

# CORBETT WATER DISTRICT

## APPROVED MINUTES

Budget Committee Meeting 6:30 p.m.

Tuesday, March 22, 2005

Corbett, Oregon

**Commissioners Present:** Bob Colclessler, Lee Wyatt, Malcolm Freund, Ken Blanc, and Robert Gaughan.  
**Budget Committee Members Present:** Chairman Dave Mysinger, Barb Adams, Marion Kirkham, Dan Graff and Sue Fry.

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

**Audience Members Present:** Torey Redfern, Donna Colclessler, Jeff Grover, Dick Wand, Ed Kalberg, Brian James, Janet Helus, Dave Adams, Al Kimbley, Dave Tobie, and Dale Burkholder.

Chairman Mysinger called the meeting to order at 6:35 p.m. at the Corbett Fire Hall.

### Discussion of the 2005/06 Budget.

Ken Blanc questioned the numbers under the new draft budget document. Frank replied that he had revised the budget to reflect both potential water rates of \$3.65 and \$3.00 per 1,000 gallons with the "Proposed by Budget Officer" column reflecting the revenue at \$3.65 per 1,000 gallons and the "Budget Draft Committee" column reflecting the revenue at \$3.00 per 1,000 gallons. Barb Adams spoke about how rates had not increased over the last three years. She was okay with the rates going back to \$3.65. Lee Wyatt said the expenses from litigation and theft ~~have had eaten up~~ savings the Board could have passed on to customers.

Ken Blanc would like to see an explanation to the customers about the additional \$250,000 that would have to be paid back before the surcharge would be eliminated. ~~Bob Colelesser spoke about \$10 per customer increase versus the 25% rate increase.~~ Ken said the community had been told that a 25% rate increase would be used to pay for a \$1.5 million loan ~~when the community will actually be paying a total of \$1.75 million plus interest.~~ (Note for clarification: The loan with the state was entered into on November 12<sup>th</sup> 2002 for the amount of \$1,500,000 and this is the amount to be paid with interest. The amount of \$250,000 had already been collected by the District and was added to the project. See April 19,2005 regular meeting minutes)

Barb Adams agreed that the community should be informed. Bob Colclessler also wanted it explained that the previous Board had planned to build a concrete reservoir. Malcolm Freund said he supported telling the community where the money had come from and ~~what how it had been was used for. He wanted to be honest and forthright with the public.~~

Barb Adams spoke about the effects of the 25% rate increase had on farmers. She wondered if there could be a price break for large volume users.

Chairman Mysinger said it was a Board decision to decide what the rate should be. Lee Wyatt said she could not support lowering rates at this time.

Barb Adams asked if it ~~would be~~ possible ~~that for~~ water sales ~~would go down to~~ decrease because of a drought. Frank replied yes, it was possible. He said that he had already closed the South Fork intake because of low water. The water level is currently two feet lower than what it was last year at this time. Frank also said the State was looking at a possible State wide rationing plan.

Chairman Mysinger said that 'Water Sales' would be considered at the \$510,231 proposed amount which was the revenue amount based on \$3.00 per 1,000 gallons.

Frank Sterzinar spoke about Personal Services. The original proposed numbers had been miscalculated ~~wrong~~ and a new-corrected draft had been given to the committee for review. ~~He said t~~The net change had been an increase of in Personal Services was \$3,106.

Chairman Mysinger asked about current staffing. Frank replied that ~~the~~ UW I employee had recently resigned. Zac Bertz will obtain his Distribution certification in June and Kevin Moran would will have his shortly there after obtain his certification.

Dan Graff commented that if funding was short for the Headworks, then the money would come from 'System Improvements.' He questioned if there would be enough money to keep the crew busy on projects. Frank replied that there should still be enough money to keep staff busy on projects, but if not then staff could be laid off. ~~Malcolm Freund responded that a lay off was an unfortunate fact of life.~~

Frank Sterzinar spoke about Material & Services. The original proposed numbers had been changed to reflect a change in 'Water Sales.' 'Office Supplies and Postage' went up increased to \$8,000 to reflect additional newsletter mailings.

Lee Wyatt asked Frank what he planned on purchasing under 'Safety.' Frank plans on purchasing an atmospheric gas analyzer, required by OSHA for \$1,370 ~~that is required by OSHA~~. He also plans on purchasing a new harness assembly extraction unit for confined space entry for approximately \$200. Shoring would be expensed expensed as a part of a when used on a project. Larger shoring panels would have to be rented. The District does not have the equipment to move larger panels.

There was some discussion of the theft that had occurred within the District. Road signs, barricades, lights, cones and caution tape are being removed from work sites. The stolen barricades had been replaced ~~with new~~, but they too are now missing. There was some discussion if this was being done to harm the District or just kids playing around.

Frank estimated the total theft from the District to be \$6,000. Lee Wyatt asked about insurance. Frank replied that the deductible would cost \$1,500 because the fee was \$500 per incident. Sue Fry spoke about offering a \$10,000 reward. Frank replied that the reward would have to fit into the budget. The authorities have been notified. Frank considered the theft as a 'Legal' item. Barb Adams was concerned that someone could get hurt. Chairman Mysinger said if the barricades were not in place it opened the District up to a lawsuit. Marion Kirkham thought the reward should be for the arrest and conviction.

Jeff Grover spoke about OSHA fines. He said the stolen equipment would have to be replaced quickly. Lee Wyatt asked what line item OSHA fines would come from. Ed Kalberg said it would come out of contingency because it was an unanticipated cost. Barb Adams thought that if the situation was getting serious the District should consider spending money on a security system.

Dan Graff questioned District staff being flagging certification certified flaggers. Frank replied that corrective action had been taken and he was currently looking to be proactive.

Frank spoke about putting up Jersey concrete barricades around work sites, but he was worried that someone might use a vehicle to push the concrete barricades onto the exposed main, creating a bigger problem. Brian James questioned renting larger steel plates to cover the site. Frank said he could not use the plates on Loudon/Littlepage because of the slope ~~involved~~. He also has concerns that someone might drive a vehicle onto the plates to force them down, ~~and cause damage-damaging to~~ the main. Lee Wyatt said she was hoping that friends and neighbors were not risking the lives of other friends and neighbors.

Dave Tobie asked if special barricades were required. Frank replied that the flashing barricades were required by OSHA. Dave Adams suggested installing steel fence posts around the work site. Frank said the work site on Loudon and Littlepage would be open until the middle of next week. Some discussion continued on how to protect the District and the public from a potential hazard.

There was some discussion of where the reward amount would come out of the budget. Either contingency or a new line item needed to be created. Frank will get the advice of TSCC on this matter.

Chairman Mysinger moved the discussion to Capital Outlay. Frank had to remove money from 'System Improvements' to balance the budget. By doing this he would no longer be able to perform the Reynolds/Neilson main replacement project.

Dan Graff asked about \$2,000 in 'Hydrants.' Frank replied that he had already purchased four new hydrants ~~they justthat~~ needed to be installed. There was some discussion of the benefit of hydrants. Frank commented, and the Board members agreed, that it was better to spend money determining how and accomplishing increasing pressure to the fire hydrants in place rather than keep buying fire hydrants with so many currently waiting to be installed.

Commissioner Wyatt would like to move money into 'eContingency', just in case the ~~draught-drought~~ does hit and sales are down. She would like to see 'Contingency' to be around \$160,000. The District Clerk said the Board could use contingency money without the need of a supplementary budget if they follow the 15% rule. The most that could be moved from contingency without requiring a supplementary budget was 15% of appropriations. For example, if the General Fund revenues were the proposed amount of \$838,757 then the Board could move \$125,813 from 'Ceontingency' by Board Resolution, anything more would require a supplementary budget.

Malcolm Freund spoke about the big 5 users of water. There was some discussion of the possibility of a ~~draughtdrought~~. Torey Redfern said his concern would not be if there was enough water in the creek, but not being able to supply water to those on Cabbage ~~the~~-hill. He said that customers have always used as much as they could. Lee Wyatt said loss of revenue due to forced reduction in use would have to be considered if the State mandated water rationing.

In part, the Mershon reservoir had been a problem for many years without discovery by the then-staff of the District. In order to correct the large leak, the District would have to take the reservoir off-line to repair the tank.

Chairman Mysinger moved the discussion to the Headworks ~~project~~Project (page 1A). Frank said that his proposed page had not balanced and there was a need for an additional \$19,000 in resources. This amount was ~~taken-moved~~ from 'System Improvement.' After some discussion it was ~~found~~decided that ~~the total WTP upgrade cost was an additional \$3,673 should be \$1,103,473. Again resources did not match expenditures, so in order to balance the additional resources needed of \$3,673 was~~ moved from 'System Improvement' for a total of \$22,673.-'

Chairman Mysinger summarized that under resources line 2 and 6 would remain the same as proposed and line 5 would become \$177,120, for total resources of \$1,123,473 (line 12). Under requirements line 2 would remain the same and line 4 (WTP Upgrade) would become \$1,103,473, for total expenditures of \$1,123,473.

Lee Wyatt moved to approve page 1A with the above adjustments. Motion seconded by Sue Fry. Motion passed unanimously.

Barb Adams moved to adjourn the budget committee meeting until 6:30 p.m. Tuesday, April 5<sup>th</sup>. Motion seconded by Sue Fry. Motion passed unanimously.

Meeting adjourned at 9:00 p.m.