

ARCH CAPE SANITARY DISTRICT DRAFT MINUTES

17 June 2016

A quorum was present.

Sanitary Board: Darr Tindall, President
Virginia Birkby, Vice-President
Debra Birkby, Treasurer
Casey Short

Excused absent: Ron Schiffman

Water Board: Dan Seifer (non-voting)

Public: George Cerelli,
David & Jeannie Stockton
Peter Brevig
Ann Brevig Dudley

Staff: Phil Chick, District Manager
Steve Hill, Secretary

Ms. Darr Tindall called the meeting to order at 6:00 pm.

Public Comment: A general introduction took place of all present. Mr. Seifer suggested that ownership of the district's truck be considered on the agenda.

Agenda: Ms. Debra Birkby moved to accept the agenda with inclusion of truck ownership which was seconded by Mr. Short. All in favor.

Consent Agenda: Pull May minutes. Ms. Debra Birkby moved approval of the consent agenda as amended which was seconded by Mr. Short. All in favor.

Old Business:

Brevig Account: Mr. Phil Chick provided an overview of the high excess water usage encountered from December 23 through December 30, 2015 amounting to over 44,000 gallons. He indicated that data was retrieved from the meter that reflected the irrigation system in operation during this time period and further that the meter had been found to be working properly. During this particularly high usage period the flow was 240 gal/min.

Mr. Peter Brevig addressed the board by recounting a forty (40) year period of family ownership of 80286 Pacific without a prior water usage issue and maintaining their account in a paid up status. Ms. Ann Dudley said it was believed by the family that the metered water in December did not pass through the sanitary district collection system. Jude Dooley who walks the home weekly did not notice anything amiss. The family felt that they shouldn't be charged an excess from the sanitary district. Mr. Brevig added that he wasn't aware that the irrigation system hadn't been turned off.

Ms. Ann Dudley added that notices concerning the required annual irrigation report filing and backflow tests were going to their ninety-three year old father who didn't necessarily get everything to them and that she had possibly confused the backflow report with the irrigation report first made known to them in 2014. Mr. Chick indicated that if a report had been submitted by May first of each year that the homeowner would be granted relief for any malfunction under the existing leak policy.

Ms. Virginia Birkby set August as a work session to consider this issue and made a motion that the Arch Cape Sanitary District postpone further discussion related to the Brevig account to the August Rate and Excess Usage Work Session. Recommendations made at that work session will be presented to the Board of Directors at its regular September meeting. Furthermore, if the Board adopts changes that impact current Brevig excess usage charges, they will be retroactively applied to this user's account only which was seconded by Ms. Debra Birkby. Ms. Virginia Birkby, Ms. Debra Birkby and Ms. Tindall voted yes. Mr. Short voted no. The motion passed

Mr. Short said that he felt that it shouldn't be applied retro-actively. Ms. Debra Birkby said she was sensitive to not having the policy information filed with the district and that legal counsel had informed the district that the Board has the discretion to interpret its policy which should be established, apply to all in the district and have an established appeal process. There was agreement that an appeal process discussion would be included in the August work session.

LGIP Bank Account: Ms. Debra Birkby was not sure that being uninsured was a sufficient reason to move the monies and believed that legal counsel should be consulted. She said that this issue would be addressed sometime in the Fall or Winter prior to the next budget cycle.

Excess Sanitary Charges Work Session Date: A date of Friday August 19, 2016 was set.

New Business:

Audit Engagement Letter 2015-2016: Ms. Debra Birkby moved execution of the proposed review engagement letter (attached) which was seconded by Mr. Short. All in favor.

May 13th Minutes: Mr. Hill was directed to add language referencing a planned work session in future for excess usage charges.

Reports:

Accounts Receivable: Mr. Hill reported accounts receivable to be in good condition.

District Manager's Report: (attached) Mr. Chick commented that previous Hemlock, Greenleaf, and East Cedar Street sewer extension costs were entirely born by the developers of the properties, which were the homeowners; Schweiterts, Dufkas, and Duebers. Mr. Short moved to direct staff to draft a response letter to Mr. Misner indicating that the district would not share in the cost of a six inch line being run down Cedar Street which was seconded by Ms. Debra Birkby. All in favor.

Treasurer's Report: The LGIP was reported at \$236,393 at the end of May. Columbia Bank checking account stood at \$89,310 as of May 31st.

Board Comments: None.

July Agenda Items: Work session, May 13th minutes, IGA dump truck ownership, invoice calculator program, LGIP to winter.

Public Comment: None.

The meeting was adjourned by Ms. Tindall at 6:53 pm.

Respectfully submitted,

Steve Hill

Attest _____
Ms. Darr Tindall, President

PATRICK G. CARNEY, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

Phone: (503) 624-9204
Fax: (503) 624-9275

14535 Westlake Drive, Suite A-1
Lake Oswego, OR 97035

May 22, 2016

Arch Cape Sanitary District
32065 East Shingle Mill Lane
Arch Cape, Oregon 97102

Re: Review Engagement letter

I am pleased to confirm my understanding of the services I will provide for the Arch Cape Sanitary District (District) for the year ended June 30, 2016.

I will provide the following services:

I will review the statement of net position of the Arch Cape Sanitary District as of June 30, 2016, and the related statements of revenues, expenses and changes in fund net position and cash flows for the year then ended, and issue an accountant's report thereon in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The objective of a review is to obtain limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

You are responsible for:

- a. the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting.
- b. designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
- c. preventing and detecting fraud
- d. identifying and ensuring that the District complies with the laws and regulations applicable to its activities.
- e. making all financial records and related information available to me and for the accuracy and completeness of that information.
- f. providing me, at the conclusion of the engagement, with a letter that confirms certain representations made during the review.

I will conduct my review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review includes primarily applying analytical procedures to your financial data and making inquiries of District management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. A review does not contemplate obtaining an understanding of the Company's internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit. Accordingly, I will not express an opinion regarding the financial statements as a whole.

My engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, I will inform the appropriate level of management of any material errors and of any evidence or information that comes to my attention during the performance of my review procedures that fraud may have occurred. In addition, I will inform you of any evidence or information that comes to my attention during the performance of my review procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. In addition, I have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

If, for any reason, I am unable to complete my review of your financial statements, I will not issue a report on such statements as a result of this engagement.

You are responsible for assuming all management responsibilities, and for overseeing any bookkeeping services by designating an individual who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services..

In consideration of the faithful performance of the conditions, covenants, and undertakings herein set forth, the Arch Cape Sanitary District, hereby agrees to pay Patrick G. Carney the sum of \$2,180.00 and the Arch Cape Sanitary District, hereby affirms that proper provision for the payment of such fee has been or will be duly made and the funds for the payment thereof are or will be made legally available.

If the foregoing is in accordance with your understanding, please authorize by signing in the space provided on page 3.

Sincerely,

Patrick G. Carney

Acknowledged:

This letter correctly sets forth the understanding of the Arch Cape Sanitary District.

By: _____

Title: _____

Date: _____

Managers Report June 17, 2016

SANITARY:

I have been working with Oregon DEQ on our NPDES permit renewal and will be gathering more data for them from the past several years. The District will also have to submit an updated Recycled Water Use Plan to DEQ. We should be receiving a new permit sometime in August.

Biosolids work has been completed and the irrigation system is fully up and running.

Matt is continuing his training and is currently focusing on Wastewater Treatment in his studies. He will be going to a three day training in Seaside in August.