

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, January 23, 2007
Corbett, Oregon

Commissioners Present: Bob Gaughan, Marion Kirkham, Robert Colclessor, Jeff Hargens, and Malcolm Freund.

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

Audience Members Present: Dave Mysinger, Dave & Barb Adams, Zac Bertz, Dan & Elzina Marsh, Linda Hargens, Brian Lee from PACE Engineers, Donna Colclessor, Greg Hood, and Mr. & Mrs. Michael Alford.

Chairman Gaughan called the meeting to order at 7:00 p.m. at the Corbett Fire Hall.

Review / Approve Agenda.

Chairman Gaughan added leak adjustments to the agenda.

Commissioner Colclessor moved to approve the agenda as amended. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Leak Adjustments.

Greg Hood Customer No. 7540

Frank explained that Mr. Hood had a leak in July/August 2006 which he received a 50% reduction. Mr. Hood then had a leak at a separate location in November/December 2006 that he is asking the Board for a reduction on his bill. Both water leaks were verified fixed by District staff. Mr. Hood explained how and where both leaks occurred.

Commissioner Freund read from the Rules and Regulations the criteria for a leak adjustment.

The Board in general discussed how it would be best to adjust Mr. Hood's bill. The Board did not think using a six month average would be appropriate.

Commissioner Freund moved to approve a 50% leak adjustment (\$288.35) for Mr. Hood. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Michael Alford Customer No. 9430

The Board reviewed correspondence letters from Mr. Alford to the Water District and a letter from the District Manager to Mr. Alford concerning his water leak and the location of his meter.

The Board reviewed several pictures of the repairs Mr. Alford had made to his water line. The Board spoke about Mr. Alford's repair work and his general water use. Mr. Alford had a higher than normal water bill last summer because of preparation for a wedding that took place on his property.

The Board discussed using the preceding six months to adjust his water bill, but Commissioner Hargens felt adjusting a summer time bill with non-summer time usage should be looked at closer. Mr. Alford was in agreement with Commissioner Hargens.

Commissioner Hargens moved to reduce Mr. Alford's bill to 50 units, authorizing a credit for 101 units in the amount of \$368.65. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Mr. Alford then asked about the location of his meter. He lives on a corner that is known for car wrecks so he is concerned that a car could rip out his meter in the event of an accident. He also questioned why his meter had been raised in the first place when he had asked for an additional meter box to be placed on top of the existing box. Utility Worker Zac Bertz said when he was installing the additional meter box he thought it was prudent to also raise the meter because it was so deep that it made it difficult to read the meter. Commissioner Hargens said he understood why staff wanted the meter close to ground surface level.

Mr. Alford questioned if it was okay to have the meter actually touching the meter lid. Frank said typically a meter was near the lid, usually within one inch because of the water underground.

Mr. Alford questioned the liability exposure of the meter being ripped out of the ground. Commissioner Hargens said the District had set the box and if it were to get damaged by a vehicle the District would make the repairs and the person driving the vehicle would be responsible for the cost of those repairs.

Engineering Task Orders.

The District's legal council has stated that the General Services Agreement met all the requirements so Frank and Chairman Gaughan signed the general services agreement with PACE Engineer for engineering services.

Task Order No. 1 – Reservoir No. 5

Brian Lee spoke about the reduced estimated fee for Task Order No. 1, the repair and recoating of Reservoir No.5 on Loudon road. This task order is for a lump sum fee of \$30,838, this bid is less than the bid from CH2M Hill for the same scope of work.

Frank said the work needed on Reservoir No. 5 was high priority and the cost was reasonable. The bid only included the engineering fees and not the construction fees.

Commissioner Freund asked about what work the District's employees needed to perform for this project. Frank said staff had to install the bypass which would take one or two days to complete. With the Reservoir offline and the bypass being used customers will still have water service but there would be limited fire protection.

Commissioner Freund asked about the timeline for this project. Brian Lee said the tank would be recoated and back online before the high use in the summer time. The tank would be offline approximately four weeks. Brian said his schedule was conservative. Commissioner Kirkham asked about the timeline for bidding. Brian said the bid process would take approximately four weeks.

Commissioner Freund asked if both Reservoirs No.4 and No.5 could both be offline at the same time. Frank replied yes, because they were independent Reservoirs and that all customers would still have water service.

Commissioner Freund moved to approve task order No.1 with PACE Engineering. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Task Order No. 2 – North Fork Intake

Frank said this project was man hour intensive. Staff would have to create and install a self cleaning screen assembly for the intake. The staff of Corbett Water District would be performing the work and PACE Engineers would be overseeing and assisting with the project.

Frank spoke about the specific work that needed to be completed. Once these changes to the screens are initiated it would trigger the Oregon Department of Fish and Wildlife (ODF&W) involvement.

Frank has no price comparison for this type of project and he would also like to see how this type of self cleaning system worked. Brian Lee said there was a self cleaning system installed in Seaview Washington that PACE Engineer's had engineered.

Commissioner Hargens questioned who would be creating the self cleaning screens. Brian said Frank and PACE Engineers would design the screens and then they would have those screens fabricated. Commissioner Hargens questioned the construction administration cost, he didn't feel this was appropriate because the District would have the screens made and District staff would install the screens. Brian said Russ Laurence and his assistant wanted to oversee and assist the installation process to make sure the requirements were met and that the ODF&W would be satisfied. Commissioner Hargens wanted to change the total for construction admin from lump sum to time and materials. Brian Lee believed the item could be changed to time and materials. Frank said the screen construction would be simple but it still needed to be mounted properly to meet the standard requirements.

In reference to construction contract law Commissioner Freund questioned not having other bids to compare projects. Commissioner Hargens said the Board had signed an agreement with PACE Engineer's for engineering services. He felt the size of the project and the timeline required for this project needed to be considered. He felt there needed to be a set amount of trust between PACE Engineer's and the District.

Commissioner Hargens moved for the approval of Task Order No. 2 for Time and Materials with a price not-to-exceed of \$7,500 on task No.2 with PACE Engineer's. Motion seconded by Commissioner Colclessor. Motion passed unanimously.

Task Order No. 3 – South Fork Intake

Frank spoke about the recent flooding affects on the South Fork Intake structure. This task order would remove the existing dam and change how the intake itself works. There also is the issue of the ten year agreement with ODF&W to install a fish passage.

Frank recommended to the Board that they put this item on hold for at least one year. This would allow the District to see how the dam is holding up. Commissioner Colclessor spoke about the cost of the structure itself and wanting to get as much use from the dam as possible. Frank said this would also allow for additional time to see how the bypass was working.

Frank said this new design would change how the water was drawn into the intakes. The intake would be out of the stream bed. Chairman Gaughan wanted to see how the self cleaning screens that are to be installed on the North Fork intake worked before they were installed on the South Fork intake.

Brian Lee asked Frank if the dam could survive another winter. Frank said the dam survived this winter with extreme high water levels (4-5' above the dam structure). Brian asked about boulder movement affecting the vein. Frank said the vein had not moved at all. Commissioner Hargens summarized by saying barring any major damage this year the dam would be fine for another year. Frank replied yes, that he was hoping that everything would be settled by this summer. Commissioner Freund said this past winter set new records and if the dam survived that it should be able to survive for one more year.

Commissioner Colclessler asked about the dollar value the District had put into the dam. Frank said the dam had been repaired three times; the most recent repairs of \$16,000 and the previous two times were around \$40,000.

Commissioner Hargens moved to place task order No.3 on hold until the manager reassessed the issue. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Freund wanted to verify that the District had the funds to cover the task orders that had been approved at tonight's meeting. Frank replied yes, the District had funds on hand to cover both of the approved projects.

Approval of the Minutes.

Commissioner Colclessler moved to table the December 19th 2006 minutes. Motion seconded by Commissioner Freund. Chairman Gaughan questioned why the minutes needed to be tabled. Commissioner Freund said it was an issue of completeness. Motion passed unanimously.

Secretary / Treasurer Report.

Commissioner Colclessler spoke about the District's insurance agent calling a Board member and asking whom Andy Jordan was and if he could have information pertaining to the District's insurance coverage. Frank said Mr. Jordan had called because of the legal work he was completing for the General Services Agreement with PACE Engineers.

Financial Report.

Jamie reviewed with the Board the Budget vs. Actual, Transaction List by Vendor, and Purchase Orders.

Commissioner Freund asked about the check issued to Health Net being higher than he had expected. Frank said the dollar value had increased because health insurance premiums had increased. Commissioner Freund said Health insurance did not go up as far as the Board knew. Commissioner Colclessler said the insurance should have gone down. Frank said the premiums had changed from \$268.70 to \$279.80. Commissioner Freund said that was not in accordance with the information he had received. According to the information he was given insurance had gone down and that was why life insurance had been added. Zac Bertz said during the insurance workshop he had received a document that said there would be a 9% increase for insurance coverage. Commissioners Freund and Hargens both said that document had not been reviewed or approved. Jamie will review the invoice and get back to the Board on the matter.

Jamie provided to the Board Resolution 2007.01.02 finalizing the official bank account transfer from MBank to West Coast Bank. The District is also receiving a \$25.00 credit from West Coast Bank to help cover the cost of the old MBank checks that will no longer be usable. Commissioner Freund spoke about the process of trying West Coast Bank's services out before an official transfer was made. He felt that West Coast Bank was working out good and they also offered additional services that MBank did not offer. Commissioner Freund said because this was a financial matter it had to be done by Resolution.

Chairman Gaughan read Resolution 2007.01.02 'Authorized Bank Accounts' to the Board.

Commissioner Freund moved to adopt Resolution 2007.01.02 'Authorized Bank Accounts.' Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Jamie and Commissioner Freund explained to the Board about ACH transfers. When the Board agreed to direct deposit through ACH transfer's for employee paycheck, now allowed the District to apply ACH transfer's for receiving payments from customers on their water bill. This would allow folks to set up an automatic withdrawal from their checking or saving's account to pay the water bill. The customers who sign up for this option would receive a water bill the first of the month and when the balance is due on the 15th the amount stated on their water invoice would be transferred from their bank account to the District's bank account.

The Board in general felt it would be best to have the ACH transfer automatically until the customer notified the District to stop all transfers.

Commissioner Hargens asked Jamie if she knew how many folks would be interested in participating in the ACH automatic payment. Jamie said a few folks have asked about this service but she did not know how many would participate.

Barb Adams believed the ACH transfer for payment was a terrific idea and a common practice. She personally uses this type of system to pay several bills.

Jamie cautioned the Board that it could be possible that someone who signs up for automatic ACH transfers could have a water leak and because of that a higher than average bill was incurred and a subsequent higher amount was withdrawn from their account. The customer would have from the billing date of the first of the month until the fifteenth of the month to contact the District and ask for the ACH payment to be stopped or the issue to be resolved. Commissioner Freund said common sense would have to be used if the bill was for an extremely high usage. Jamie said yes, customers are called during the meter reading stage if there is a high use and their meter is moving, which would both indicate a possible leak. Jamie gave an example that if a customer normally had a \$50 bill and it's not noticed that a bill for \$200 has gone through, although it is higher than normal it still was not very large that the Clerk could miss the increased usage and the customer's account would be withdrawn an amount four times higher than normal. Commissioner Hargens said the customer could still have the issue corrected.

Commissioner Freund spoke about the type of checking account the District has with West Coast Bank. The District would incur a fee of nine cents for every ACH transfer but that cost would be offset with the interest the District earns but does not realize on the checking account. In essence, there would be no out of pocket expenses for the District. Commissioner Colclessler agreed with Commissioner Freund. Barb Adams recommended that when the program was set up that the District Clerk and Assistant District Clerk be fully trained and authorized users of the system.

The Board discussed the benefit ACH would have on the late notices and shutoffs the District issues. If even a few of those folks sign up for ACH it could save the District time and money.

Commissioner Colclessler moved to approve ACH customer payments. Motion seconded by Commissioner Hargens. Motion passed unanimously.

The first budget committee is tentatively scheduled for Tuesday, March 6th. There is at least one budget committee vacancy with a possible second position opening. Barb Adams position on the budget committee has expired. Barb expressed her desire to be reelected to the committee. Commissioner Freund will check with Barb Strasbaugh and see if she was still interested and available to serve on the Committee, if not, her position will also have to be filled. The budget committee is currently composed of Dave Mysinger, Sue Fry, Brian James, and possibly Barb Strasbaugh. Jamie handed to the Board a draft copy of the budget calendar.

Manager's Report.

Frank reported that the backflow assembly testing had been completed and filter pond No.1 needed to be cleaned. Frank spoke about Filter pond No. 2 being online.

Frank spoke about the main break that had occurred near the Women's Forum. A 20' section of 10" pipe split and had to be replaced. Frank spoke about the difficulties they incurred with having three pairs of 15KV PGE lines located 6" above the water line. PGE would not place protective sleeves on the power lines, creating a hazardous work zone. The crew worked almost 24 hours straight, and all water was restored approximately 5:30 am.

Commissioner Colclessler asked about the pressure on the line. Frank said there was 100 PSI on the line and the pipe was rated for 160 PSI. The reason the pipe broke was because instead of using elbows they had used the deviation factor of the pipe (15 degrees), the water temperature was three degrees Celsius, and because of ground movement.

Commissioner Freund asked if there had been debris problems in the trench. Frank said the pipe had been buried well, but two Romacs had to be used to create an artificial bend in the line.

Zac Bertz spoke about bids he received to purchase a new Bobcat or trackhoe. Zac and the Board spoke about the benefits and cost of each machine. The crew recommended the acquiring of the Bobcat machine. The Board would like to table this matter until more consideration to this matter could be given.

There was also discussion of what the current backhoe can and can't do. Commissioner Hargens would like to see the backhoe in operation so he could offer advice. The Board in general felt this was a good idea and they too would like to see the backhoe in operation.

Correspondence.

The Board reviewed the liability insurance coverage documents for the District's facilities. The Board and Frank did not feel there needed to be any changes to the coverage.

Insurance Expenditure Resolution 2007.01.01.

Chairman Gaughan read Resolution 2007.01.01 'Expenditure of Insurance Proceeds' to the Board.

Commissioner Freund moved to adopt Resolution 2007.01.01 'Expenditure of Insurance Proceeds.' Motion seconded by Commissioner Hargens. Motion passed unanimously.

Commissioner Freund had previously been informed that the District's trucks had been locked during the time of the theft. He questioned how a socket set could have been stolen if the trucks were locked and nothing was stolen from inside the building. Zac Bertz said the items had been stolen from inside the unlocked trucks.

Personnel Manual Review Committee Update.

Frank did not meet as previously scheduled with Deb Simone because of the water main break. However Deb has given Frank some documentation that he is currently reviewing. Frank will reschedule the meeting with Mrs. Simone in the near future.

Public Comment on Items Not Listed on the Agenda.

None.

Unfinished Items for Board Consideration.

Commissioner Freund asked about the upcoming Board elections. Jamie said the Board applications would be available at the District office in the near future. There will be three Board positions open to the elections. Commissioner Freund believed the dates for filing were February 15th - March 15th. Multnomah County Elections sends a packet with instructions and dates for the important items.

Commissioner Freund said that last month they voted for bank cards and there needed to be a resolution since it was a financial matter. The Board requested that the District Clerk make the resolution based on what was agreed upon in the December 2006 board meeting.

District Manager Review.

District Manager Frank Sterzinar said he'd read over the review and he had a few issues with it concerning the comments. He commented on the statement about the new pager policy, that there truly wasn't one unless it was that there was no pager pay. The trial on the I-Bank was said to be reluctant, however it was implemented on the day it was assigned. It was the software that failed. The Secretary-Treasurer was there and experienced one of the failures. The program was put to work and the staff is doing the best they can with it. His need "to develop management skills to supervise staff more effectively and improve prioritization of jobs and tasks to better meet the districts needs and minimize the cost to ratepayers," he took offense to. See attached review. His response was if the jobs were not met in a proprietary manner; the treatment plant would not have been done. There were other things he took offense to, but chose not to.

Frank tendered to the Board his letter of resignation effective immediately. He read it aloud as well as the ORS/Corbett Water District rules. It was given to Chairman Gaughan for signature. Frank said he was willing to stay between 30 and 90 days so the District would have sufficient time to hire a new Manager. There were a few issues the Manager wished to address. One was health insurance. He believes that issues are being discussed behind public preview and decisions are being made because of those decisions. The minutes from the December, 2006 meeting state that the District Clerk would pay 25% of her health coverage. The motion was made for the District Manager to adjust her salary the 25% to help pay for her health coverage. Based on these figures, it would mean a 54 cent reduction in her current salary. The resolution the District Manager was asked to type stated otherwise. The actual wording is in attached document. The document has been sent to Andy Jordan by the Secretary-Treasurer's request. The District Manager's issue is that no one board member has the authority to generate a resolution like this. This needed to be generated in a public meeting and the board acting on it in a public meeting. The question is has communication been happening similar to that of the lawsuit which happened in 2005. Commissioner Colclessler stated that the minutes say that they voted to do that, that 25% was the District Clerk's portion prorated. He stated the reason it came about was the discussion with Luanne at SDAO

concerning the Manager's review. Luanne stated the resolution should have been made at the December, 2006 meeting after discussing it and voting on it. The Manager believes the resolution should state the 25% voted on at the meeting. He believes that it is 100%. Commissioner Colclessler asked Z Marsh's opinion about whether anything was stated when she was hired. She only remembered both being hired at \$15.00 per hour both without insurance because both Jamie and Z had insurance outside of the Water District. Commissioner Colclessler believes Jamie to have been hired at \$13.00 per hour. An email from Barb Adams was mentioned and the desire to view it was stated by Z Marsh. Z Marsh mentioned that neither she nor Jamie had any written document concerning their hire - that they had acted in good faith. She also stated that now verbal agreements were being reneged upon and that it seems illegal. Frank stated that the agreed upon amount is 25% of the coverage, but in the resolution is 100% of the health insurance. Commissioner Colclessler talked about the board never receiving copies (not stated but understood that he was talking about health insurance forms) that were received in August. It was stated by Commissioner Colclessler that Jamie put herself on, that he was given a copy today, which he had been asking for since July 1, that he was really disappointed. Commissioner Colclessler doesn't believe it was 54 cents that was voted on. That's why he didn't approve the minutes. He believes not all things were recorded that were said. That's why he didn't approve the minutes. Chairman Gaughan believed that he paraphrased it during the meeting that the motion was to adjusted the Clerk's pay by 54 cents. Commissioner Colclessler said that it was not 54 cents. Commissioner Hargens believes that the amount was agreed upon and the vote was taken and passed, but doesn't remember what it was, but he believed there was a formula that he thought all parties were in agreement with. He believes it should be reviewed. Commissioner Colclessler said he still had an issue of the Clerk putting herself on the insurance. Commissioner Hargens said it had already been agreed upon at the prior meeting and the issue should be done. He was sorry if it was still an issue but it had been taken care of last month.

Chairman Gaughan asked Frank what he has done to resolve this issue. Frank said he had decreased the Clerks wage by 54 cents per hour.

Commissioner Hargens asked how the District went about hiring a new Manager. Commissioner Freund felt the Board's earlier discussion of work to be done was a moot point because of Frank's resignation. He said it shortened up the review because the Board didn't need to discuss goals. Frank said going through the task orders was not a waste of time because they still had to be completed. Commissioner Freund agreed, and he appreciated Frank's comments. Frank said the employees had been trained to a point where they could fulfill the tasks.

Chairman Gaughan asked Frank how long he could stay employed with the Corbett Water District. Frank replied 60 days and it could be up to 90 days, and he would also be available on a consultation basis until his replacement was up to speed. Commissioner Hargens asked Frank if he was willing to stay 60 or 90 days to help train the new manager. Frank replied yes, he was willing to train the new manager. Frank said he was getting out of the water business and going back to tool and dye, better known as machining.

Frank said it was his goal to make sure his replacement is able to take over the District. He also said the employees were capable of taking over, except they are missing a certification that they will be obtaining the near future.

Commissioner Colclessler told Frank he really appreciated the work Frank has done for the District. He spoke about the difficulties Frank faced coming to the District. Frank said it was his goal that the District was in better shape then when he started. Commissioner Colclessler referred to an email from Frank where he had stated that the employees attitudes had changes considerable and he agreed. Frank said he could leave right now and there would not be any problems with any of the employees, the only difference would be there wouldn't be a Manager. Frank told the Board he appreciated his time here, and

he felt that great strides had been made in a positive result for all involved. Commissioner Colclessler spoke about the training the employees and Board have undergone.

The Board wished to have a special meeting as soon as possible to determine how to hire a new District Manager. Frank has compiled the information used to hire him and it will be available to the Board. Frank spoke about advertisement for the job vacancy.

The Board will hold a special meeting on Thursday, January 25, 2007 at 5:00 p.m. to discuss the District Manager vacancy position. This meeting will be located at the Corbett Water District office.

The Board expressed their 'Thank You's' to Frank for all his hard work and dedication to the District.

With there being no other business Chairman Gaughan moved to adjourn the meeting at 10:45 p.m.