

**LADY CREEK WATER SYSTEM
WELCHES, OREGON**

**MINUTES OF THE ANNUAL MEMBERS' MEETING
VIA TELECONFERENCE
AUGUST 15, 2022, 7:00 P.M.**

With no objections noted, Mark Allred, President, presided as Chair of the meeting. All present were welcomed, and the head table was introduced as follows:

BOARD MEMBERS:

Mark Allred	President
Doug Hartley	Vice President
Adam Abplanalp	Treasurer
Geoff Carr	Secretary
Tom Feely	Director
Rob Haught	Director
Holly Robinson	Director

GUESTS:

David Jacob	Water Master
Jolene de Jager	Recording Secretary, Minutes Solutions

1. CALL TO ORDER AND INTRODUCTIONS

Mark Allred called the Annual Member Meeting (AMM) to order at 7:05 p.m. Each Board member introduced themselves to the attendees.

2. MINUTES OF THE LAST ANNUAL MEMBERS' MEETING

On a motion made by Rob Haught, Road 20 Lot 65, seconded by Tom Feely, Road 20D Lot 4, it was resolved to approve the minutes of the AMM held on July 19, 2021, as presented. Motion carried.

3. PRESIDENT'S REPORT

Mark Allred presented the President's report. He noted that Lady Creek Water System (LCWS) water consumption had declined significantly over the years, where 2021 was a new record low of 8.2 million gallons because of our ongoing leak reduction program and the diligence of our Water Master.

The 3,500 feet of mainline replacement from Road 32 to Road 30 (the Camp Creek project) was completed on time in 2021 and came in \$8,000 under budget.

Mark noted that there are two major projects in 2022 in conjunction with the US Forest Service to replace one of our Zig Zag River mainline crossings, and removal of the two old dams on Lady Creek, which block migrating fish from coming upstream. The old dam removal on Lady Creek is a US Forest Service project only, as Lady Creek Water System has no responsibility for those dams.

Mark noted that a fourth well permit process is in progress. A fourth well is not needed at present, but we want to apply for the well in advance of need to ensure continuous adequate water supply in the future.

Mark noted that our migration to a new bookkeeping service and system resulted in significant cost savings, and that LCWS' good financial performance continued through 2021. Mark thanked Adam Abplanalp's leadership for making the migration to electronic communications and online payment systems.

Mark stated that LCWS's mission is to consistently provide clean, safe water service to the member cabins at a reasonable cost. Member dues have been reduced by 40% since 2009.

David Babad, Road 30 Lot 52, questioned why last year's vote to increase dues was not implemented. Mark answered that the \$10 yearly increase approved in the 2021 AMM was for our capital assessment, which is different from operating dues, and they get tracked and billed separately. He noted, in late December 2021, that the permit fee from the Forest Service based on LCWS's footprint almost tripled, and the Board decided to forgo the capital assessment increase because the board would be asking the Membership for an operating dues increase instead.

Kassim Ferris, Road 28a Lot 8, asked what the dues were in 2008 and 2009. Mark replied that at that time dues were \$250 per year.

4. WATER MASTER'S REPORT

David Jacob presented the Water Master's report which focused on the Zig Zag River crossing project of 2022. The only time the work can be done in the river is between July 1 and August 31 when there is no salmon spawning activity occurring. He stated that pipes were hard to get currently due to continued supply chain shortages caused by the widespread power outages in Texas that occurred two years ago, which completely disrupted most pipe manufacturing. The pipes for this project arrived in June 2022, which are high-density polyethylene with a casing. The plan was to dig half the river at a time and install a 12-inch conduit pipe of 160 feet on one end and another 200 feet from the other. The 4-inch mainline pipe was then pulled through the 12-inch conduit pipe.

The pipes were welded together by heat, and the 4-inch pipe slid into the 12-inch pipe, which acts as a protective casing. David presented a sketch of the plan along with numerous photographs taken during the project. The contractor hired by the U.S. Forest Service diverted the river by placing filled bags of sand in the river. The trench was dug, and the 12-inch pipe was dragged across.

The next phase was to move the river again at the east half. The trench was dug, and the pipe was laid down and aligned. A connection of 12 bolts was used to connect the 12-inch casing pipe sections, and the 4-inch carrier pipe was inserted and set up for testing.

David Babad, Road 30 Lot 52, asked if there are plans to increase the capacity of the water pipes. David Jacob answered that the existing pipe size in this area is three inches; before 1965, it was two inches. The new mainline pipe is 4 inches, which is our standard for all mainlines. Mark explained that prior to David becoming Water Master in 2008, Lady Creek Water System was not completely consistent with mainline and other installation

standards, but that since then we had established 4-inch mainline as our preferred standard size.

5. REMOVING HISTORICAL DAMS ON LADY CREEK

Geoff Carr stated that, in 1933, Lady Creek took over operation of a wooden dam built by the Civilian Conservation Corp, that served LCWS for 30 years. But after the 1964 flood, a concrete dam was built on Lady Creek, which served for many more years, until giardia began consistently appearing in the Lady Creek water supply starting about 1980. As a result, Lady Creek Water System transitioned to well service in the early 1980's. In 2022, the U.S. Forest Service received funding from various sources to remove the wooden and concrete dams. The dams were removed in July and 1.2 miles of prime salmon spawning habitat was recovered in Lady Creek.

6. FINANCIAL REPORT

On a motion made by Adam Abplanalp Road 35 Lot 109, seconded by Tom Feely, Road 20D Lot 4, it was resolved to approve an increase of annual membership dues by \$25 per member per year in 2023 and up to another \$15 per member per year in 2024, as determined by the Board of Directors. Motion carried.

On a motion made by Adam Abplanalp Road 35 Lot 109, seconded by Tom Feely, Road 20D Lot 4, it was resolved to approve the authorization for the Board of Directors to establish a paper transaction fee of up to 10% of the annual dues amount for members who choose not to accept e-mail communication or online bill paying methods by Lady Creek Water System. Motion carried.

David Babad, Road 30 Lot 52, made a motion to amend the paper transaction fee subject to members who do not know how to use electronic billing. Discussion of the pros and cons of the fee and challenges of providing and tracking exceptions ensued and the amendment did not pass due to lack of a second.

Adam Abplanalp presented the annual financial statements for the 2021 fiscal year and briefly explained each section. He reported that the organization was in good financial standing. However, as mentioned earlier in the meeting, the annual fee from the U.S. Forest Service was increased substantially beginning in 2022, which is why an increase in operating dues is needed.

7. CAPITAL IMPROVEMENT PLAN

Mark Allred presented the LCWS rolling capital improvement plan and briefly explained the Board's strategic approach to capital planning and focus on using multi-year rolling capital planning. The current plan covers the period 2021 through 2025.

Mark reviewed the projects completed in 2021 as compared to the plan, the projects underway during 2022, and plans for additional projects through 2025. Projects completed in 2021 included the Camp Creek mainline replacement and planning and application for a fourth well at the headworks. The primary project in 2022 is the Zig Zag River crossing mainline replacement. Other projects planned for 2023-2025 include replacing the mainline on Road 27, extending the mainline on Road 28A, additional antennas for radio readable meters, installing pressure sustaining valves in five remaining PRV stations, and establishing a fourth well at the Headworks.

8. PROPOSED CHANGES TO BYLAWS

On a motion made by Tom Feely, Road 20D Lot 4, seconded by Kassim Ferris, Road 28A Lot 8, it was resolved to approve the proposed changes to the bylaws including a floor amendment concerning the addition of a Member Representative in the proposed changes to the bylaws presented with the amendment that a member representative cannot already be a member. The changes to the bylaws also included a new section regarding the requirement for a majority of the members to approve any potential transfer of ownership or merger of Lady Creek Water System. Motion carried.

9. NOMINATION/ELECTION OF DIRECTORS

Four director positions were open for election. One Director is standing for re-election, one Director is resigning, and there are two prior vacancies.

Nominations for Board of Directors

1. Doug Hartley, Road 12 Lot 77
2. David Babad, Road 30 Lot 52

Adam Abplanalp called for further nominations from the floor. None were made.

Results of Election

All of the candidates were elected to the Board of Directors.

1. Doug Hartley, to serve a three-year term 2022-2025
2. David Babad, Lot 52, to serve a three-year term 2022-2025

10. ADJOURNMENT

With no further business of the organization to transact; the meeting was closed at 8:47 p.m.

DISCLAIMER

The above minutes of the annual members' meeting should be used as a summary of the motions passed and issues discussed at the meeting of the members of the organization. This document shall not be considered a verbatim copy of every word spoken at the meeting.