

Heceta Water People's Utility District
87845 Hwy 101
Florence, OR 97439
April 19, 2022
Board of Directors' Meeting

1. CALL TO ORDER

Director Todd called the meeting of the Board of Directors of the Heceta Water People's Utility District to order at 4:00 pm on April 19, 2022.

2. ROLL CALL

Directors: Debby Todd, Alan Whiteside, Crystal Farnsworth and Mary Kauffman; General Manager Carl Neville, Cindy Spinner; Secretary of Record Mike Buckwald and Engineer Aaron Speakman, all present. Director Wendy Rohner was absent.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF MINUTES

a) ACTION: Director Whiteside made a motion to accept the minutes of the HWPUD Board of Director's meeting of February 15, 2022, as presented. Director Farnsworth seconded the motion. Directors Todd, Whiteside, Farnsworth and Kauffman voted aye. There were no nay votes.

b) ACTION: Director Whiteside made a motion to accept the minutes of the HWPUD Board of Director's meeting of March 15, 2022, as presented. Director Farnsworth seconded the motion. Directors Todd, Whiteside, Farnsworth and Kauffman voted aye. There were no nay votes.

5. PRESIDENT'S REPORT

There is no President's report.

6. FINANCIAL REPORT

Secretary Buckwald reported financials are sound with no danger of over expenditure. He anticipated that revenue may exceed budget predictions.

ACTION: Director Farnsworth made a motion to accept the financial report of March 2022 as presented. Director Kauffman seconded the motion. Directors Todd, Whiteside, Farnsworth and Kauffman voted aye. There were no nay votes.

7. STAFF REPORT

GM Neville reported that Heceta Beach Road had a few pipes break in the past month including a water main. He called in Ray Wells to limit the amount of time it took to repair, including down time for 60% of District fire hydrants. GM Neville mentioned the staff painting in the plant makes it look clean. GM Neville talked about the leak detection equipment which cost about \$19,000. He mentioned the District could test the equipment for a few days to determine if we can utilize it efficiently then add in next year's budget.

8. UNFINISHED BUSINESS

- a) Water System Improvement – Engineer Speakman mentioned he had worked with GM Neville to get phase one projects schedule that would allow time for bids to get back with a better idea of material costs. Speakman asking for GM Neville to be granted authority to work with engineers on design tasks and recommended we track each project separately. He went on to say the contract outlines the timeline which drives the schedule at 36 months. GM Neville stated the District is waiting on legal to review the contract before the Board signs off and there is money in the budget to get the Enchanted Valley pump station started now. Director Farnsworth asked if there will be a delay in waiting on the approval of contract. Speakman mentioned we can begin the leg work prior to the signage of the contract. Director Kauffman questioned the escalation schedule and cost of materials. Speakman says the float time at the end allows for the District to hold off in hopes the costs come down. He stated that once bids come in the prices will be locked in and higher costs will be on the contractors.

ACTION: Director Farnsworth made a motion to give authority to GM Neville to work with Dyer Partnership in establishing task order and scheduling. Director Whiteside seconded the motion. Directors Todd, Whiteside, Farnsworth and Kauffman voted aye. There were no nay votes.

9. NEW BUSINESS

- a) Consolidate Bank - Secretary Buckwald recommended District move money out of Banner into OPB to earn .23% more interest, equates to approximately \$1,140 more a year. Buckwald stated that Oregon pools Banks to cover municipalities beyond FDIC coverage in the event Banks fail. The Districts credit card is currently at Banner which can be switched over to OPB as well.

ACTION: Director Farnsworth made a motion to grant GM Neville and Secretary Buckwald authority to close account at Banner and transfer funds to OPB. Director Kauffman seconded the motion. Directors Todd, Whiteside, Farnsworth and Kauffman voted aye. There were no nay votes.

- b) Out of District Backflow Testing – GM Neville stated that with retirement of backflow tester at Laurel Bay Gardens, District has been asked by several outside the District for Jeremy to test their devices. He asked if Board wishes District to take this approach. GM Neville will work on procedures including boundaries and travel costs that District will allow for testing including a contract that out of district consumers will sign before Jeremy conducts testing. Director Todd inquired about City not testing their customers. GM Neville stated the City tests their own devices they own but outsource for everyone else. Director Whiteside inquired about adding additional testers at the District. GM Neville stated that District is about a year and half out from adding a second Backflow tester. Director Todd inquired about how far out of district are we comfortable testing asking that GM Neville clearly define distance and areas District will cover in the contract. Director Farnsworth inquired if the District is able to take on out of district testing with only one tester. GM Neville stated Jeremy is able to take on more backflow tests and it would be a financial benefit to the District. Director Kauffman inquired as to any liabilities for the District. GM Neville stated he has confirmed with both legal and insurance and there would be no liabilities with a contract that legal will help develop. Director Todd suggested GM Neville reach out to City to confirm

they are alright if Jeremy completed tests for their customers. GM Neville will present contract and procedures at next Board meeting.

- c) Resolution 2022-02 – Adopt Rate and Fees Schedule – Director Kauffman expressed concerned with increase presented. She stated that inflation is anticipated to reduce. Director Todd questioned the methodology on how the rates were calculated. She asked to see the rate study included in Resolution 2021-02. GM Neville calculated 12.5% increase in products since last year. Engineer Speakman mentioned the inflation is going up 12 to 15%. He stated that revenue may show it going up but not reflecting the additional expenses. GM Neville mentioned that in the rate study prepared by Steve Donovan has the District borrowing \$240 thousand for retainage to qualify for the loan. Director Whiteside mentioned that last year the Board approved the 5 percent based on recommendations by Donovan but with current costs for projects Board needs updated information. Engineer Speakman stated Donovan can update with current figures. GM Neville will send rate study out to Board to review and bring back at next meeting.

10. ITEMS NOT ON THE AGENDA

No items not on the agenda.

11. AGENDA SUGGESTIONS FOR FUTURE MEETINGS

- a) Out of district Backflow Testing Contract
- b) Resolution 2022-02 – Adopt Rate and Fees Schedule

12. ADJOURNMENT

The meeting was adjourned at 4:44 pm