

**CORBETT WATER DISTRICT
REGULAR MEETING OF THE BOARD
Written Summary
March 21, 2017**

Board members present: Jeff Hargens, Robert Gaughan, Jack Garrison, Robert Churnside, Kevin Wilhelm

Staff present: Jeffrey Busto, Shanti Burns, Candy Sutton.

Audience members present: James Humphries, Malcolm Freund, Dave Mysinger, David Jacob, Gordon Fulks, Marianne Pietras, Robert Hysen, Joe Gorciak.

Chairman **Jeff Hargens** called the meeting to order at 7:07 p.m.

APPROVAL OF THE AGENDA

Kevin Wilhelm – 1st, **Jeff Hargens** – 2nd. Approved 5 to 0.

APPROVAL OF THE MINUTES

Minutes of January 24, 2017: **Jeff Hargens** –under Union Pacific grant changed from incentive program to community grant through Lowes. **Jack Garrison**-remove Home Depot on Community Grant.

Jack Garrison made a motion to approve the minutes as modified, **Kevin Wilhelm** seconded, passed unanimously

Minutes of February 9, 2017: **Jack Garrison**-make sure Feb. special meeting showing correct attendees or date.

Jeff Hargens made a motion to table until verification with Staff. **Jack Garrison** second, passed unanimously.

Minutes of February 28, 2017: **Jack Garrison** –January financial questions still exist.

Kevin Wilhelm made a motion to approve the minutes, **Robert Churnside** seconded, passed unanimously.

LEAK ADJUSTMENTS

4653-01: **Jeff Hargens** suggested moving the PRV to behind the meter. **Jeff Busto** said if replacing their line, contact him for cost savings idea. **Jeff Hargens** made a motion to adjust the November/December 2016 billing cycle to 10.5 units after PRV is moved as close as practical to the meter, **Robert Gaughan** seconded, passed unanimously.

DISTRICT BOUNDARY

Shanti Burns – Researching the Dept of Revenue, only the county had been contacted in the past. Dept of Revenue states that we can't charge the variable tax rate to customers. Need to contact the county and the state. Approx. \$1000 per year received from the 5 customers. Currently only researching as of now, will get time & cost estimates.

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Jack Garrison – Previous meeting with district manager, county office Diane McKeel, tax office xx Mercer. Provided a letter detailing the issue with customers outside of boundary. Lengthy discussion, what are the options. Protracted and lengthy expense process by annexation. Their suggestion was doing the variable base rate. Two processes; A customer can initiate boundary change or the water district can.

Jeff Hargens – Get a map of homes outside of boundaries. Find average cost to annex. Option could be to have customers pay annex fee. Customers within the boundary not currently getting water do have the option of connecting to service. Customers should be given voting rights.

David Jacobs – Rockwood had a policy with homes outside boundaries where everything was twice the price. Can see how State wouldn't like taxes or charges looking like taxes. Rockwood did do an annex that was a lengthy process.

James Humphries – Too much to annex.

Dave Mysinger – Charge more for water instead of annex. Cost of annex seems astronomical. Give customers outside of boundary options.

Gordon Fulks – What is the average of taxes? What about customers in the District but not on water service.

Joe Gorciak – Why do annex or boundary change, is the time & cost for staff worth it?

ON CALL COMPENSATION

Jeff Busto – Changes made regarding previous questions brought up. 1. Answering and returning calls on the emergency phone, respond for emergency locates generated through Oregon 811. 2. Respond to customers calls and determine the severity of their need and respond accordingly. Following district guidelines and policy to assist their needs. Currently all employees except new hires are capable of making decisions without calling the manager. Added that they would call the manager. 5. Change to 30 minute radius. Expect that any page they will contact the District Manager. Based on needs, employee may use their own vehicle depending on getting to the customers emergency. Currently out of compliance right now for work laws both State & Federal. Pilot project, best est./good faith for cost estimate.

Jack Garrison – District Manager needs to know if additional employees need to be called out. Monitor cost comparison of District Manager's weekly compensation and overtime cost. Will have additional cost increase in the budget.

Robert Churnside – Use District vehicle or personal vehicle? Rates seem reasonable.

Jeff Hargens – Monitor cost for on call compensation. Once resolution signed will go into effect. On next month agenda.

Gordon Fulks – Folding the compensation cost into the over all labor cost and inflation cost? Shifting cost or revenue neutral?

Jack Garrison – 1st, **Kevin Wilhem** -2nd Motion to approve On Call Compensation Policy through resolution & examine total cost in 6 months. Approved 5 to 0.

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CROSS CONNECTION

Shanti Burns – Needs to be posted. Section 8 was missing 0. Changed to add wording that we follow the standards listed in OAR 333-061-0070 and 333-061-0071. Added wording that there will not be a charge for inspection of air gaps. Have a database of known air gaps. First reading will be in April.

Jeff Busto – Inspection of air gaps can be done with scope of daily work, just like work orders. Any 2” meter requires a backflow assembly

Jack Garrison – Have a semi-current air gap database. Any state requirement on air gaps reporting? Address state & county plumbing codes?

Jeff Hargens - 1st, **Bob Gaughan** – 2nd Motion to approve the Cross Connection Ordinance 2017.03.01 as modified. Approved by 5 to 0.

RESOLUTION 2017.03.01

Jeff Hargens – Questions or modifications to the resolution.

Shanti Burns – All questions from last month have been answered and corrected. Unemployment has been based on quarterly. Has a call in regarding clarification on determination.

Jack Garrison – Overtime has been updated. Unemployment has been changed, how was it calculated for March-June? Determination from the State on liability at a lower number than shown.

DISTRICT MANAGER COMPENSATION

Jeff Busto – Request to come up with numbers with both Jack Garrison & Robert Gaughan, has not had a chance to work on it. Will remove wording regarding union representation. When it goes to salary, hours will still be tracked on a time card.

Jeff Hargens – Table until next month. Need to be finalized by July 1, 2017. Include safety duties in the job description. Jack Garrison & Bob Gaughan working as a sub-committee with Jeff Busto to come back with a package to the board for review. Not known if it will be hourly or salary at this time. There are a lot of laws regarding paying a salary.

Jack Garrison – Budget has a placeholder for compensation. Jeff Busto to review job description. Currently being paid on a hourly base. Complete the package with Jack Garrison & Robert Gaughan. Manager’s job description has not been updated since 2004. Intent of the board is to go to a salary. Got into issues in the past on hours, comp. time and over time.

Gordon Fulks – Question on salary going from hourly to yearly?

James Humpries – Reviewed personnel policy, regarding issues of salary.

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Tabled until next month.

MONTHLY REPORTS

Secretary/Treasurer Financial Report: **Jack Garrison** said no issues this month. Question on David Jacob's pay, under what is it reported. Suggested additional line items to be used. **Shanti Burns** clarified that Engineering of record fees under materials & services-engineering, CT reporting under labs. Cost booked on project that David is working on. Travel time based on what he is working on. **James Humphries** asked how long it will take to pay for hydro. **Jeff Hargens** said it was planned for 8-9 years, due to part issues will probably not be there. **Jeff Busto** said it depends on production and water needs.

Jack Garrison made to motion to approve the February 28, 2017 financial reports as presented, **Kevin Wilhelm** seconded, passed unanimously.

Manager's Report: **Jeff Busto** read the following report:

- Paving and driveway repairs are completed for the Christmas Eve main break on 365th. The damage was extensive to county ROW and private property.
- We are busy preparing for an upcoming sanitary survey from OHA. There are imminent infractions that require replacement and or repair to district appurtenances. As well as new regulatory rules regarding communication and record keeping that are now necessary to remain in compliance.
- There have been several negative comments made regarding the lack of CIP projects currently underway, or forecast to begin this upcoming budget year. The push to replace old steel lines has reduced our water losses from leaks substantially. Over the last eight years, approximately 14 miles of pipe have been upgraded to C-900 or ductile iron water line. Its time now to switch gears and repair our neglected infrastructure. We are losing a substantial amount of revenue to inaccurate meters that are beyond end of life. A meter replacement program is very necessary and is being studied. Choosing the best meters and type of management software is important to keep our costs down and revenue up. The safety of our system is also in jeopardy due to deferred maintenance involving pressure reducing stations, the treatment plant, treatment ponds, headworks, fire hydrant maintenance, valve exercising, valve locations and mapping, as well as reservoir cleaning and repairs.
- I would like to invite the public to contact me directly with concerns or suggestions. I am happy to address everyone's ideas in a constructive manner. Bringing to the board a comprehensive list of concerns. Spewing untruths and negativity in a public forum is

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detrimental to this districts best interest. Please let us all work together to achieve our goals through honest communication, hard work, and education.

Gordon Fulks – Question on problem with leak? What kind of meters, touchread?

Jeff Busto – Was a main break, old thin wall pvc. Replacing 4” to 6” using C-900. Not know, have to do a feasibility study, find out options. Radio read not cost effective. Need to visit meters every two months. Touch read has cut cost drastically. Current touch reads are failing. Plan to pull 10 meters at random to check, estimate we are losing 40% loss. Meters were replaced 6 years ago.

Jeff Hargens – Bad meters loss can add up to approx. \$150,000. Move up testing.

Jack Garrison – Prioritize on large meters.

David Mysinger – When were the meters replaced?

Gordon Fulks – Found many years ago that an old meter was pretty close to accurate when compared to a brand new meter.

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA

Malcolm Freund – Recent manager resign? How does the district transfer money to cover unemployment, how can you pay unemployment on resignation?

Jeff Hargens – Mutual separation. Trying to find out from unemployment office what was claimed for determination. Separation agreement said there would be no contest on unemployment claim. Turned over to the lawyers to handle. Look into options of employee & employer paying 50% of unemployment insurance.

Jack Garrison – Determination from State says he was fired. Not sure how they came to this determination. Issue involved also on how often claims are made. PERS system has an unfunded liability by this District.

Shanti Burns – State received copy of separation agreement. Has a call into the unemployment office for verification on their determination.

Gordon Fulks – General policy of not paying unemployment taxes compared to paying only when claimed. Would the District be better off paying unemployment tax monthly?

Jack Garrison – What is your interpretation of the motion regarding boundary that had a vote of 3 to 1 to 1 at the last special meeting.

Jeff Hargens – Was to start the process of move customers outside of district into the district.

Malcolm Freund – Will the taxes have to be refunded?

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Shanti Burns – More research being done, if done wrong, then the taxes collected will need to be refunded.

UNFINISHED ITEMS FOR BOARD CONSIDERATION

No comments were made.

Jeff Hargens made a motion to adjourn the meeting, **Jack Garrison** seconded, passed unanimously. Meeting adjourned at 8:50 p.m.