

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SPECIAL MEETING - BUDGET HEARING**

June 21, 2017 - 7:00 p.m.

The meeting was called to order by Vice Chairman Hickey with John Handler and Curt Lorenz present. Owen Nicholson and Mike Sims were excused. Also present was Manager Bruce Halverson, Keri Scott and Janet Lease. There were no members of the public present.

MINUTES

Curt Lorenz made a motion to approve the minutes of the May 17, 2017 meeting as presented. The motion was seconded and passed unanimously.

FINANCIAL REPORT

John Handler noted the Chlorine line item is over budget but the Expenses category as well as the overall Materials & Services is under budget. It is hoped the need for the use of chlorine will be eliminated when the Disinfection Plan is completed and implemented. John Handler made a motion to approve the financial report for the month ending April 30, 2017. The motion was seconded and passed unanimously.

BUDGET HEARING OPEN - TIME: 7:03 PM

UNFINISHED BUSINESS

There is no unfinished business at this time.

NEW BUSINESS

Election Results

The Tillamook County Clerk has sent the Official Abstract of the votes for the May 16, 2017 Special Election. The results show Owen Nicholson being re-elected for Position #3 with 623 votes, Jim Hickey being re-elected for Position #4 with 617 votes and Mike Sims being re-elected for Position #5 with 665 votes. John Handler made a motion to accept the election results as presented by the Tillamook County Clerk and the three candidates are qualified to hold the position for which they were elected. The motion was seconded and passed unanimously.

Resolution 2017-06: Certifying Liens to Tillamook County Assessor

The resolution shows 36 accounts being certified for collection to the Tillamook County Assessor totaling \$15,532.39. There were 48 certified letters representing 51 accounts mailed out on June 1st with 15 accounts being paid. Last year there were 34 accounts certified totaling \$11,434.25. John Handler made a motion to adopt Resolution 2017-06: Certifying Liens to Tillamook County Assessor totaling \$15,532.39. The motion was seconded and passed unanimously.

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SPECIAL MEETING - BUDGET HEARING**

June 21, 2017

Page Two

NEW BUSINESS CONTINUED

There being no comments regarding the 2017-2018 budget and there were no changes made to the proposed budget approved by the budget committee, Vice Chairman **CLOSED THE BUDGET HEARING AT 7:07 PM**

Resolution 2017-07: Adoption of the 2017-2018 Budget

John Handler made a motion to adopt Resolution 2017-07: Adoption of the 2017-2018 Budget in the aggregate amount of \$5,139,702. The motion was seconded and passed unanimously.

Resolution 2017-08: Appropriation of Funds for the 2017-2018 Budget

John Handler made a motion to adopt Resolution 2017-08: Appropriation of Funds for the 2017-2018 Budget categorized with General Fund at \$2,043,952; Bond Fund at \$0.00; System Development Fund at \$352,000; Equipment Reserve Fund at \$56,000; Non-appropriated amount at \$2,687,750 totaling \$5,139,702. The motion was seconded and passed unanimously.

Resolution 2017-09: Imposing & Levying Taxes for the 2017-2018 Budget

John Handler made a motion to adopt Resolution 2017-09: Imposing & Levying Taxes for the 2017-2018 Budget levying the maximum allowable rate of 0.4088/000. The motion was seconded and passed unanimously.

Resolution 2017-10: Imposing & Categorizing Taxes for the 2017-2018 Budget

Under the Non-Limited, Delinquent User Fees, the certified amount approved from Resolution 2017-06 of \$15,532.39 was added. John Handler made a motion to adopt Resolution 2017-10: Imposing & Categorizing Taxes for the 2017-2017 Budget with the addition of the Non-Limited amount of \$15,532.39 and the General Operating Levy of 0.4088/1000. The motion was seconded and passed unanimously.

Resolution 2017-11: Sole Source Procurement-Flygt Pumps

Manager Halverson reported the NBWA currently has 8 different pump vendors with the need to try and maintain parts & storage of these parts from these 8 vendors. Some vendors are going out of business which makes getting the parts difficult for our needs. Manager Halverson also reviewed that the NBWA sole sourced Vaughan Pumps for the City Park and Fire Station Lift Stations which have worked well at those two lift stations. For the remaining lift stations, Manager Halverson is requesting to sole source for Flygt pumps. Currently, the NBWA has Flygt

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SPECIAL MEETING - BUDGET HEARING**

June 21, 2017

Page Three

NEW BUSINESS CONTINUED

Resolution 2017-11: Sole Source Procurement-Flygt Pumps Continued

pumps at the McDonald Road Lift Stations, Manzanita Meadows Lift Station and just recently added the third pump at the Administration Building with a 15hp Flygt pump. All these are running very well with no issues. The company who handles Flygt Pumps is Xylem Water Solutions from Portland and they are a phone call away and have been very helpful over the last few years. Xylem Water Solutions has offered the NBWA an agreement that would give us a 20% discount on any all pumps and parts with the only exclusion would be labor. The overall fiscal impact would be the efficiency and savings of buying everything from one vendor for Flygt pumps. City Park & Fire Station Lift Stations will remain sole sourced for Vaughan pumps. Dealing with two vendors instead of 8 vendors will make the operations and maintenance less confusing and cumbersome. The 20 year master plan includes upgrades to pumps so the purchases would be budgeted through the System Development Fund. The sole sourcing would be for Flygt pumps, not Xylem Water Solutions. Currently, Xylem Water Solutions is the only Flygt vendor in our area. Also, if at some time in the future the NBWA wanted to change pumps, the sole source resolutions can be rescinded.

After a brief discussion of the operation of Flygt pumps, John Handler made a motion to adopt Resolution 2017-11: Sole Source Procurement-Flygt Pumps. The motion was seconded and passed unanimously.

MANAGER'S REPORT

Manager Halverson reported on the following projects:

Irrigation: Irrigation season is upon us. The fields have been mowed and are now ready as long as the dry weather continues. The variable speed pump was sent in for routine maintenance since it was last checked out seven years ago. Once it is back, the irrigating will begin.

Disinfection Plan: Kennedy/Jenks continues to work on the plan. TMG will be supplying the pumps and North Star the product. There are some building code issues as there is a limit of how much bleach can be stored indoors. The solutions are being researched which could include an outside tank being installed.

Biosolids Plan: It is time to revisit the need to dredge the lagoons. DEQ requires a biosolids plan to outline the process. Kennedy/Jenks is also working on the plan. They will do testing on the sludge which will be analyzed to see what the make-up of our particular sludge is. Since we do not have heavy metal industries, it is hoped the sludge can be land applied on our fields once it is dried. If not, the sludge would have to be hauled away to a proper disposal site. Either process requires the sludge to be dried which would be done here. Depending on the estimated price of the process will depend on how many lagoons are done. It may need to be

done in phases.

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SPECIAL MEETING - BUDGET HEARING**

June 21, 2017

Page Four

BOARD COMMENTS

Vice Chairman Hickey brought up the conversation around the community with regard to the new development for the back nine of the golf course. All kinds of comments are going around with citizens concerned about available water, sewer capacity, roads, etc. A comment was made by a random citizen at one of the open community meetings that the sewer lagoons were at capacity. Since he is getting asked about the sewer, Vice Chairman Hickey asked for clarification of the sewer issues. Manager Halverson explained the sewer lagoons are not at capacity. Any upgrades needed to the sewer system for the development would be part of the developers plans. The Southeast Manzanita Lift Station was built for future development. The only possible upgrade would be the need to enlarge the force main which goes from the Southeast Manzanita Lift Station to the Pine Ridge area. Also, some of the potential upgrades for the area are part of our 20 year master plan. Some of the costs related to any upgrades could possibly be worked out with the developer to share in those costs. Manager Halverson stated he has been in contact with the surveyor/engineer as well as the developer of the project and they are aware the sewer system is capable of handling the development. Also, the NBWA is being proactive in developing the Biosolids Plan which will provide for more capacity in the lagoons once the sludge is removed.

PUBLIC COMMENTS

There were no members of the public present.

There being no further business, Vice Chairman Hickey adjourned the meeting at 7:40 p.m.

Jim Hickey, Vice Chairman

Bruce Halverson, Manager