

**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 and District Clerk Kathie Cicerich.

Community members present were Gordon Fulks, Rick Weaver, Doug Geller, Barb Giddeon, Barb Adams, Bob Colclessor, Rick Mysinger, Jim Mastne, Sue Fry and Al Kimbley.

**APPROVAL OF MINUTES**

The minutes from last month had a motion from Mr. Blanc saying to continue with the Selection Committee and to have the meetings closed to any person outside the Selection Committee. Mr. Blanc said he didn't say to have the meetings closed to any person outside the Selection Committee. Mr. Wilson had said he would talk to any of the firms that were not in the top three firms selected to receive requests for proposals and let them know where their perceived shortcomings were. He said his intention was to have the District send them a letter telling them they were not selected to propose and if they have questions, Mr. Wilson's phone number could be given out. He has no intentions in talking to all the firms. The firms that were not selected need to get a letter thanking them for submitting their qualifications. Mr. Grover made a motion to accept the minutes with the above clarifications made by Mr. Blanc and Mr. Wilson. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

**FINANCIAL REPORT**

Kathie Cicerich briefed the Board on the February 2002 monthly financial report. Mr. Kalberg asked if the District would be doing a system improvement project with the \$150,000 budgeted for this year. Mr. Stark said it would be carried over to the next budget year.

**WATER BILL REDUCTION (KERRI OKADA)**

Kerri Okada sent a letter to the Board requesting further reduction on her February, 2002 water bill. The customer had a water leak resulting in a \$253.89 bill. The Staff reduced her bill to \$131.85, which is half the total bill. Ms. Okada repaired her leak in a timely manner. The staff made recommendation to reduce Ms. Okada's bill to a six month average. Steve Wilson made motion to accept the staff's recommendation to reduce the customers' bill to a six-month average. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

## AUDIENCE COMMENTS RELATING TO ITEMS NOT ON THE AGENDA

Gordon Fulks talked about conflict of interest regarding Board member Henry Schwartz voting for his daughter, Renee' Jimenez to be on the budget committee. Mr. Kalberg said the District's attorney; Tom McPherson wrote a letter to the Board of Commissioners regarding this matter. The District attorney's opinion is that there is no conflict of interest based on statutes, ORS 244.020 (1) and (7), and ORS 244.040. Neither Mr. Schwartz nor Renee' Jimenez are paid by the Corbett Water District or by anybody else to be on the Budget or Board committee. Mr. Grover said the last time this came up the point brought about that there were two budget committee members that were conflict of interest in voting. They did not vote on personal salaries, they voted on the budget as a whole. The lawyers all agreed that a budget committee member could vote on the budget as a whole without being a conflict of interest. Mr. Blanc said the TSCC budget process book states the budget committee appointed members could be spouses of officers, agents or employees of the district. Sue Fry said she is disappointed with the budget committee choices.

## MASTER PLAN UPDATE

Mr. Wilson said the Selection Committee got together 3/12/02 with two purposes in mind. One was to review and evaluate the statements of qualifications (SOQ) for the Master Plan update, the other was to review and discuss the reservoir request for proposal (RFP). The three firms selected for the Master Plan update were Lee Engineering, Curran-McLeod and Bell Design. Letters need to be sent out to the three selected firms to let them know they were one of three firms selected and what the next step will be. Mr. Wilson suggested to the Board to consider issuing (RFP's) to the three selected firms. Mr. Wilson moved that the Board approve the Sub Committee's recommendation for the three short listed firms and give staff authorization to proceed with the issuing of (RFP's) for the Master Plan update, subject to consideration of workload and schedule. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

## RESERVOIR - REQUEST FOR PROPOSAL (RFP)

Consulting engineer Pat Curran with Curran-McLeod reviewed Mr. Wilson's RFP for the reservoir which resulted in a letter of opinion from Mr. Curran regarding the RFP. Mr. Curran does support the design build but suggested the site preparation, pipeline and soil analysis be engineered. Mr. Curran mentioned it was important to have an engineering advocate to protect the District. This would also lessen the cost on the bids. It was recommended this project be funded before it goes out to bid. The cost estimate for a 1 MG tank would cost \$1.0 - \$1.1 Million, and a 0.5 MG tank would save roughly \$100,000. A 2MG tank would approximately cost \$200,000 more. Mr. Curran agreed with the AWWA D110 tank design standards listed in the RFP. Mr. Wilson said most of the folks on the RFP Selection Committee agree that the District needs an engineering advocate in some form. A consensus had not been made on how to respond to Mr. Curran's letter. The Selection Committee will have a meeting before the next Board meeting and will have a recommendation to bring to the Board at the next meeting on how to

proceed. Mr. Grover said the Board had not authorized the Selection Committee to deal with the reservoir RFP, he thought the Board should be handling it. The Selection Committee would be dealing outside the scope that it was originally authorized to do which was the master plan. It was not in the minutes that the Board authorized the Selection Committee to deal with the reservoir. Mr. Kalberg said the Board should vote on whether to let the Selection Committee have input on the reservoir.

The regular Board Meeting was adjourned at 7:35 p.m. for the purpose of holding the first Budget Committee meeting for the 2002-2003 Budget for Corbett Water District.

### FIRST BUDGET COMMITTEE MEETING FOR 2002-2003 3-8-2002

Chairman Ed Kalberg called the Budget Committee Meeting to order at 7:37 p.m. Budget Committee members Rick Weaver, Dave Mysinger, Troy Falconer, Renee' Jimenez and Barb Adams were present. Introductions were made. Nominations were opened for Budget Committee Chairperson. Ken Blanc and Barb Adams nominated Rick Weaver. Ed Kalberg and Rick Weaver nominated Barb Adams. Eight hands were raised to elect Rick Weaver. Mr. Weaver is the Chairperson for the Budget Committee.

No person stated he or she had a conflict of interest. After some discussion rules for public comment were established. Public comments are limited to three minutes each and comments will be allowed after each of the four categories. The four categories are revenues, personal services, material/services and capital outlay.

Mr. Stark presented his Budget Message for the 2002-2003 Corbett Water District budget. This year the focus of the budget will be on three major projects; a new reservoir, an updated master plan and a pipeline replacement project. The budget will be structured around three separate funds this year. The general fund will be used to fund operation and maintenance costs of the water distribution and treatment systems and will also fund capital outlay projects such as the master plan and pipeline replacements projects. The capital improvement fund/headworks projects is a reserve fund that already exists and will be used for the construction of a new reservoir. The third fund is new this year. It's called the loan repayment fund and its intent is to make principle and interest payments on the reservoir loan and to also hold any cash reserves required by the lender.

Funding for the general fund will be through the District's current rate structure and the permanent tax base. The headworks projects funding will come from the previously mentioned state revolving loan fund up to \$1.5 million. This fund already has approximately \$325,000 in it. The loan repayment funding will come from the proposed monthly reservoir rate surcharge of \$10 per customer.

Mr. Stark said this budget proposal is a formal estimate and a balanced estimate of the revenues and expenditures expected in the upcoming fiscal year. The budget committee's task is to meet publicly to review the document and provide opportunity for public comment and to ask questions. The budget committee through majority action has the authority to specify the amount of tax revenue for all funds, establish a maximum expenditure total for each fund, approve the total taxes as an amount and/or rate and the final authority is to approve the budget. The budget committee may increase or reduce the estimates the budget officer proposed through a majority action.

When the deliberation and public comments and questions are finished, two formal actions need to occur from the budget committee. The first is to approve the expenditures for each fund. This can be done by approving the budget as a whole or can be accomplished by approving the budget for each fund. The second formal action is to set the maximum tax levy for the District. Mr. Stark has two suggested motions for approving the budget in the back of the budget message.

Mr. Stark made two suggestions. The first is to go through the budget one fund at a time, line item by item. This will help keep track and record the process. The second suggestion is to keep the budget balanced. If a line item is increased or decreased, then another line item needs to be increased or decreased to keep the budget balanced when the process has ended.

Following Mr. Stark's budget message, copies of the budget proposal were handed out to the committee and community members. After some discussion it was suggested to study the budget document, come back at the next meeting in April, and begin the deliberations. Some questions followed. The reservoir surcharge will be tracked under the loan repayment fund, form LB10. The \$10.00 surcharge is just a proposal and is up to the Board to determine the actual amount of the surcharge per customer. The process to implement a surcharge will include a public hearing and resolution. Mr. Wilson asked that if there is money left over from the \$1.5 million if it could be used to re-pay part of the loan and or use it for other District improvements. Mr. Stark said the money will be dispersed from the loan institution with their approval and as it is needed. There is a possibility the District may never have the \$1.5 million in its possession. Barb Adams would like to see more funds under computer to upgrade the billing software.

Under audience comments, Bob Colclessor suggested the sale of one or two of the District's vehicles and put that money into the budget. Jim Mastne agreed. David Mysinger asked the Board if this has been addressed before. Barb Gideon recalled a discussion at a previous Board meeting was that the intent was to sell the old Ford truck after the new truck was delivered. Gordon Fulks suggested to the Budget Committee to look at staffing and salary levels.

After some discussion regarding the start time for the April 2002 meeting, it was determined to start the regular board meeting at 6:30 pm and start the budget meeting at 7:30 p.m.

Rick Weaver adjourned the Budget Committee meeting at 8:30 p.m.

Ed Kalberg reconvened the regular month Board Meeting at 8:30 p.m.

### RESERVOIR - REQUEST FOR PROPOSAL

The conversation returned to the selection committee duties. Mr. Grover said the committee was formed originally for the Master Plan only and not the RFP for the reservoir. Mr. Grover stated that Board members are elected to sit on the Board by the citizens of the community. They are legally and financially responsible for all bids and legal matters pertaining to the District. Decision making on the reservoir RFP should not be left up to people not on the Board. He would like the Board to review the RFP before it goes out. Mr. Wilson said he was fairly certain that at least four of the selection committee members feel like the Board asked them to work on this issue and have put a considerable amount of time on it. Mr. Wilson said this was brought up at the last Board meeting and Ed Kalberg seemed to agree it was a Board consensus to have the selection committee work on the reservoir RFP and the master plan RFP. Mr. Wilson said Ken Blanc is on the committee so he knows Mr. Blanc agrees. Mr. Wilson said no RFP would be advertised without the Board approving it.

Mr. Wilson moved the Board grant the RFP selection committee authority to deliberate this issue about how to advertise the reservoir RFP and come forward with a recommendation to the Board at the next meeting. Superintendent Randy Stark recommended instead of having the selection committee look at the reservoir RFP, to go ahead and hire an engineer to work up design specks that include a design-build RFP on the reservoir component itself as Pat Curran recommends. There was some discussion. Mr. Wilson said he isn't against hiring Pat Curran, but would like the selection committee to first come to consensus on what direction to go in and then make either an endorsement to the Board to hire Pat Curran as proposed or with modifications. There was some discussion regarding the timeline. Doug Geller suggested Steve Wilson restate his motion to say the Board gives authority to the selection committee to advise on matters relevant to procurement on the reservoir project. Mr. Wilson withdrew his previous motion and restated his motion to say; the Board authorizes the selection committee to advise on matters relevant to procurement of reservoir, including recommendation as to whether engineer Pat Curran be hired for this project and in what capacity. Mr. Grover said he thought the Board should give Mr. Stark authority to hire Pat Curran rather than going thru the selection committee. This would shorten the process. Mr. Blanc said by having the selection committee it cuts down on the amount of hours needed at the Board meetings. After some discussion Board members Ken Blanc, Steve Wilson and Ed Kalberg voted for the motion. Jeff Grover and Henry Schwartz voted against the motion. Motion passed.

### **RESERVOIR - LOAN APPLICATION**

Mr. Stark presented a loan application drawn up by Murray, Smith and Associates, applying for \$1.5 million from the State Revolving Loan Fund (SRLF) to build the reservoir. Steve Wilson made motion to approve the submittal of the application. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

### **EMPLOYEE EVALUATION POINT SYSTEM**

This item has been put aside until after the 2002-2003 budget has been completed.

Under audience comments Barb Giddeon questioned Mr. Grover about legal fees the District has paid the State.

Henry Schwartz moved to adjourn the meeting at 9:20 p.m. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.