

The meeting was called to order at 7:30 p.m. by Chairman H. C. Ziegler. Board Members present were Pete Place and Don Vaughan. Also present were the District's insurance agent, Mike Petersen, ass't supt. Randy Stark, and district clerk Carol Quinn.

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

Mike Petersen spoke and answered questions regarding the District's insurance policies and coverage. The District has three policies, 2 liability and one property. One liability policy is for \$300,000 per occurrence and covers actions of the District including pollution but not illegal acts. Oregon State law states that a public entity cannot be sued for over \$300,000. The commercial excess policy is for liability up to \$1,000,000 per policy year but does have some specific exclusions including pollution. The coverage is not as broad as an umbrella policy however this is what the SDAO has available in their insurance package. Normally a suit would be filed in the state the incident happened so the \$300,000 limit would apply. However if the district personnel were out of state on business and involved in an accident, the district could be sued in that state.

Randy Stark informed the Board that Frank Windust, Jr. wanted a line extension on Chamberlain Road to service the lots he has for sale. The Board agreed as long as it is paid for in advance and that the District has a record of what tax lots the extension covers, what owners the extension covers and that the materials and work be done to District specifications and be laid across the entire parcel not just the beginning corner.

A Public Hearing was held at 8:00 p.m. regarding a proposed rate increase. All customers were sent a letter concerning this proposal and notice was placed in the Gresham Outlook. There were no persons present to present public input. A letter from Mr. Mackaness was read commending the Board for their work, making some observations and asking a few questions regarding options. These options had been previously addressed by the Board and Mr. Ziegler will contact Mr. Mackaness to advise him of such. Mr. Vaughan moved that the Board of Directors adopt a Resolution to increase the water rates and connection charges as had been proposed with connection fees being increased immediately and the new water use rates being in effect on the July 31 billing. Mr. Place seconded. Passed.

Mr. Place suggested that the Board consider updating the District's rules and regulations - perhaps a section at a time.

The District has more than \$100,000 accrued in its savings and checking accounts. Therefore, some money needs to be placed in a CD or other account so that we are not over the FDIC insurance limit. Mr. Vaughan moved that \$30,000 be used to purchase a 90-day CD. Mr. Place seconded. The Board will consider talking to an investment counselor for suggestions how we might better investing District funds for a higher return.

The meeting was adjourned at 8:30 p.m.