

MINUTES

JANUARY 8, 2002

CORBETT WATER DISTRICT REGULAR MONTHLY WATER BOARD MEETING

Chairman Ed Kalberg called the meeting to order at 7:00 p.m. Board members, Ken Blanc, Steve Wilson, Jeff Grover and Henry Schwartz were present. Also present were Superintendent Randy Stark, District Clerk Kathie Cicerich and Water Treatment Plant Operator Marc Caldwell.

Guests present: Gordon Fulks, Sue Fry, Al Kimbley, Bob Colclessor and Barb Gideon.

APPROVAL OF MINUTES

Mr. Wilson thought the Board came to a consensus to accept the Project Timeline table for the reservoir and master plan update at the December 11, 2001 Board meeting. Kathie Cicerich said there was no mention on the tape indicating a consensus. Mr. Kalberg added this item on tonight's agenda. Mr. Grover moved to accept the December 11, 2001 minutes as read. Board members Steve Wilson, Ken Blanc, Henry Schwartz, Ed Kalberg and Jeff Grover voted for the motion. Motion passed unanimously.

FINANCIAL REPORT

Kathie Cicerich briefed the Board on the December 2001 monthly financial report. Mr. Kalberg noticed the audit cost is over a third from what was budgeted. Kathie Cicerich will check into other auditors for next year. The District's current auditor lacks in customer service. Mr. Kalberg noted that \$150,000 is budgeted for system improvements and asked Mr. Stark what projects he has planned. Mr. Stark said \$55,000 is intended for the Updated Master Plan. This leaves \$95,000 for a project, preferably Hurlburt Rd, but still doesn't leave much for a system improvement project. Figure \$20,000 for engineering costs and \$70,000 for an actual project.

Mr. Wilson asked when the District last looked at alternatives for the current health insurance and thought health insurance is something to consider in the upcoming budget process in his opinion. Mr. Stark stated that part of the District's Insurance is through "Special Districts of Oregon

" (SDAO). Every year they look at carriers, coverage levels and then chooses a carrier based on least expense. Mr. Wilson asked if the employees were satisfied on the level of service and Mr. Stark replied "yes". Mr. Stark said we qualify for group rates by going through (SDAO). Mr. Wilson said group rates are not always the best deal unless an individual in the group has a health problem.

AUDIENCE COMMENTS RELATING TO ITEMS NOT ON THE AGENDA

Bob Colclessor read aloud a question and comment sheet Barb Adams had put together regarding the line break on November 13, 2001. Chairman Kalberg said it is up to the Board to follow up on this incident if they felt it necessary. Mr. Fulks expressed a few thoughts regarding the reservoir. Employee Marc Caldwell followed up on the comment sheet written by Barb Adams. Mr. Caldwell thought the main break was fixed in an adequate amount of time. He expressed concern with the group of folks out here who call themselves volunteers for the Corbett Water District. He didn't see any of them helping out the night of the 10" water main break on 11/13/2001. Marc said he is all for public and volunteer involvement, as long as everyone works together rather than watching to see who is doing what. Al Kimbley gave Randy Stark an application form to apply for loans through Multnomah County.

Ken Blanc asked if CB radio's or cell phones would make it easier to contact the employees in an emergency. Mr. Stark replied that here in Corbett there isn't much range due to lack of phone towers in the Gorge. There is a phone inside the treatment plant building.

RESERVOIR - TOM BLOOMER - DYK - ADVANTAGES OF PRE-STRESS

Mr. Bloomer said a pre-stressed concrete water storage tank is the most economical in terms of longevity. Mr. Bloomer presented picture slides showing how a pre-stressed concrete tank is built from beginning to end. On a 500,000-gallon tank, DYK would generally look at a conventional reinforced tank because the load capacity on smaller tanks produce less stress compared to larger tanks. The diameter of a one million gallon tank is roughly eighty feet. The construction on the tank alone for a million gallons is roughly four months. DYK is typically only involved in the pre-stressing of the tank and a local contractor does the bulk of the construction. Mr. Bloomer said the cost on a 1 million gallon pre-stressed tank would roughly be

\$730,000 compared to \$450,000 for a steel tank. Three maintenance cycles on a steel tank generally adds up to the cost of a pre-stressed tank.

UPDATE ON WATER RIGHTS CERTIFICATION

Out of the twelve letters sent out to certified water rights examiners, only two requests for proposals were received back, which wasn't enough per Mr. Stark. The two price ranges were fairly broad; one bid was over the \$5,000 statutory limit, which means the District would have to go with a formal bid process. The bidding process was extended and the twelve examiners were re-invited to re-bid, Mr. Stark also made phone calls. It is Oregon State law to get three bids per Mr. Stark. Mr. Wilson disagreed and thought the District could hire somebody to do a \$2,000 job without bidding at all. Mr. Blanc asked why the District didn't need three bid proposals on the South Fork repairs. Mr. Stark replied this project was declared an emergency situation and had been declared as such by the Board of Directors as the Contract Review Board. Mr. Wilson said the proposal price is negotiable and if the District receives a proposal over \$5,000 he feels confident the Board can work something out to exclude a few scope items to get the price under the limit it needs to be, everything is negotiable.

MASTER PLAN - SELECTION COMMITTEE

Mr. Wilson developed a "Request for Qualifications", (RFQ). Deadline for submittals is February 8, 2002 so they can be reviewed at the February 12, 2002 Board meeting. The RFQ will be advertised in the Daily Journal of Commerce, January 14 and 15, 2002. Mr. Wilson suggested that Kathie Cicerich call a few water treatment-engineering firms to inform them of the RFQ. The selection committee can review the submittals, develop a short list, and then ask for proposals. Mr. Blanc asked Mr. Wilson how he estimated \$30,000 for completing the Master Plan Update and Mr. Wilson said it was an educated guess and if needed it can go higher.

Under audience comments, Mr. Fulks thought the ad should specify what the District wants in the updated Master Plan and would like to see a good definition of what the District's going to get for the \$30,000.

Mr. Wilson asked Mr. Stark if he would have time before the next Board meeting to put together a scope of work for Engineers wanting to do the updated Master Plan. Mr. Kalberg would like the Selection Committee on the

Master Plan be put on the agenda so the Board can hear the committee recommendation each Board meeting until it is dissolved. Mr. Stark pointed out that since the Selection Committee will be bringing recommendations to the Board it falls under the "Public Meeting Laws", which means it has to be open to the public to observe and the time and date need to be advertised to the general public. Mr. Wilson disagreed with Mr. Stark stating the Selection Committee doesn't need to meet in public because there will be only two Board members present at each meetings. Mr. Stark said the Public Meeting Law applies to all meetings of a governing body, though Mr. Wilson disagreed saying the Selection Committee is not a governing body. The Selection Committee was formed to bring a group recommendation to the Board and this comes under the Public Meeting law, but if each Committee member individually states his/her recommendation then it would not come under the Public Meeting law. Mr. Kalberg suggested structuring the Committee so the Public Meeting law does not apply. Mr. Wilson stated he was not convinced this being an issue but suggested Mr. Kalberg or himself contact the District's attorney to discuss the matter. Mr. Grover agreed contacting the District's attorney is a good idea, because in the past there have been people in the community who have cost the District money through legal fees because of misinterpretations of what was going on. Mr. Kalberg agreed to contact the District attorney on this matter. The Board came to an unofficial consensus to advertise the RFQ in the Daily Journal of Commerce January 14 and 15, 2002.

DISCUSSION AND DECISION REGARDING SIZE, SITE AND FINANCING OF RESERVOIR AND PROJECT TIMELINE WORKSHEET

Mr. Blanc read aloud Resolution 2000.05b dated and signed by three current Board members on May 9, 2000 that reads the District intends to construct a storage reservoir at the water treatment site when adequate revenue becomes available and the District wishes to extend the term of the Capitol Improvement Fund - Headworks Projects to facilitate the construction of a new reservoir at the water treatment site when adequate funds become available. Mr. Blanc thought the decision on where to build the reservoir had already been made through this resolution. Mr. Grover pointed out if the size of the reservoir the Board decides on doesn't fit on the treatment plant site, the location would need to be voted on again. After some discussion the Board decided to discuss size of reservoir first. Mr. Schwartz would like to see a 1 million gallon tank. Mr. Wilson is firm about building a $\frac{1}{2}$ million

gallon tank and said this will meet the Districts basic needs. Building the reservoir more conservatively will help control costs and he stated it will get back some of the Districts credibility in the community. Mr. Grover is for a 1 million gallon reservoir and said a $\frac{1}{2}$ MG tank is not adequate because the main break in November drained the reservoir above the main break in a short time. With a 1 mg tank it adds more storage and security in instances of main breaks. Mr. Wilson pointed out the 1995 Master Plan recommended a $\frac{1}{2}$ mg tank for the District. At this time Mr. Blanc is for a $\frac{1}{2}$ mg tank and would like to see this reservoir built and move on to some other problems within the District. If more water storage is needed in the future there are several locations where it could be built.

Mr. Kalberg put together a tax verses rates analysis for the Board. The rate analysis shows a 1 mg tank is approximately \$1.00 a month more than a $\frac{1}{2}$ mg tank. Based on his analysis, Mr. Kalberg said he is not in favor of limiting the reservoir to 1/2 mg, but no greater than a 1 mg tank. Strictly from an operational point of view, Mr. Stark said a $\frac{1}{2}$ mg tank is inadequate. A 1 mg tank would never be full because the idea is to operate the treatment plant without overflow, the amount of water in the tank could be as low as 750,000 mg when demands hits. He would like the Board to look at a 2 mg tank.

Under audience comments Barb Giddeon's recollection of the presentation Mr. Bloomer gave earlier in the evening was that a $\frac{1}{2}$ mg tank would be built using concrete and a 1 mg tank would be pre-stressed and would cost almost twice as much. Mr. Wilson heard Mr. Bloomer say that a pre-stressed concrete tank would cost twice as much as a steel tank. Bob Colclessor said he supports a $\frac{1}{2}$ mg to 1 mg tank. He said hopefully the District's manpower could be reduced after the lines are replaced, it would save the District \$35,000 a year for one man.

After some discussion amongst the Board members, Jeff Grover made motion to build a 1 mg tank. Jeff Grover voted for the motion. Ed Kalberg, Ken Blanc, Henry Schwartz and Steve Wilson voted against the motion. Motion failed.

Jeff Grover made a revised motion to build a 1 mg tank or less. Board members voting for the motion were Ken Blanc, Ed Kalberg, Jeff Grover and Henry Schwartz. Steve Wilson voted against the motion. Motion passed.

Ken Blanc motioned to build the reservoir at the treatment plant site. Mr. Stark said there is no guarantee of obtaining land from BLM. In talking with BLM, Mr. Stark said what they wanted up front was actual funding for the project and the actual application process takes four to six months. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

Looking at the tax versus rates schedule, Mr. Kalberg said if the reservoir were funded by property taxes or rate increase, it would be exactly the same cost. Re-paying the loan through property taxes is cheaper to a property tax owner because they can itemize deductions on their tax returns, whereas rate increases are non-deductible. Mr. Stark said there are two financing options requiring voter approval; GO bond and a Local Option Levy. A GO bond has a twenty-year period with a current interest rate of 5.2%. A Local Option Levy for capitol improvements can be a maximum of ten years. There is an option called the double barrel bond, which needs voter approval with intent of paying the loan off using revenues. With a double barrel bond a better interest rate is obtained compared with a revenue bond. Another financing option is the State Revolving Loan Fund (SRLF) through the Oregon Health Division (OHD), which has been discussed in previous meetings. After some discussion the Board decided to defer talks about financing through voter taxation approval and have Mr. Stark proceed submitting loan applications for the (SRLF) and other loan applications. Mr. Stark informed the Board the (SRLF) application process has a three to four month wait, and once approved the District has up to two years to spend the money.

After some discussion Mr. Grover made motion to use the project timeline developed by Mr. Wilson as a guideline for the reservoir and master plan update. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

Mr. Wilson said he would take responsibility in developing the request for proposal (RFP) on the reservoir to present at the next Board meeting. Mr.

Wilson also said the District needs to declare an emergency at a future Board meeting according to the process that is set out. It is an extremely common practice and a routine thing to do. Mr. Wilson said he would talk to Tom McPherson the District's attorney about design build projects and also show the RFP to him. The Board came to a consensus to build a prestressed tank. The \$10.00 monthly rate surcharge could be put into the upcoming budget. Mr. Stark said the District has the option to use general fund money in order reduce the loan amount borrowed for the reservoir. Since the budget process is coming up, he would like input from the Board to see if this could be an option. There was discussion that followed.

The employee evaluation point system was deferred until next month.

Steve Wilson moved to adjourn the meeting. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously. Meeting adjourned at 10:15 p.m.

