

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, January 17, 2006
Corbett, Oregon

Commissioners Present: Malcolm Freund, Lee Wyatt, Bob Colclessler, and Marion Kirkham.

Also present were District Manager Frank Sterzinar and District Clerk Jamie Simms.

Audience Members Present: Dave Mysinger, Mike Visscher, Brian James and Kevin Moran.

Chairman Freund called the meeting to order at 7:05 p.m. at the Corbett Fire Hall.

Chairman Freund asked if anybody had an issue they would like to address with the Board. There was none at this time.

Review / Approve Agenda.

Commissioner Colclessler asked about what minutes would be considered at tonight's meeting. Chairman Freund said he had asked the Clerk to provide the Board with the draft minutes for October, November and December. Commissioner Wyatt is repairing her computer so she could listen to the meeting recordings, while she reviewed the minutes. Once that is done copies of the updated draft minutes will be distributed to the Commissioners for approval.

Chairman Freund added the draft audit report to the agenda.

Commissioner Colclessler moved to adopt the agenda as amended. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Approval of the Minutes.

Commissioner Wyatt moved to adopt the January 3rd and January 10th workshop minutes. Motion seconded by Commissioner Colclessler. Motion passed unanimously.

Chairman Freund announced that the next workshop scheduled for discussion of the Water Treatment Plant Upgrades would be held on February 7th at 9:00 A.M.

Financial Report.

Jamie Simms went over with the Board the budget vs. actual along with the late notices that had been sent out. There was much discussion about the short fall for the Headworks Project. The Clerk will rework this information in a step by step format and will work with Commissioner Wyatt so the shortfall was better understood by all Commissioners.

Manager's Report

Frank Sterzinar reviewed with the Board the following information:

Intakes:

As long as the rain continues the turbidity levels will be high in the filter ponds. Turbidity is small levels of clay that can build up in the filter ponds.

Water Treatment Plant:

The Treatment Plant can now be accessed by remote computer, via the telephone line. Frank is working on solving the bouncing in the mag meter. The South Fork is operating as expected.

Mershon Reservoir:

A piece of material had become lodged in the control valve of the Mershon Reservoir. The piece of material had made it impossible for the valve to close completely. The necessary repairs have been made and the valve is currently operating smoothly. The Cabbage hill PRV station is in need of repair, but because of creative welding done many years ago makes the needed repair work difficult.

Water Flow:

Water flow is currently limited through the two online filters because of the build up of turbidity in the ponds. There is insufficient flow through the Treatment Plant to increase the level of Reservoir No. 6 which currently stands at an average of ten feet, with the highest point being eighteen feet. Frank said the ten foot mark was considered to be the point of no return. If there was another freeze and folks used additional water so their pipes wouldn't freeze this could empty the Reservoirs very quickly and there would be nothing the crew could do to keep the Reservoirs from going dry. Commissioner Wyatt asked what affect the new filter tank would have on the system if it was online now. Frank said the District would possibly be able to help meet the high demands of the Community, but it too would be subject to plugging up from the high levels of turbidity. Frank felt that if the new tank was functioning now then Reservoir No. 6 would be at eighteen feet instead of its current level of only ten feet.

Prior to the heavy rains both filters were capable of running between 400 and 450 gallons per minute (gpm). Currently filter pond one is running at 150 gpm and filter pond three is at 325 gpm. Commissioner Wyatt asked what flow was needed to supply the Community when they're letting their faucets drip in order to keep their pipes from freezing. Frank said that last time the Community demanded 1300 gpm, but legally the District can only produce 960 gpm while physically the Treatment Plant could produce as much as 1000 gpm.

Field Work:

The crew fixed several leaks on the main pipeline that brings water from the intakes to the filter ponds at the Treatment Plant. There has been significant clear cutting done by Frank Lumber that has caused some severe drainage issues that have overwhelmed several culverts. The crew has repaired one of these damaged culverts before it washed the road out making it impassable. Frank has spoken to the lumber company and asked for help to repair the road back to normal.

New Filter Pond:

Clackamas will be vacuuming the water out from behind the combi flex tomorrow (January 18). Clackamas tried to pump the water out but each attempt failed because the pumps burned up. As of yesterday (January 16) Clackamas had installed protective tents over the combi flexes that are scheduled for repair tomorrow.

Frank spoke about trying to help community members find their leaks. Legally because of plumbing codes staff cannot work on the customer's side of the meter. Commissioner Wyatt asked if it would be helpful if the Commissioners spoke to customers directly. Frank thought it was a good idea. Brian James thought it might be helpful to have a procedures list to help folks find their leak.

See attached Manager's report for more details.

Correspondence.

Chairman Freund asked about the bid submitted for the fence around the Treatment Plant. Frank explained that Clackamas had neglected to tell the sub-contractor that the fence had been removed from the contract when the Board had approved the contract. Superior Fence had gone ahead and ordered all of the materials required to build the fence around the Treatment Plant and the Reservoir. The bid amount was just over \$26,000 and the original bid from Clackamas had been \$40,000. The original bid had included the removal of the current fencing, while this bid made the District responsible for removing the existing fence and fence posts. Most of the fencing has been removed by Clackamas and the fencing that does remain could be removed by the crew with the Backhoe. Frank will obtain two other bids to compare them together. Frank is also looking at obtaining a grant from SDAO for security purposes.

Commissioner Wyatt asked where in the budget there was consideration for the installation of a fence. Chairman Freund said it was not in the current budget.

Commissioner Wyatt questioned how the letter from SDAO concerning earthquake insurance increase would affect the District. She specifically wanted to know in SDAO's analysis if an earthquake occurred how much of the two hundred million would be needed to cover damage. The Clerk will look into this and get back to the Board.

Chairman Freund read a letter from Deb Simone that thanked the Board for creating the Policy and Procedures Committee. She declined at this time to be considered for a position on the Budget Committee, although it would be something she would consider for the future.

Draft Audit Report.

Commissioner Wyatt moved to accept the audit report offered at the December meeting. Motion seconded by Commissioner Colclessor. Motion passed unanimously.

Resolution 2006.01.01 – Insurance Proceeds.

Chairman Freund explained that before any insurance reimbursements could be used, official action was required by the Board. Commissioner Wyatt asked what the cost had been to repair the damaged fire hydrant. Frank replied that the damage to the hydrant had been \$7,981 and insurance covered 100% of those cost.

Commissioner Wyatt moved to accept Resolution 2006.01.01. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Chairman Freund read Resolution 2006.01.01 'Insurance Proceeds' to the Board.

Account 7310 Leak Adjustment Request.

Chairman Freund reviewed the leak adjustment request letter that had been submitted by account 7310. He would like to see the documentation for the original standard leak adjustment form submitted. Commissioner Wyatt said she would like to see a timeline of events. The Clerk will have this information for the Board to review at the next meeting.

Chairman Freund moved that this item be postponed with our apologies to the customer until the next regular meeting. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

Budget Committee.

Frank said there was a need to appoint two budget committee members for three year terms, with service to begin this year.

Commissioner Wyatt would like for the Clerk to contact those that had previously applied to be a Board Member. She also wanted Ed Hoke, Matt Wand, Billy Oski, and Barbara Strasbaugh to be contacted to see if they would be interested in serving on the Budget Committee.

A Special meeting will be held on February 7th at 7:00 P.M. to appoint two budget committee members.

Chairman Freund moved to revise the previous motion to strike the word 'regular' to allow for the next meeting. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

Draft Supplemental Budget.

Jamie previously spoke with Tom Linhares at Tax Supervising Conservation Committee (TSCC) and was told the Board had two options:

1. Hold a supplemental budget hearing to hear public testimony about the supplemental budget and then in a regular meeting pass a resolution stating the budget changes made.
2. Do nothing to the face of the document and continue as is, but keeping in mind that not all the funds are available for use.

Chairman Freund said the auditor gave good numbers and he would like to use those numbers.

Commissioner Colclessor moved to go with option one, including the supplemental budget hearing. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

The supplemental budget hearing will be held on February 7th following the special meeting already scheduled.

Oregon PERS Automatic Clearing House (ACH) Requirements.

Chairman Freund said the District had some time to decide how to make a decision because although it was to begin in January of this year, a penalty fee would not be assessed for a few months. He wanted to consider another option for retirement other than PERS. Frank and Jamie both said the District could not get out of the PERS retirement program. Chairman Freund disagreed, because PERS told him that if the District offered a plan equal to or better than PERS they could change. Frank said that option was for an additional retirement plan and not a replacement. Chairman Freund said that PERS had not told him that. Commissioner Wyatt thought it might be helpful to have a PERS representative present information to the Board. Frank said the District could not get out of PERS, unless you changed the name of the Corporation and became a new company. Frank looks at the PERS system as a form of Social Security, because the District no longer has an option. He also questioned if there was a formal contract the District had with PERS. The District Clerk will contact PERS to have a representative available to Board to answer their questions.

Frank spoke about his aggravation with PERS requiring the ACH payments. Chairman Freund felt that the PERS ACH requirement took the control away from the District.

Chairman Freund said this topic would be postponed until further information could be obtained.

Wage and Step Scale.

Frank said the total yearly hours needed to be adjusted to reflect the actual hours worked for a full time employee, which is 2080.

Commissioner Wyatt questioned the word choice for computer and math skills, she would like to see more specific items written into the document. Chairman Freund said that computer skills were a moving target, and that an assessment would have to be made by the District Manager. Frank said that the employment application had more categories for specific skills needed to perform each position.

Mike Vischer questioned the percent of time field crew spent on a computer, versus pipe laying, meter reading, etc. Frank replied that was the reason why it was a general comment on the document.

Chairman Freund commented that there was no statement on the Utility Worker I description of work performed stating that the requirements for Utility Worker Apprentice would also have to be met.

Commissioner Wyatt would like to attach an employment application to the document.

Frank spoke about the definition of verifiable equivalent.

Mike Vischer asked if there was an opportunity to advance quicker than the given hours of experience. Frank said the minimum criteria would have to be met. Commissioner Colclessler said there were certain time requirements to meet each certificate level.

Chairman Freund asked about the proposed scale for the 2005/06 budget. Frank said the scale was in competition with the current market and the scale also took into consideration the current wages and changes in BOLI requirements. Frank felt the scale wasn't at the low end, but actually between the middle and low side of the water industry scale.

Chairman Freund said this topic had been started in March with the Wage and Step scale when it was presented in the 2005/06 budget but had been lacking the supporting documentation.

Commissioner Colclessler moved to adopt the criteria for the steps and the Wage and Step Scale that had been presented to the Board on March 1st 2005. Motion seconded by Commissioner Kirkham.

Chairman Freund recapped that this motion would be approving the draft position advancement document, the summary for Utility Worker Apprentice, Utility Worker I and Utility Worker II position summary, and the Wage and Step Scale that was presented in the 2005/06 budget packet on March 1st.

Motion passed unanimously.

Chairman Freund asked if this new scale included pay for carrying the emergency pager pay. Frank said the new wage scale he presented tonight included pager pay, but the scale from March did not include pager pay into the hourly pay scale.

Commissioner Wyatt asked what each field services minimum and maximums were. Frank gave the following information to the Board:

	Minimum	Maximum
Utility Worker Apprentice	\$10.00	\$13.30
Utility Worker I	\$13.30	\$16.54
Utility Worker II	\$16.54	\$19.34

Commissioner Colclessler moved to accept the Wage and Step Scale retroactive back to January 1, 2006. Motion seconded by Commissioner Kirkham.

There was more discussion of the inclusion of pager pay into the hourly rates. Frank said it was a part of the Employee Handbook and that a Committee needed to address the issue.

Voting for the motion were Commissioners Freund, Colclessler, and Kirkham. Voting against the motion was Commissioner Wyatt. Motion passed.

Billing System.

Chairman Freund said that Board members have fielded calls from customers because the base charge was not listed on the bills and it never has been. Customers have complained about the layout for the new bill. Chairman Freund questioned why the District's new billing system didn't work the way the District wanted it to work. He's been told that Zac's working on the problems, but he has not seen any results. He asked why the crew was not using the hand held meter reading devices. Chairman Freund said that he had previously been told the crew did not like the device because it involved additional steps. He said that if they didn't work he wanted them returned, made to work, or to teach the crew how to use them effectively. Ultimately if it's in the hand held it could be downloaded directly to the billing software, which is what he thought was the goal. Frank said he was working on the issue of the base rate, but it was not a priority. The bills are correct and he questioned what was the difference between the old bills and the new ones.

Commissioner Wyatt asked Frank if he needed to take a five minute break. He responded no, and continued his discussion on the billing software. Frank expressed his frustration that he has repeatedly communicated with Chairman Freund directly about this topic and Chairman Freund agreed. If the Board agreed to pay \$125 per hour for the software company to make the necessary changes then it would get fixed right away, otherwise it would take some time before it could be corrected. Frank said he is trying to fix the software the cheapest way possible. Commissioner Wyatt said she was going to take a five minute break, and she left the room because she felt the conversation was inappropriate. Frank guaranteed the issue of the base rate not appearing on the bill would be resolved by the next billing period.

Chairman Freund questioned if there was a warranty issue that needed to be considered. Frank said the base rate issue was not a warranty issue, because it was outside of the scope of the software. Frank said the problem with the hand held devices were that they wouldn't hold very many accounts at one time so they will be returned.

Chairman Freund thought the issue of the base rate was triggered because the new bill listed the unit amount of \$3.65 and did not state the monthly base rate. The old bill never stated the unit rate it only stated the usage and the amount due.

Chairman Freund asked the audience if they had any comments. Brian James said he did the math on the bill and calculated the difference in usage and his bill and he remembered from past experience that there was a base rate charged to every account.

Chairman Freund said to state in the comment section of the utility bill that the base rate was \$12 per month for a 3/4" meter and the same for all the other meter sizes. Jamie said it could be confusing to customers to list the base rates on a monthly rate when the bill was for two months. She also said there was enough room to type in about 100 characters under the comment section and currently listed in the comment section was the payment due date.

Public Comment on Items Not Listed on the Agenda.

Mike Visscher questioned if there was a potential hazard for the filter tank not being completed. He questioned if the issues with Stellar J and Clackamas had been settled. The Board responded no. Mike then asked who the engineer had been for those two projects. Commissioner Colclessler said the engineer was Lee Engineering. Commissioner Wyatt asked Mike if his bottom line question was 'if the District was going to do another project would they use Lee Engineering.' Mike said that was part of his question.

Mike said the project had been poorly managed, and this was reflected in the time delays and the change orders. He said these delays and change orders were a direct reflection of the project not being managed correctly.

Mike expressed his concerns for the new pond not being completed yet while one pond was running low and the other was almost overflowing. He would like to see the Board put pressure on Lee Engineering to manage the project without any additional cost. He felt that Lee Engineering had not met their end of the agreement. Commissioner Wyatt agreed with Mike's opinion.

Mike expressed his concern for Clackamas burning trash and material underneath a seed tree at the Treatment Plant. He also spoke about a design error with the flow meter. He said the Board was ultimately responsible for any potential disaster to the District. Mike asked the Board what their plans were. Commissioner Wyatt said she would not talk about her plans or contemplations while the recorder was recording.

Mike recapped that he had two major concerns:

1. The Board has tortured and tormented the employees and the employees are hard workers.
2. The Board hasn't tortured and tormented the people that cost the District the most money, which is Lee Engineering.

Commissioner Colclessler told Mike he appreciated his work and his concerns.

Items for Board Consideration.

There were none.

Commissioner Colclessler moved to adjourn. Motion seconded by Commissioner Wyatt. Chairman Freund adjourned the meeting at 10:45 p.m.