

CORBETT WATER DISTRICT APPROVED MINUTES

Regular Meeting: 6:00 P.M.

Tuesday, March 20, 2007
Corbett, Oregon

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

Budget Committee Members Present: Dave Mysinger, Barb Adams, Sue Fry, and Barbara Strasbaugh.

Also present was District Clerk Jamie Simms.

Audience Members Present: Victor Schmidt, and Sheila Gacke.

Chairman Gaughan called the meeting to order at 6:05 p.m. at the Corbett Fire Hall. He then gave the floor to Budget Committee Chairman Dave Mysinger to discuss the budget with the budget committee.

Budget Committee

BC Chairman Mysinger reviewed the changes from the prior budget committee meeting so all committee members were on the same track.

Jamie explained that the history numbers for 2005/06 had changed in accordance with the newly revised audit.

BC Chairman Mysinger asked Jamie if there were any other items that needed to be discussed. Jamie said there may be an issue with Health Insurance. Currently the proposed budget was for four single coverage employees and zero coverage for dependents. The additional cost to add a family plan to the insurance was \$5,700/year.

Commissioner Hargens said this was an issue the Board has not acted on. Commissioner Colclessor wanted to receive the Committee's opinion on Health Insurance coverage. Sue Fry questioned offering a higher salary for the District Manager to cover family insurance. Commissioner Hargens said because there was no Board directive, he wanted to assume that only the employee directly working for the District would be covered by insurance. BC Chairman Mysinger said the Board could use 'Contingency' funds in the future to cover additional cost, if the Board in the future chose to cover a portion of dependents. Commissioner Gaughan said the Board could choose to cover 50% of the dependent coverage. Barb Adams said if this was done then one employee would be receiving a larger health insurance benefit than another employee. She said that some companies provide an equal dollar value to each employee. Barb Adams recommended the Board set the health insurance policy at single and then if the Board hired a District Manager with a family they could look at adjusting his wage.

Sue Fry asked about the coverage for the prior employees with families. Commissioner Gaughan said the District paid for 100% of the family plan. Commissioner Hargens would like for the Board to set the rules for Health Insurance. Barb Adams would like to keep the health insurance coverage for single

coverage to keep everybody with the same benefits. Commissioner Freund spoke about keeping everybody equal, and when it was a set dollar amount it would be equal to all employees, and no discrimination could occur.

Barbara Strasbaugh said fewer businesses were paying 100% for health insurance benefits. She said the employee could elect dependent coverage but they would be responsible for the coverage premium.

Commissioner Hargens said in his business he would try and stay with a 3-4% health insurance increase. He would change his plan or deductible to keep within his cost.

The budget committee felt \$15,000 would be adequate to cover health insurance.

Jamie said the only other issue to be discussed was the upgrades for the Loudon Reservoir. Brian Lee stated earlier that this project would be completed May 2007. The estimated construction cost for this project is \$300,000. If the project is delayed and goes past June 30, 2007 the cost would have to come out of System Improvement and decrease the available funds for the upcoming year. Commissioner Gaughan did not believe the project would be completed 100% in this budget year. Commissioner Freund said the funds would carry forward if it went unspent. He said the funds would not be locked up. Jamie said if the funds were not in the 07/08 budget they could not be spent until the following year when it could be added in the budget. Commissioner Colclessor said monies could not be spent until they were budgeted.

Commissioner Hargens asked if the \$300,000 could be added to this year's budget. Jamie replied yes, it could be added to Beginning Networking Capital and expensed in System Improvement.

Commissioner Hargens asked how the accounting for the project would work. Jamie said the District operates on an accrual basis of accounting, which means the date was dependent on when the work was completed and not when the check was issued for payment. Commissioner Hargens felt the construction work would be started but not completed by June 30th, because the project had yet to go out to bid.

Barb Adams asked about how construction work was paid for. Commissioner Hargens said construction work was not paid out until the work had been performed. Barb Adams believed that in theory the Committee could move the entire amount into the upcoming budget. Commissioner Colclessor said the funds were in the current budget for the project and that next year's budget could be over budgeted. Commissioner Hargens asked if it would hurt the District to be over budgeted next year. Jamie replied no, but you would have to keep in mind what the funds were for. Commissioner Colclessor said it could hurt the District if it was under budgeted because it would take funds from other projects for the year.

Jamie said the Committee could add the \$300,000 to the 07/08 budget. In June when the Board approves the budget they could decrease the budget closer to the actual. Commissioner Colclessor would like Jamie to verify this information with the folks at TSCC. The Committee wished to place an additional \$300,000 in Net Working Capital and System Improvements to cover the Loudon Reservoir upgrade cost. With these changes the total revenues and expenditures for the General Fund would now equal \$1,528,334.

The Committee reviewed the estimated year end actual versus budgeted worksheet. Commissioner Hargens asked why the Treatment Plant upgrades were estimated to be over. Jamie said the instruments inside the Treatment Plant had been replaced. These items will not have to be replaced again for several years.

Barb Adams moved that the 2007-2008 budget be approved as changed by the Budget Committee, certifying that the permanent tax rate of 0.5781 per \$1000 of assessed value shall be used to calculate Taxes Necessary to Balance Budget in the General Fund Resources category. Motion seconded by Sue Fry. Motion passed unanimously.

BC Chairman then thanked everybody for their participation on the budget document. He then gave the floor back to Board Chairman Gaughan to proceed with the rest of the regular meeting.

Review / Approve Agenda.

Commissioner Colclessler added an Executive Session Pursuant to ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

Commissioner Colclessler moved to approve the agenda as changed. Motion seconded by Commissioner Hargens. Motion passed unanimously.

PACE Engineering.

Isaac McConnell with PACE Engineers was present during the following PACE Engineering discussion.

Isaac said the preliminary work had been completed for the Loudon Reservoir. Brian Lee would like to schedule a meeting with the Board in about two weeks so the Board could comment on the documents. Isaac estimated that the project could go out to bid within one month if the cathodic protection and electrical estimates had been received. Commissioner Hargens estimated that the work would start approximately in June. Chairman Gaughan said he wanted the Reservoir back on-line by August for summer use.

After reviewing the presented documents from PACE Commissioner Hargens found an item in the drawing that was mislabeled. Isaac said the documents were in draft form and still needed some work.

The Board agreed to hold a Special Board meeting on Tuesday, April 6, 2007 at 6:00 pm at the Fire Hall.

Isaac said Brian Lee and Bob Hare, a screen specialist, with the ODF&W made a site visit to the North Fork. The Engineer will also be making a site visit the first part of April. Bob Hare is working on scheduling a site visit for the Board to see a working screen.

Isaac said the table salt test for the Tracer Study had been unsuccessful. Commissioner Hargens said according to the District's operators this was the fifth time the test had been conducted. Isaac said yes, there had been faulty equipment used, but new equipment had been purchased. He also said that a different chemical had been used but it did not work on such a large system the District had (the one million gallon reservoir). Commissioner Hargens said the State was upset over not having the Tracer Study complete. Isaac said he was hoping to have the second test completed later next week. Commissioner Hargens said the Tracer Study had been done multiple times and he has heard from District staff that qualified folks were not performing the test because mistakes kept occurring. He wanted to make sure that at the next test a qualified person conducted the test, so the State could be satisfied. Isaac said it would be resolved very soon. Commissioner Hargens would also like to discuss the Tracer Study at the Special Board meeting.

Isaac said Phil Beverly and Tom Hatchel had registered with the State to be the District's DRCs. He said Phil and Tom would be making monthly visits and be available to staff 24 hours a day. Chairman Gaughan questioned if there was a response time to the District for the DRC positions. Jamie spoke with

Kari Salis with the Oregon Health Department and she said there was not a two hour response time. She said it was up to the individual Districts to place a time restriction on the DRC position.

Reservoir No. 4 Discussion.

Commissioner Hargens said he would like to consider other avenues for completing the Reservoir No. 4 cathodic protection project. He would like to consider adding this project as an alternative bid to the Loudon Reservoir project. The crew is waiting to hear back from PGE to see if they can take pictures of the work and then backfill the ditch so the hole would not be left open. The Board agreed they would all like to see this project completed.

Victor Schmidt said there were actually two projects at the Reservoir. The altitude valve needed to be completed and the conduit for electricity needed to be installed.

Commissioner Hargens said PGE had already been paid for the work to install the electricity. Victor Schmidt spoke about receiving underground power for his home from the same transformer.

Commissioner Colclessler moved for Commissioner Hargens to call Brian Lee to discuss adding Reservoir No. 4 as an alternative to the contract. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Kirkham questioned what it would take to shutoff Reservoir No. 1. Victor Schmidt believed the piping and valve locations for the Reservoir were unknown. Commissioner Colclessler would like to check with Zac and Kevin and find out what it would take to disconnect Reservoir No. 1 from the system.

Leak Adjustments.

Jamie explained Mr. Bruene's leak adjustment to the Board. The leak has been verified fixed.

Commissioner Colclessler moved to approve Mr. Bruene's leak adjustment (\$2,292.20). Motion seconded by Commissioner Freund. Motion passed unanimously.

Jamie explained Mr. Anderson's leak adjustment to the Board. The leak has been verified fixed.

Commissioner Hargens moved to approve Mr. Anderson's leak adjustment to the six month average (\$73.00). Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Jamie explained Mr. Freund's leak adjustment to the Board. The leak has been verified fixed.

Commissioner Hargens moved to approve Mr. Freund's leak adjustment to the six month average (\$40.15). Motion seconded by Commissioner Kirkham. Voting for the motion were Commissioners Gaughan, Colclessler, Kirkham and Hargens. Abstaining from the vote was Commissioner Freund. Motion passed.

Jamie explained Mr. McDougal's leak adjustment to the Board. The leak has been verified fixed.

Commissioner Hargens moved to approve Mr. McDougal's leak adjustment to the six month average (\$313.90). Motion seconded by Commissioner Colclessler. Motion passed unanimously.

Approval of the Minutes.

Commissioner Colclesser changed page 2 “area then” to “area than” and page 4 “knew” to “new” to the February 20th minutes.

Commissioner Colclesser moved to approve the February 20th minutes as changed. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Commissioner Colclesser moved to accept the February 26th minutes as presented. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Freund changed the word “staff” to “Board” on page one of the March 5th minutes.

Commissioner Freund moved to approve the March 5th minutes as changed. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Commissioner Freund changed “safety grant” to “safety and security matching grant” throughout the document and on page 3 he changed “fix” to “fixed” to the March 6th minutes.

Commissioner Freund moved to approve the March 6th minutes as changed. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Commissioner Freund moved to approve the March 7th minutes as printed. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Secretary / Treasurer Report.

Commissioner Colclesser said the Board could accept the 2005/06 audit as changed.

Commissioner Colclesser moved to accept the audit. Motion seconded by Commissioner Freund. Motion passed unanimously.

Financial Report.

Jamie reviewed the financials with the Board. The purchase orders summary sheet has been updated to show the estimated versus the actual expenditures.

Jamie said that once the District Manager was hired the Loan Repayment bank account could be transferred and closed into the general savings account.

Commissioner Freund asked why Taxes, Interest and Others category was over budget. Jamie said she would have to research the reasoning, but she believed it was a onetime expense. (Update: \$1,000 of this category is for the job posting of the District Manager position in *the Oregonian*.)

Commissioner Freund pointed out an invoice stated from Hach that was listed for \$10,098 that should have been listed as \$1,098. Jamie will make the necessary correction.

Field Crew’s Report.

Utility Workers Zac Bertz and Kevin Moran provided the Board with a summary of the months’ work. Commissioner Hargens liked the written report and he wished the crew would continue to provide this document to the Board.

Commissioner Colclessler asked about the water level for the Loudon Reservoir. It was believed that staff was running the Reservoir less than full because it would be offline soon and staff wanted to waste as little water as possible. Commissioner Kirkham would like to know what Reservoir No. 5 was currently using on a regular basis, so staff would know when to switch the bypass. Commissioner Hargens said staff would shut off the incoming water to the tank and then once it reached a certain level staff would then switch to the bypass.

Commissioner Colclessler thanked Commissioner Hargens for helping assist the staff. He felt that Commissioner Hargens had suggested a few really good ideas for the crew, especially with Reservoir No. 4 and the Loudon Reservoir. Commissioner Hargens said the staff were really good workers and they would do very well. He believed the employees were up to the challenge. Commissioner Colclessler said this was the best training there was. Commissioner Hargens said staff was vulnerable because without someone there to train the only way to learn was by trial and error.

Chairman Gaughan questioned the Board if there was a need in the near future to hire a temporary employee to help staff with the projects. Commissioner Colclessler said he did not have a problem hiring a temporary worker to help the crew lay pipe. Commissioner Hargens said in about two-three weeks Reservoir No. 5 could be drained and inspected, staff would then be ready for pipe projects. Commissioner Colclessler said because there was no manager the Board would have to approve the hiring of a temporary worker. Commissioner Hargens would like for temporary help to be on the agenda next month.

Correspondence.

None.

Personnel Manual Review Committee Update.

Commissioner Colclessler spoke with Deb Simone and she is willing to continue to help with the manual. He felt the manual could be summarized into a smaller version with an appendix for the additional items. Currently the document is sixty five to seventy pages and it should be about fifteen to twenty pages of pertinent information. The Board in general agreed that Commissioners Colclessler and Freund could meet with Deb Simone and continue to work on the employee manual.

Commissioner Colclessler would also like to see the Board update the Rules and Regulation manual.

Public Comment on Items Not Listed on the Agenda.

Commissioner Hargens felt the District should continue to pay for the employee's single health care insurance with family coverage offered to the employee but at their own expense. He felt the District's benefit package was a good package, including PERS. He felt if it was done this way it would keep things fair. Commissioner Freund said the present health insurance plan stated the District paid for 100% of the employee's coverage and 0% for dependent coverage. Dependents could still be added to the plan but the employee would have to pay for the coverage.

Unfinished Items for Board Consideration.

None.

Executive Session

Chairman Gaughan moved to Executive Session at 8:35 pm Pursuant to ORS 192.660(2)(a) 'The governing body of a public body may hold an executive session: To consider the employment of a public officer, employee, staff member or individual agent.'

Chairman Gaughan opened the meeting back up to the public at 8:55 pm. He stated that no decisions had been made. The Board is going to wait for new applications to be received.

Chairman Gaughan moved to Executive Session at 8:55 pm Pursuant to ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

Chairman Gaughan opened the meeting back up to the public at 9:13 pm.

Commissioner Hargens moved to appoint Secretary/Treasurer Bob Colclessor to follow the recommendations of Jordan Schrader Attorneys at Law letter dated March 13 2007. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Hargens moved to adjourn. Motion seconded by Chairman Gaughan. Motion passed unanimously. Meeting adjourned at 9:15 p.m.