

OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT

55841 SWAN RD, BEND OR 97707

www.oww2sd.com

Agenda

Board of Directors - Special Meeting

March 1, 2012 – 6:30 p.m.

Call to Order - Roll Call

Increase of Monthly Sewer Service Fees

Public Comments

Adjourn

OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT

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Meeting Minutes Board of Directors – Special Meeting March 1, 2012 - 6:30 p.m.

Call to Order - Roll Call: President Bob Chase called the meeting to order at 6:30 p.m. Members present; Greg Estep and Bob Worthean. Members absent; Elreta Humeston. **District Employees:** Rick Durham and Elisa Davis. **Visitors:** Candace Fronk and Michelle Rich from Harrigan Price Fronk & Co LLP (the Districts CPA's), Melissa Durham, Jim & Dixie Ostlind, Chuck Brooks, Sue Wentz, Brian Goins.

Increase of Monthly Sewer Service Fees

Greg started the meeting by explaining that the CPA's were hired to do a rate analysis due to concerns of income vs. expenses for the District.

Based on the District's audit ending June 30, 2011, there was a deficit of about \$25,000.00 which included debt repayment, normal repairs and maintenance on the system, leaving a shortfall for current operations. As the system ages items along the way will need to be replaced based on a schedule of life expectancy and the cost. Equipment replacement will need to take place in the next 2-7 years. Calculations were based on the cost of items purchased in 2005 compared to the costs today. Based on current use the District would need to save about \$35,000.00 per year for equipment replacement. Regular wear and tear of the system should be paid by the users of the system. It is in the District's best interest not to wait until things need to be replaced then having to raise rates later to cover the costs. This will avoid accumulating further debt if another loan was needed. The suggested amount of increase is 12% (\$6.60) to balance the budget and have an adequate savings. This meeting was to gather information from the CPA's only, no decisions have been made.

Rick Durham presented everyone with literature on the District's equipment and replacement costs. A majority of the equipment can be rebuilt in-house, as long as it is not damaged. Regular maintenance on the vacuum station pumps is a costly expense and is done twice a year. In the next couple of years vacuum pumps and grinders will need to be rebuilt. Lift stations are cleaned every couple of months to remove grease build up. In the last 5 years 3 lift station pumps have been rebuilt, one of those will not be able to be rebuilt next time. Lagoon aerators will need bearings replaced this summer. Aerating the lagoons help keep down sludge build up. Dredging of the lagoons might be needed but is not known at this time. Lagoon transfer pumps are cleaned monthly. Generator is exercised weekly for 20-30 minutes and is maintained regularly. Wastewater treatment and irrigation takes place over at Section 25. Groundwater samples are taken quarterly as well as hay samples from the irrigation fields. The cost to replace these items can run anywhere from \$300.00 to \$20,000.00.

Public Comments: Dialogue on various topics was exchanged between the Board and the public.

Adjourn: The meeting was adjourned by President Robert Chase at 8:00 p.m. The time and place of the next meeting is at 10:00 a.m. on Thursday March 15, 2012 at the District Office.

Elreta Humeston
Secretary

April 19, 2012
Date