

The meeting was called to order at 7:30 p.m. by Don Vaughan, Vice-chairman of the Board. Board members present were Bill Finney, Pete Place and Henry Schwartz. Also present were Frank Arnold, Melvin Wingerd, Sherwood Davis, Superintendent Vance Hubbard and Carol Quinn, District Clerk. Norv Shuster arrived at 8:00 p.m.

The minutes of the last meeting were read and approved as printed.

Don Vaughan reported that he had contacted the Water Resources Dept. regarding the water use permit renewal. We could have them come verify that we have developed the North fork of Gordon Creek for maximum use and would not need to keep applying for the use permit. However since we have not fully utilized our potential water rights on the South fork, we still need to have the permit. Therefore, it was agreed to send in both renewal permits and fees which are good for five years.

Mr. Wingerd, Mr. Arnold and a letter from Mrs. Barker all requested the Board to adjust their water bills due to leaks. Mr. Wingerd had a leak for several months but had been unable to locate it until last week. It has now been fixed. His water use had been running at about 35,000. Since summer it has been going up not down. Normal summer use is about 20,000. Mr. Finney moved that his bill be adjusted to charge him for 20,000 since fall (Sept.). Pete Place seconded. Passed. Mr. Arnold explained that Dabney Park has a leak of 300,000 a month. They have had a crew trying to locate it since he was notified. However, it still has not been located. The Board agreed that they would adjust the bill but not until after the leak is repaired and asked that Mr. Arnold advise them of such. It would not be necessary for him to attend the next meeting as long as the District had the up to date information about the leak repair. Mrs. Barker's letter requested a further reduction of her 137,000 gallon leak that occurred when she moved into a long vacant house. She had repaired the leaks in the house but was not aware of the ones outside. Pete Place moved that the bill be adjusted to 20,000 gallons. Bill Finney seconded. Passed.

Vance Hubbard reported that Paul Mershon had located some used fire hydrants that were in good shape for sale at a good price. He requested that the District consider purchasing them to have available for purchase by people within the district. This would allow the fire department to provide better service. After discussion, Mr. Finney moved that the District purchase not more than 10 of the Kennedy brand hydrants which are also equipped with the necessary valves at Mr. Hubbard's discretion. Mr. Place seconded. Passed.

Mr. Place moved that \$4,000 be transferred from operating contingency to capital outlay to cover the cost of a couple short line extension. These costs will be mostly reimbursed by customers. Mr. Finney seconded. Passed.

Lee Engineering has still not completed their preliminary engineering study on the Water Treatment Plant. Hopefully, they will be prepared to give their report next month at the Board Meeting. At that time a total of costs to date for the study will be prepared for review.

A Resolution was prepared to change the accounting method of preparing the budget from cash to an accrual basis to conform to the method used to audit the books. This change was recommended by the Mult. Co. Tax Supervising and Conservation Commission. Mr. Finney moved that the Board adopt the Resolution. Mr. Schwartz seconded. Passed.

The Budget Committee meeting was called to order at 8:15 p.m. Nominations were opened for chairman. Mr. Shuster was nominated. Nominations were closed. Mr. Shuster was elected chairman. Nominations were opened for Secretary. Mr. Davis

was nominated. The nominations were closed. Mr. Davis was elected secretary.

The Budget Message was read and discussed by the committee. The changes that occurred from switching from cash to accrual method of preparation were examined.

The payroll proposal was discussed. The Board has the option of meeting in executive session at a later date if they desire to make a change before the Budget is officially adopted. Mr. Hubbard and the Board had no opportunity to meet before the budget proposal was prepared.

There was discussion concerning the proposal to establish a Water Treatment Improvement Fund for the purpose of accumulating funds to build a Filtration Plant. This fund would lock money into that specific purpose. The committee agreed that this was good but felt that transferring \$160,000 into this account did not leave sufficient funds in contingency for emergency. Therefore, Mr. Place moved that the Contingency Fund be increased to \$40,015 and the transfer to the Water Treatment Improvement Fund be decreased to \$140,000. Mr. Davis seconded. Passed.

Mr. Vaughan moved that the Budget be approved as amended. Mr. Davis seconded. Passed.

The budget committee was adjourned at 9:15 p.m.