**MINUTES:**

**THE NESKOWIN REGIONAL WATER DISTRICT (NRWD)**

**BOARD OF COMMISSIONERS REGULAR MEETING**

**FEBRUARY 26, 2020**

Commissioners Present: Al Gits, Gary Dunn, Frank DeMars and John Metschan

Commissioners Absent: Steve Rubert

Staff Present: Troy Trute and Joy Neufeld

Public Present:  Jean Cameron, Carol Hoke, Leslie Pease, Lloyd Van Roekel and Mike & Kathy Landers.

**CALL TO ORDER:**

Secretary Gary Dunn called the regular Board meeting to order at 1:00 pm in the District’s boardroom. The Board decided to start with the topic of the Charles Fritz Development, as the members of the public were attending to discuss that topic.

**CHARLES FRITZ DEVELOPMENT:**

1. At Jean Cameron’s request, Troy gave a broad overview of the Water District and how the Hills of Neskowin (H.O.N) subdivision is served by the District.
2. Community members wanted to know how the District’s projects D9 and D12 would affect the H.O.N water supply and flow.
	1. Troy stated that it would not affect the H.O.N supply or flow.
3. Community members asked who owns the H.O.N water tank.
	1. Troy stated the Neskowin Regional Water District owns the H.O.N water tank.
4. Community members asked if there were instructions available for the public to shut off the gate valves on the H.O.N water tank in event of a tsunami emergency.
	1. Gary stated that there is a public version of the District’s emergency response plan document on the District’s website.
	2. Gary stated there has been a water auxiliary portion added to that plan. This Water District auxiliary will be made up of volunteer community members that are located and live near the different reservoirs in Neskowin.
	3. Gary stated that Troy will set things up and provide training for the auxiliary members to shut the water off at the different reservoirs in the event of an emergency.
	4. Gary asked the members of the H.O.N community to get the names and contact information of community members in their area that would like to be part of the auxiliary, and submit them to Troy.
5. Community members wanted to know when the projects D9 and D12 would be completed.
	1. Troy stated that he was hoping to have both projects completed by July 4, 2020.
6. Community members wanted to know more about the proposed Charles Fritz development.
	1. Troy stated what he knew about the proposed subdivision.
7. Troy said that the Water District would never allow a subdivision to pull resources from another subdivision and adversely affect their service.
	1. Troy said that Mr. Fritz would have to come up with engineering plans that would not adversely affect the District’s existing system.
	2. Mr. Fritz’s engineering plans would have to be approved by the District and the District’s engineer.
8. The community members wanted to know about the District’s plans in case of a drought.
	1. Troy stated that the District has a water conservation plan in the case of a drought which would limit water usage at various stages.
	2. Troy said that the District is working towards purchasing parts of the watershed, and/or creating conservation easement contracts with landowners in the watershed.
	3. Troy added that the District’s Water Conservation Plan is on the District’s website under the title “Watershed”.
9. The community members thanked Troy and the Board for their time and the Board thanked the community members for their interest.

**REVIEW MINUTES:**

The Board reviewed the draft minutes from the Regular Board Meeting on January 23rd, 2020. **\*\*Motion\*\*:**Al Gits moved to accept the minutes as presented.  John Metschan seconded the motion, which passed unanimously.

**OPERATORS REPORT:**

1. Both Bac-T results were “absent” (non-detected).
2. The District passed its disinfection by-product lab test. This is the second in a series of four tests required by the State of Oregon.
3. Troy discussed purchasing new equipment for the District that would insure lower levels of disinfection by- products.
4. Troy stated that Danny failed his operator certification for treatment level 1 test, and Jerry passed his operator certification for treatment level 1 test.
5. Troy stated they have been doing maintenance around the Crest Reservoir, removing the brush, leveling the land, and planting grass seed.

**FINANCIAL REPORT:**

Troy went over the financial reports for the end of January 2020.

**BILLS TO BE PAID:**

Troy presented the bills to be paid.  **\*\*Motion\*\*:**  John Metschan moved to pay the bills as presented.

1. Gary Dunn abstained from check number 12981 as he was reimbursed for accommodations while he attended the SDAO Board Training conference in Seaside Oregon and check number 13012 due to a conflict of interest as he works for the USPS.
2. Frank DeMars seconded the motion, which passed unanimously.
3. The last check number was 13017.

**OLD BUSINESS:**

**LONG TERM ACQUISITION OF WATERSHED LAND:**

1. Troy stated that he is in negotiations with Trout Mountain in order to assess the watershed land the District is interested in purchasing.
2. Troy stated the District received the grant for the timber cruise.
3. Troy stated the District initially pays for the timber cruise survey and then submits forms to the state which will then reimburses the District for those timber cruise survey costs.
4. Troy stated the District has until 2022 to complete the timber cruise survey and submit the forms for repayment from the State.

**BOARD WORK PLAN:**

1. Frank reviewed topics from the SDAO Board training he, Steve and Gary attended in February.
	1. There were vendors selling used equipment.
	2. The motivational speaker was great.
	3. A banker and bonds man discussed loans, bonds and bond rates.
	4. District Medical insurance rates are going up 15%.
	5. Frank discussed the NRWD installing electronic meters with the folks there.
2. Gary reviewed topics from the SDAO Board training he Steve and Frank attended in February.
	1. Ransomware and digital security.
	2. American Disability Act & ADA compliancy.
	3. Emergency Management.
	4. Gary discussed the District’s Public Version of the Emergency Response Plan with the folks at the conference.

**MASTERPLAN PROJECTS:**

1. Troy discussed the masterplan projects current status.
2. Troy stated the NRWD is adhering to the time schedule. The due date for contractors to get their bids in to the District for projects D9 and D12 is Monday March 2, 2020.
3. Troy said that if he selects a bid that complies with the project’s requirements he will email the Board and ask for their approval. Then at the next Board meeting, he will ask the Board to pass a motion to officially approving the bid contract.

**RESIDENTIAL AND COMMERCIAL SERVICE REU, SDC AND RATES DISCUSSION:**

1. Troy and the Board continued to discuss the new Rate Subcommittee Findings document Troy presented.
2. Troy handed out a Rate Subcommittee Findings document to all the Board members for their review and for discussion.
3. Frank said that he would like to change the budget to reflect the actual GF expenditures by removing the $25,000.00 contingency fund and putting all incoming LGIP interest into the Capital Improvement Fund instead of putting it in the General Fund.
4. Frank stated that he feels the District’s General Fund income is overstated and the expenses are understated.
5. Frank said that the District is not saving enough revenue, and takes money from taxes for operating expenses, and that this should stop.
6. Frank said most if not all of the District’s tax revenue should go into the Capital Improvement Fund to fund the District’s needed defined projects.
7. Troy said that in his new rate increase document he sent to the Board, he addressed many of the things that Frank brought to his attention.
8. Troy also said that within reason, he would be willing to redo the budget document to make it more understandable to the Board as he needs to use the same form to create the District’s budget.
9. Troy stated that the District needs more revenue to accomplish identified master plan projects.
10. Frank stated that Troy, Gary and he had a meeting and they all agreed that District sales were $126,000.00 less than expenses.
11. Gary stated they decided to set the rates for billing customers by water usage. Covering the $126,000.00 shortfall would require a 30% rate increase.
12. Gary said that the rate the District will charge customers for their water is based on the amount of water used.
13. Gary said that the rate increase should be implemented in two stages.
14. Gary said the Board needs to decide whether the first stages increase should be 15 percent or 20 percent.
15. Gary also said the Board needs to decide when to implement these stages, year one and year two or year one and year three.
16. Gary said the quarterly maintenance fee would go up from $33.00 to $35.00.
17. Frank said that he thought the maintenance fee should be called the maintenance and fire protection fee.
18. Frank suggested implementing a 21 % increase by charging $40.00 for the maintenance and fire protection fee.
19. Frank said that once the District charges more for water usage customers would start cutting back on their water usage.
20. Gary disagreed and thought the District should follow Troy’s presented rate increases.
21. Al stated he was concerned about customers on a fixed income and how the proposed rate increases would affect them.
22. Troy suggested doing the rate increase in two stages and Gary suggested Troy present a quarterly financial review to the Board after the rate increase is implemented in order to continue to monitor the District’s financial situation.
23. Troy and the Board discussed fund accounting.
24. Gary said that Troy had suggested that at the end of the fiscal year the General fund LGIP should retain capital to fund the first quarter of the new fiscal year, and all other monies retained could be moved into the Capitol Improvement fund LGIP.
25. Gary suggested the District implement a 15% rate increase in the fiscal 2020-2021 (year one). A review and possible rate increase in fiscal year 2021-2022 (year two). Another implemented 15% rate increase in the fiscal year 2022-2023 (year three) with yearly reviews for adjustment if needed. The Board all agreed.
26. Al said that the District should inform the public of possible yearly adjustments and increases as well as the initial rate increase in advance. The Board all agreed.
27. Troy said the rate increase information would go out along with the April 2020 water billing and there would be a public rate hearing just before the April Board meeting.
28. John stated that at the budget meeting and the public meeting the Board should be ready to respond to questions about the rate increases and the impact of increasing PERS contributions.

**SOUTH COUNTY EMERGENCY VOLUNTEERS CORP UPDATES:**

1. Gary discussed the South County Volunteers Corps.
	1. Gary stated that the South County Volunteers Corps are now a formal association and are now a 501C3 organization.
	2. Gary stated that he also directs a communications subcommittee and is on their Board.
	3. Gary stated that the communications subcommittee wants to participate in the District’s emergency drill later this year.
	4. Gary stated that they are starting up training classes for communications supporting the basic GMRS methodology course and a HAM radio course as well.
	5. Gary stated he is working on a website for the South County Volunteers Corps, and is trying to make it ADA compliant.
	6. Gary stated that he would send Troy information for a HAM radio system for the District to purchase.
	7. Gary stated that his HAM group is going to hold a HAM field day exercise at the golf course in June.

**NEW BUSINESS:**

**FUTURE MEETING DATES:**

The next NRWD Regular Board meeting is set for Thursday, March 26th, 2020 at 1:00 pm.  Subsequent NRWD Board meetings are tentatively set for Thursday, April 23rd, 2020 at 1:00 pm, and Thursday, May 28, 2020 at 1:00 pm.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 3:50.45 pm.  **\*\*Motion\*\*:**  Frank DeMars moved to adjourn this Board meeting.  Gary Dunn seconded the motion, which passed unanimously.

Respectfully submitted,

Joy Neufeld

Recording Secretary, Neskowin Regional Water District

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Steve Rubert, President  Gary Dunn, Secretary