

Tooley Water District Board Meeting Agenda

Version 1.1 (updated 3/14/17)

Meeting Date: Thursday, March 16, 2017 7:00pm

Location: Northern Wasco County Public Utility District Board Room

Type of meeting

Board Meeting

Chairperson

Carl Carson

Minute keeper

Debby Jones

Topics

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Item 1 - Approval of Agenda - Carl Carson

Item 2 – Approval of February 2017 Minutes - Carl Carson

Tooley Water District
February 16, 2017 Board Meeting Minutes

Present: John Amery, Carl Carson, David Pratt, Richard Pontow, Debby Jones
John Amery took minutes until 7:20 when Debby arrived.

Mr. Carson opened the meeting at 7:02PM

A motion was made by Mr. Amery to change the Agenda as follows:

1. Move Executive Session (spot 7) up to spot 4 (just after financial reports)
2. Add three new agenda items to the bottom of the agenda:
 1. Discussion – FEMA application
 2. Authorization for Mr. Amery to develop a supplemental budget in which we transfer \$2,820 from emergency funds to a new fund defined as “contingency account”
 3. Authorization for Mr. Amery to pay Hiland Water up to \$1500 out of this new account for adding 30 yards of gravel to the hillside above Baldwins.
 4. Discussion Item - Re-categorize copies from the category “Postage/Billing” to “Board Member Training/Meeting Expenses”

Motion was seconded by Mr. Pratt and passed unanimously

Mr. Carson read the January 16 meeting minutes.

Motion was made by Mr. Amery to approve the minutes as read with one change:
Change “November 2017” to “November 2016”

Motion was seconded by Mr. Pontow and passed unanimously.

Mr. Amery went over the financial reports.

Mr. Amery pointed out that he had accidentally issued checks with an incorrect date of 12/31/16 when in reality they were issued 1/21/17. This mistake caused unusual spikes in financial reports.

Mr Pratt made note that the financial statements do not accurately reflect any fixed assets. Mr. Amery agreed and stated he would add the insurance values for Tooley Water District fixed assets to future balance sheets.

Mrs. Jones took over as scribe at 7:20 pm.

Dave motioned to accept the financial reports. Richard seconded. Motion passed unanimously.

Carl called the Board to Executive Session at 7:28 pm.
Dave made a motion to close from Executive Session at 7:55 pm. John seconded.
Motion passed unanimously. Board proceeded by into the regular board meeting agenda at 7:58 pm.

Carl and John discussed that Tooley Water District had received a bill from Hire Electric for \$140.50 for their work on the pumps when they were submerged.

Carl shared that Hiland has not at this moment in time charged Tooley Water District for the additional work and repair from the breakage at the Baldwin property. The board did receive correspondence from Hiland asking for clarification on the contract regarding general maintenance and repairs. Carl directed John to continue to take the lead in working with Hiland on this issue as well as the Insurance Company and FEMA regarding the Baldwin property.

The board discussed the need for developing a purchasing policy for unanticipated expenses as occurred this past winter. John made a motion that any board member could authorization procurement up to \$250 for goods or services per incident for Tooley Water District expenditures as long as the expense fits within budget allocations. Richard seconded the motion. Motion approved unanimously.

Debby made a motion to allow two board members, in an emergency situation, authority to authorize payment over \$250 as long as it does not exceed the current budgets contingency fund. John seconds the motion. Motion passed unanimously.

John updated board members on the check authorization for review.

Board discussed the need for an emergency reserve fund. It was determined that a reserve fund had been identified as a budget line item.

John updated the board on the opportunity to possibly apply for FEMA funds. John had submitted an Oregon Emergency Management Infrastructure Initial Damage Assessment Field Data Collection Form. There is concern that potential costs for repair of the Tooley Water District Access road to the lower well. John also identified the possible need for removal of debris from the lower portion of the access road at the lower well. The main water line is now exposed and may need to be recovered.

Dave asked if it had ever been determined the cause of the break. The reason given was a possible ground shift. Board members discussed replacement of the existing section of the water main from PVC conduit to HDPE to help the issue from occurring again. FEMA work could include removal of debris from Tooley Easements areas as well as repair of any damage potential caused by the water line break.

John asked Debby about the SDAO water grant. Debby said she would send a link.

Debby asked if there was a policy to notify water users if the water usage reports identify a significant change in past usage. Board members shared that there was not such policy in the board bylaws.

Carl adjourned the meeting at 8:50 pm

Item 3 - Financial Reports – John Amery

Copy of current account totals from Washington Federal Website

Secure | <https://account-view.washingtonfederal.com/WAFD/FinancialOverview/FinancialOverview.aspx>

Washington Federal.
Click here.

- view
- Accounts
- Transfers
- Bill Pay
- Alerts + Mobile

Accounts

Business Money Market *****	\$25,639.66	Quick Transfer	☰ ☰
Stellar Business Int Chk *****	\$15,038.88	Quick Transfer	☰ ☰

Recent Savings Transactions

Tooley Water District

3/14/2017 4:48 PM

Register: Savings at Washington Federal

From 02/12/2017 through 03/14/2017

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/07/2...			Checking at Washin...	Funds Transf...		X	235.00	25,639.66

Recent Checking Transactions

Tooley Water District

3/14/2017 4:49 PM

Register: Checking at Washington Federal

From 02/12/2017 through 03/14/2017

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Number</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Payment</u>	<u>C</u>	<u>Deposit</u>	<u>Balance</u>
02/20/2...	2007	Hiland Water Corp	Accounts Payable	January 2017...	1,725.50	X		12,441.53
02/20/2...	2008	Hire Electric	Accounts Payable	INV# 60437...	142.50	X		12,299.03
02/21/2...		Washington Federal	Interest Income			X	0.59	12,299.62
03/07/2...			Savings at Washing...	Funds Transf...	235.00	X		12,064.62
03/10/2...		Hiland Water Corp	Unclassified Water ...			X	2,803.32	14,867.94
03/10/2...		S.D.I.S	Materials and Servi...	Longetivity ...		X	100.00	14,967.94

Profit and Loss Budget vs. Actual

4:52 PM

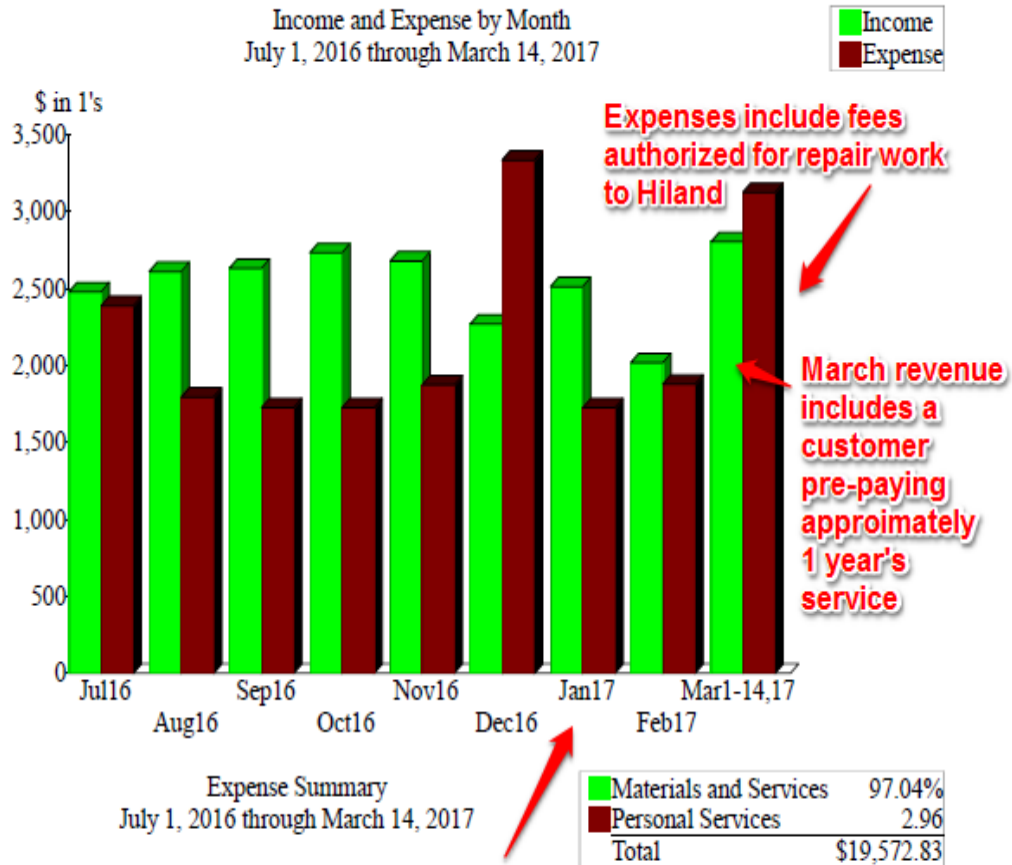
03/14/17

Accrual Basis

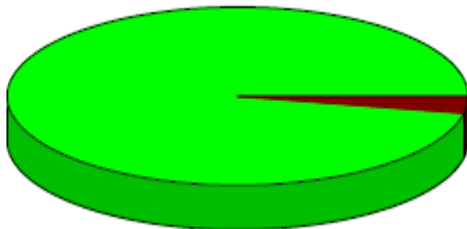
Tooley Water District Profit & Loss Budget vs. Actual July 1, 2016 through March 14, 2017

	Jul 1, '16 - Mar 14, 17	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Base Water Sales	0.00	16,151.75	-16,151.75	0.0%
Unclassified Water Income	22,720.25	0.00	22,720.25	100.0%
Variable Rate Water Sales	0.00	5,104.77	-5,104.77	0.0%
Total Income	22,720.25	21,256.52	1,463.73	106.9%
Expense				
Capital Improvements	0.00	1,760.76	-1,760.76	0.0%
Contingency	0.00	1,986.13	-1,986.13	0.0%
Materials and Services				
Dues and Fees	196.59	493.02	-296.33	39.9%
Laboratory Fees	0.00	0.00	0.00	0.0%
Liability Insurance				
Insurance Refund	-100.00	0.00	-100.00	100.0%
Liability Insurance - Other	1,482.00	1,500.00	-18.00	98.8%
Total Liability Insurance	1,382.00	1,500.00	-118.00	92.1%
Maintenance and Repairs	1,642.50	633.87	1,008.63	269.1%
Operating Expenses				
Bank Service Charges	0.00	0.00	0.00	0.0%
Computer and Internet Expenses	101.05	0.00	101.05	100.0%
Interest Expense	0.00	0.00	0.00	0.0%
Office Supplies	106.96	0.00	106.96	100.0%
Operating Expenses - Other	15,564.47	14,508.63	1,055.84	107.3%
Total Operating Expenses	15,772.46	14,508.63	1,263.85	108.7%
Postage and Delivery	0.00	91.57	-91.57	0.0%
Materials and Services - Other	0.00	0.00	0.00	0.0%
Total Materials and Services	18,993.67	17,227.09	1,766.58	110.3%
Payroll Expenses	0.00	0.00	0.00	0.0%
Personal Services				
Boardmember training/meetings				
Meeting Copies	20.56	0.00	20.56	100.0%
Boardmember training/meetings - Other	0.00	176.09	-176.09	0.0%
Total Boardmember training/meetings	20.56	176.09	-155.53	11.7%
Crime Bond	0.00	100.00	-100.00	0.0%
Workmans Compensation Insurance	559.60	600.00	-41.40	93.1%
Personal Services - Other	0.00	0.00	0.00	0.0%
Total Personal Services	579.16	676.09	-296.93	66.1%
Total Expense	19,572.83	21,650.07	-2,277.24	89.6%
Net Ordinary Income	3,147.42	-693.55	3,740.97	-530.3%
Other Income/Expense				
Other Income				
Interest Income	21.73	14.79	6.94	146.9%
Total Other Income	21.73	14.79	6.94	146.9%
Net Other Income	21.73	14.79	6.94	146.9%
Net Income	3,169.15	-578.76	3,747.91	-547.6%

Income and Expense by Month



I learned how to properly track checks and bills from Hiland on an accrual basis in our accounting system such that reports reflect properly now.



Balance Sheet Previous Year Comparison

4:56 PM
03/14/17
Accrual Basis

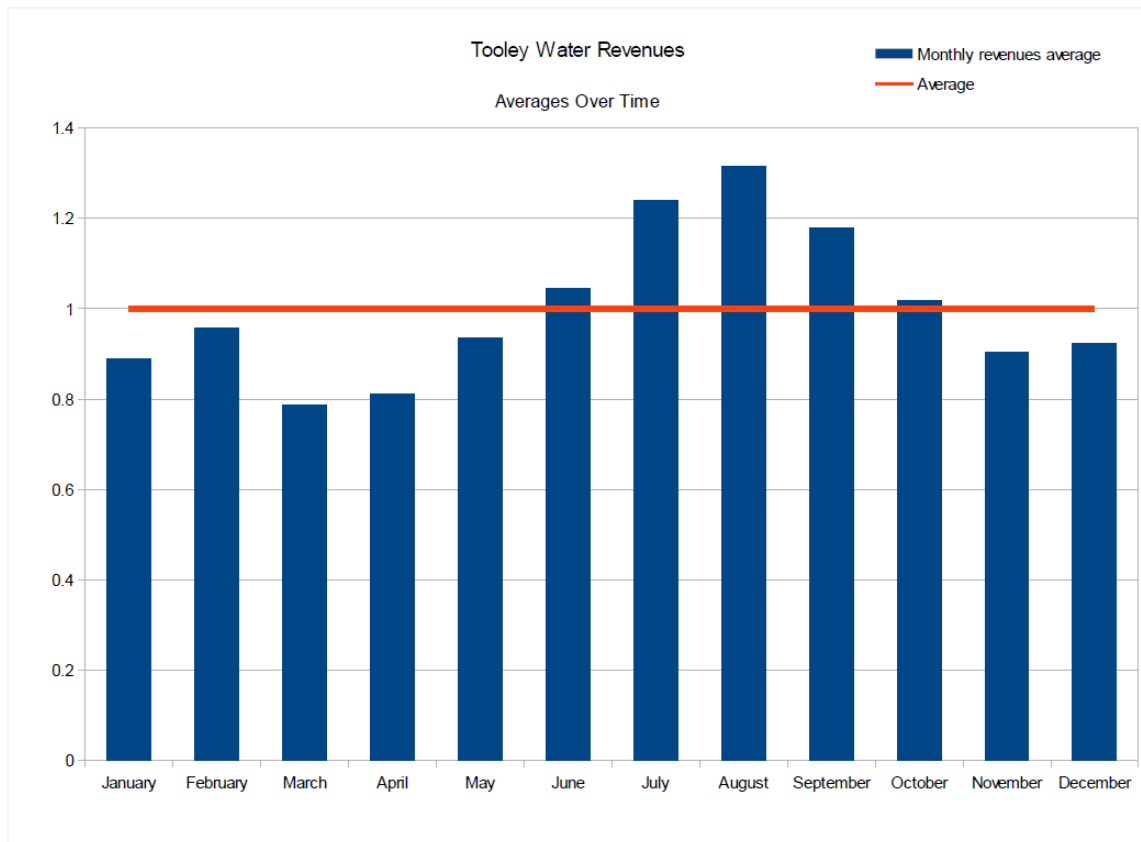
Tooley Water District Balance Sheet Prev Year Comparison As of March 14, 2017

	Mar 14, 17	Mar 14, 16	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Checking at Washington Federal	14,967.94	17,916.64	-2,948.70	-16.5%
Savings at Washington Federal	25,639.66	15,503.28	10,136.38	65.4%
Total Checking/Savings	40,607.60	33,419.92	7,187.68	21.5%
Total Current Assets	40,607.60	33,419.92	7,187.68	21.5%
Fixed Assets				
Tooley Fixed Assets	249,300.00	249,300.00	0.00	0.0%
Total Fixed Assets	249,300.00	249,300.00	0.00	0.0%
TOTAL ASSETS	289,907.60	282,719.92	7,187.68	2.5%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	4,962.00	0.00	4,962.00	100.0%
Accounts Payable	4,962.00	0.00	4,962.00	100.0%
Total Accounts Payable	4,962.00	0.00	4,962.00	100.0%
Total Current Liabilities	4,962.00	0.00	4,962.00	100.0%
Total Liabilities	4,962.00	0.00	4,962.00	100.0%
Equity				
Opening Balance Equity	268,855.44	268,855.44	0.00	0.0%
Retained Earnings	12,921.01	7,353.38	5,567.63	75.7%
Net Income	3,169.15	6,511.10	-3,341.95	-51.3%
Total Equity	284,945.60	282,719.92	2,225.68	0.8%
TOTAL LIABILITIES & EQUITY	289,907.60	282,719.92	7,187.68	2.5%

Added insurance values for Tooley Water District fixed assets.

Item 4 (Discussion) – Revenue Forecasts – John Amery

I asked Hiland Water for a report on revenue history. They provided a summary report dating back to December 2007. Based upon this data I was able to trend revenue by month. Trends reflect that Tooley Water District revenues will likely be lower than average for most of the remaining fiscal year.



Based upon past year trends I developed a forecast for this years revenue to be more than 10% lower than originally forecasted.

My forecast reflects \$27,041 in revenue while this year's budget was based upon a \$30,181 revenue.

- It should be noted that this month's actual revenue is skewed as one of Tooley Water Districts customers pre-paid approximately 1 years service. I did not include this anomaly in my calculations as my purpose for this exercise was to develop a good baseline for next year's budget. Thus, I expect actual revenues to be higher this year than I forecasted however next years revenue will be affected by this lack of additional monthly revenue.

Estimate of Tooley Water District 2017 Revenues Normalized by previous years monthly revenue averages

Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
Water Revenues	\$15,038	\$16,224	\$13,342	\$13,736	\$15,833	\$17,680	\$20,981	\$22,258	\$19,958	\$17,259	\$15,291	\$15,637	\$203,236
Average Revenues	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936	\$16,936
Monthly revenues average	88.79%	95.79%	78.78%	81.10%	93.49%	104.39%	123.88%	131.42%	117.84%	101.91%	90.28%	92.33%	

Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
Monthly revenues average	88.79%	95.79%	78.78%	81.10%	93.49%	104.39%	123.88%	131.42%	117.84%	101.91%	90.28%	92.33%	0.00%
Average	1	1	1	1	1	1	1	1	1	1	1	1	1

July to Feb revenue	\$19,672.00
March to June forecasted revenue	\$8,355.99
July to Feb percent average	1.05280467
July to Feb normalized revenue	\$18,685.33
8 month normalized average	\$2,335.67
12 month normalized Average	\$2,253.44
Total Forecasted Monthly Revenue	\$27,041.32
Budgeted revenue for this fiscal year	\$30,181.00
Difference between budgeted and forecasted	-\$3,139.68

* Note : In March 2017 Tooley had a customer prepay approximately 1 year's service
 ** Note: This is why estimates are only based on July to Feb actuals

It should be noticed that one of Tooley Water District's high volume customers has considerably reduced usage. This likely plays a large part in the overall reduction in revenues.

Item 5 (Discussion) Contingency vs Reserves

Basic discussion on the difference between Contingency and Reserves.

Item 6 (Action) – Request to amend budget - John Amery

I am asking the board to consider two amendments to the current budget:

1. Moving \$600 from contingency to Operating Expenses for the following likely purposes
 1. Likely overruns in office supplies - \$100
 2. Credit Card fees (not an actual charge, rather due to the fact we do not track these items separately from Hiland) - \$100
 3. Web Page Hosting - \$101.05
 4. Remote Monitoring (potential cost) - \$300
2. Moving the remaining \$2,220 from contingency over to Maintenance and Repair in anticipation of potential repair charges this year.

Item 7 (Action)- Wireless systems and monitoring

Hiland Water will be presenting a potential solution for Wireless systems and monitoring.

The board may choose to move forward with authorizing moving forward with purchasing a wireless monitoring system.

Item 8 – Executive Session.

Under ORS 192.610 – 192.690 Tooley Water District will be entering into Executive session. The purpose of this executive session will not be for the purpose of taking any final action or making any final decision.

Time entered executive session: (to be stated)

Time exiting executive session: (to be stated)

Item 9 – Discussion – Next Meeting Date – 4/20/17

Next board meeting will take place April 20, 2017 at 7:00pm.

Location: NWCPUD board room

Meeting Adjourned