Form and Approval of reconciliations between CUSI and QuickBooks for Water Sales, Penalties and Water Deposits (including attached supporting documents)” .And all Board members present reviewed and signed the form entitled Rivergrove Water District-Bank & LGIP Statements.” Commissioner Roth completed the “Financial report check list” for this meeting.

TAB 8/9: Pump Reads-Completion of District Report

DJ said it was an eventful month. October billing is up. The one leak on Colby Ct. still needs to be paved. Brian dealt with the leak.

Commissioner Roth asked for a correction where it says “Gold” gate it should be “Old” gate. New website is live. Telemetry is still up in the air. Portland Engineering came out and they looked at the system.

DJ noted she sent both seismic reports to the Board. Members noted that they did receive it. DJ conveyed Don Ballantyne’s explanation of where we stand when the last study was done. Did it cover the 9.0 5 minute duration possible subduction earthquake? When we get to designing the seismic retrofits Don recommended Kent Yu of Seft Engineering based in Portland, phone 503-702-2065. He felt that Kent is a top notch structural Engineer.

Commissioner/Staff Comments: None

Non-agenda items-None

Commissioner to sign checks for the month: Commissioner Roth volunteered to sign checks for November.

Agenda Consensus for the November 21st, 2016 Meeting

Capital Improvement Project Funding through Safe Drinking water loans

Vacation accrual procedures for employees

Chair DeVries adjourned the meeting at 9:03 AM.

Respectfully submitted,

DJ Ezell,
Manager
Rivergrove Water District

These minutes are not verbatim and the meeting was tape recorded. The Tape Recorder was found to be inactive for the first portion of the meeting. Upon discovery it was fixed and the balance of the audio version is available on You Tube under Rivergrove Water. First section of the minutes of meeting was documented from notes.

ORS 192.650 Recording or written minutes required; content; fees. (1) The governing body of a public body shall provide for the sound, video or digital recording or the taking of written minutes of all its meetings. Neither a full transcript nor a full recording of the meeting is required, except as otherwise provided by law, but the written minutes or recording must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes or recordings shall be available to the public within a reasonable time after the meeting, and shall include at least the following information:

- (a) All members of the governing body present;
- (b) All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition;
- (c) The results of all votes and, except for public bodies consisting of more than 25 members unless requested by a member of that body, the vote of each member by name;
- (d) The substance of any discussion on any matter; and
- (e) Subject to ORS 192.410 to 192.505 relating to public records, a reference to any document discussed at the meeting.