

**EAST WENATCHEE WATER DISTRICT
REGULAR BOARD MEETING**

October 7, 2009

The regular meeting of the Board of Commissioners of the East Wenatchee Water District was held in the District's Office at 692 Eastmont Avenue at 3:00 PM. Members present: John Sterk, Mike McCourt and Terry Barnes. Others present: Mike Arch, Ryan Peterson, Dave Smith, Greg Brizendine and Jennifer Leonhardt. Guests included, Cora Clark, Delvin Schorzman, Jim Davis, Fred Wiltse and Brian Egan.

The meeting minutes of September 23, 2009, regular board meeting were presented. A motion was made by Commissioner McCourt to accept the meeting minutes as presented and seconded by Commissioner Barnes. Motion carried unanimously.

Vouchers No. 5821 to 5860 in the amount of \$320,541.56 were presented. Commissioner McCourt made a motion approving the vouchers as presented. Commissioner Barnes seconded the motion. Motion carried unanimously.

Jack McLaughlin from D. A. Davidson joined the meeting by telephone to discuss the District's bonds, bond history and rating history. Jack said that the District's bond rating will likely increase from A to AA. Jack also mentioned that bond insurance is no longer necessary and the interest rates on the bonds are locked once they are purchased. Jack suggested selling bonds in the near future will have a lower rate than if we wait and sell next summer.

Randy went over the performa and the CIP list. Randy went over the District's revenues. He assumes in his draft analysis that because of the current economy, the District Commissioners will not increase base rates until 2011. The analysis assumes the District will do a rate increase in years 2012 and 2013 on the excess water charge. Randy also went over the cash flow summary. At the end of this year the District will have an available cash balance of \$2.6 million dollars per table 1. There are several projects on the CIP list in 2010 and 2011 that are County, City and DOT projects. The District will continue to monitor expenses and reserves and how that is impacted by the economy. The economy may change and if that does, the Commissioners will re-evaluate the rates and charges. Greg and Randy will also look at future projects and see if they would recommend advancing a few of them forward and constructing them while contract bids are lower than historical bids. This would be reflected in selling a larger bond (more than the contemplated ULID bond of \$1.5 million) this winter.

Randy gave an update on the Baker Flats ULID. The foundation for the reservoir has been poured and the first wall should be done on Monday. Vince said that the connection to the regional main is being made today with the new 12" mainline feeding the Baker Flats ULID.

Vince went over the plant report for September. There were six meters sold, bringing the total to 55 meters for the year. There were 254 meters changed to the radio read meters. The crew is almost done with the final route for the change outs.

Greg handed out a letter from the Columbia River Advisory Group. This is for informational purposes for the Commissioners.

Mike Arch said that he will not be billing the District for the earlier agreed to \$2,500 for the submitted request for review of the East Unit annexation to the State Supreme Court.

Commissioner McCourt gave personal comments about the District's historical senior management, professional consultants, and Board accomplishments in response to recent public comments concerning Board decisions.

The next regular meeting will be Wednesday, October 21, 2009 at 3:00pm. Commissioner Barnes made a motion to adjourn the meeting at 4:45pm. Commissioner McCourt seconded the motion. Motion carried unanimously.

John Sterk, President

Mike McCourt, Vice President

Terry Barnes, Secretary