

DECEPTION PARK VIEW ASSOCIATION

P.O. BOX 2446, OAK HARBOR, WA 98277

MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING, JANUARY 27, 2016

1. CALL TO ORDER

Greg Johnson called the meeting to order promptly at 7:00 pm.

Present: Greg Johnson, President; Kathleen Johnson, Treasurer; Darla Pyke, Secretary; Scott Pyke and Jack Smith, Water Managers; and Bridget Lee, Special Projects Coordinator.

Absent: Bob Van Dyk, Vice President; Mark Maris, Special Projects Coordinator.

The special meeting was held at the home of Greg and Kathleen Johnson, 5006 Deception Circle.

2. WATER RATE/FEE INCREASE OPTIONS

The special meeting was called to discuss and move forward with a vote on increasing water rates for 2016. The last increase in rates was in 1994.

A. REVIEW TOTAL WATER EXPENSES

Kathleen presented the board with a breakdown of water expenses and current fees assessed by King Water Company. The breakdown included total water expenses, current bi-monthly fees charged to households, current bi-monthly difference between costs and revenues, water usage bi-monthly cost per gallon, and current payment information of the Association's USDA Loan.

Kathleen submitted for review and comparison, the current breakdown of expenses and fees for 60 households and the breakdown of expenses and fees for 66 households (as board members are no longer exempt from paying for their water).

She presented for review, the King Water Company invoice breakdown showing itemized list of expenses, including bi-monthly costs (i.e. billing services, meter reading, bacteria testing, etc.); yearly costs (i.e. Chemical testing, water reports, Consumer Confidence report, etc), and bi-yearly costs (i.e. Reservoir cleaning, pressure washing, taxes, etc.) Discussion followed.

B. REVIEW AND SET BI-MONTHLY BASE RATE

Kathleen presented options for establishing new base rate for water services. Costs were calculated to cover contribution to CIP fund, repayment of Water USDA Loan, and a flat rate for Operations/Maintenance of water system.

Kathleen suggested that the USDA loan fees be rolled into CIP fees once loan is paid off in 2016.

Total bi-monthly base rate costs to households would be as follows: \$75.00 (\$37.50 per month).

Jack motioned to accept new base rate as presented by Treasurer. Motion seconded by Scott. The motion carried.

C. ANALYZE AND SELECT USAGE TIER RANGE

Kathleen presented a breakdown of water usage per gallon, per household on average. She presented several options of usage tiers along with costs. After reviewing the different options, the Board selected Water Proposal 1.

Scott motioned to accept the tier range proposed in Water Proposal 1 with amendment that the base tier usage be set at under 8500 instead of under 8000. The motion seconded by Jack. The motion carried.

D. ANALYZE AND SELECT FEE/GALLON RATES

Kathleen presented detailed options for water rates commensurate with cost assessed by King Water Company. Average bi-monthly cost of water expenses billed by King Water is \$2317.18. Average number of gallons used bi-monthly by total households is 544,435. Cost per gallon is \$0.00426.

E. SELECT AND APPROVE A PROPOSAL (BASED ON C AND D ABOVE)

Scott motioned to accept Proposal 1 with base tier level change. Jack seconded motion. The motion carried.

3. RESIDENT SPECIAL/INFORMATION MEETING, SET DATE/TIME

No meeting date and time was set as the board felt a letter to the residents would suffice.

4. ADJOURN – GREG JOHNSON, PRESIDENT

Greg motioned the meeting to adjourn at 8:00 pm and seconded by Scott. The motion carried.

Respectfully submitted by Darla Pyke, Secretary