

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Monthly Meeting

Tuesday, April 6, 2004
Corbett, Oregon

Commissioners Present: Chairman Gordon Fulks, Vice-Chairman Doug Geller, Ken Blanc and Bob Colclessler.

Also present were District Interim Manager Marc Caldwell and District Clerk Jamie Simms.

Audience Members Present: Torey Redfern, Gene Hubbard, Marion Kirkham, David Glenn (Local 701), Tony Sandbothe (Local 701), Jane Anderson, Susan Leigh, Dan Graff, Jim Leckron, Marion Kirkham, Woody Davis, Tom Layton (Fire District 14 Chief), Dave Mysinger, Ed Kalberg, Phil Dufrense, Sue Fry, Gordon Handley and Al Kimbley.

Executive (Closed) Session (Pursuant to ORS 192.660 (1) (a)).

To consider employment of a District Manager. Present: Chairman Gordon Fulks, Vice-Chairman Doug Geller, Ken Blanc and Bob Colclessler. The executive session was recorded and filed at the District office.

The meeting was then opened to the public. There was no public discussion of the executive session.

Changes to the Agenda.

Chairman Fulks mentioned a change of addendum.

Policy on Public Input.

Chairman Fulks read to the Board, "Guidelines Regarding Audience Comments at Board Meetings" prepared by former Chairman Ed Kalberg, 08/10/2001.

Headworks Project.

Chairman Fulks said that most of the work to be completed by the prime contractor, Stellar J, was almost finished. A sub-contractor will build the tank. Stellar J wanted \$100 per yard for the additional "over-excavation" work (700 yards, total of \$70,000). Chairman Fulks wanted to see the change order based on time and materials. Marc Caldwell researched what it costing Stellar J to accomplish the "over-excavation," and it was about \$20,000 dollars.

Commissioners Fulks and Colclessler attended a meeting at Lee Engineering with Stellar J to discuss the project. Chairman Fulks wanted to discuss an appropriate price for all the additional work. Stellar J had not cut back the hillside enough. The margin of safety was 1.3 when it needed to be 1.5.

Chairman Fulks also said that Stellar J had requested a change order for 101 additional days to perform the contract. If there was not a good reason for this delay, Stellar J will be subject to liquidated damages of \$500 per day they are late. Commissioner Blanc wondered what Lee Engineering thought of the change order. Chairman Fulks said that Lee Engineering felt the request had little merit based on the information thus far received. Chairman Fulks said that from the beginning of the meeting Stellar J it had been obvious that they wanted the additional \$50,000 as profit not time and materials. Chairman Fulks also said that Stellar J had apparently had troubles elsewhere of a similar nature, but the Board was not aware of this until after Stellar J was approved to perform our work.

Marc Caldwell said that Stellar J had completed the ring-wall, and the center was scheduled to be asphalted next. Chairman Fulks asked if the center would be filled with gravel. Marc Caldwell replied that it would be compacted gravel with asphalt over the top.

Addendum – Consent Agenda.

Chairman Fulks explained that consent items are introduced as a package and are not to be discussed, unless a Commissioner requested a discussion with a motion and a second.

- Approval of revised Budget Calendar.
- Torey's emergency pager duty will be assigned to a Board Member, Community Member, or Answering Service.
- The Interim Manager is instructed to promptly prepare an emergency response plan to cover likely emergency situations.
- The Interim Manager is instructed to document the location of all District water meters and main shut off valves before the next Board Meeting on April 20th.
- Every work day, the employee in charge of the water system operation must update an officer of the Board about those operations. Significant anomalies must be reported as soon as possible on any day of the year.

Commissioner Blanc commented that he had received an agenda six days ago and that agenda did not have this information on it. He did not think that he had been given enough time to understand all of the items on the list. He questioned if other Board members had discussed these issues ahead of time. Chairman Fulks replied that it was the first time everybody had seen it in total; it had been discussed in various ways.

Chairman Fulks explained that when the District Clerk read the agenda she commented that the budget calendar was missing, so it was added as an addendum. He said that Torey's emergency pager duty could not be assigned to the remaining crew, and the crew could not have their pay increased or decreased. Instructions for the Interim Manager needed to be explicit because they have gone on for far too long without completion. The emergency response plan would amount to a list of people to call when emergency manpower was needed. Reporting of operations on a daily basis insures that the Board is kept informed.

Commissioner Blanc did not feel that the Board should be contacted daily. He also commented that there were a lot of meters and valves that will need to be located in two weeks time. Commissioner Blanc also questioned whether Board members should carry the emergency pager.

Commissioner Geller moved to accept the consent agenda items. Motion seconded by Commissioner Colclessler. Voting for the motion were Commissioners Fulks, Geller, and Colclessler. Voting against the motion was Commissioner Blanc.

Public Input on Items Not on the Agenda.

David Glenn (Local 701, IUOE) questioned the three man crew. Chairman Fulks replied that it was the District Manager and two field employees.

Tony Sandbothe (Local 701, IUOE) asked why the Board felt it was necessary to have an attorney be a part of the negotiations. Mr. Sandbothe will be the one negotiating for Local 701, so if anybody wanted to sit down and negotiate or just talk he is willing to talk with them. Chairman Fulks replied that negotiations will be at a separate venue and were not appropriate at this time.

Susan Leigh asked if a Board member would receive the \$10 Commissioner per diem for just taking a call from a staff member. Chairman Fulks said that this was not a question and answer session; the Board was just hearing public comments.

Commissioner Blanc said that he had been updating his minutes and was missing August 19 and September minutes. He claimed that the tapes were not available. Chairman Fulks indicated that this would be addressed. Commissioner Blanc also questioned correspondences to the Board; he has not received anything from the attorneys or Local 701. Chairman Fulks replied that the Board generally saw all pertinent correspondence. He said he would look for any missing information and would pass it along.

Torey Redfern (former employee who resigned in March 2004) believed that it would be impossible for the Interim Manager to document the location of all the meters and shut off valves in two weeks time.

Marc Caldwell questioned how the Board member, who would be carrying the emergency pager, would respond to a leak or a water quality issue. Commissioner Geller said that it would depend on the Emergency Response Plan. Chairman Fulks replied that the Emergency Response Plan would be primarily a call list.

Chairman Fulks said that the next item of business was to conduct the second Budget Committee meeting. The public was invited to stay for the meeting but were told that no public comment would be taken, but they could submit written comments. Commissioner Geller made a motion to adjourn the Special Board Meeting at 7:20 p.m. to hold the second Budget Committee meeting. Motion seconded by Commissioner Colclessor. The motion passed unanimously.

SECOND BUDGET COMMITTEE MEETING FOR 2004-2005

Budget Committee Chairman Dave Mysinger called the Budget Committee Meeting to order at 7:30 p.m. Budget committee members Gordon Fulks, Doug Geller, Ken Blanc, Bob Colclessor, Dave Mysinger, Marion Kirkham, Dan Graff, and Barb Adams were present. Dave Tobie and Malcolm Freund were absent.

Chairman Mysinger asked the District Clerk/Budget Officer to read aloud the public notification procedure in accordance with the Tax Supervising and Conservation Commission (TSCC). The following is from the TSCC *Budget Manual for Local Governments in Multnomah County*, page 5A-2:

If more meetings are needed than were published the meeting can be continued without adjournment if necessary. Or notice for those meetings can be given in the same manner as notice of meetings of the governing body or by one of the publication methods used for the initial budget committee meetings (ORS 294.406(2)).

Conflict of Interest Declaration by All Committee Members.

Chairman Mysinger asked if there were any declarations of conflict of interest from any Budget Committee members. Gordon Fulks said that there were two types of conflict of interests. The first one deals with an official on the Budget Committee being a family relative of an employee. The second deals with any business interest that a Committee might have with the District. No one mentioned a conflict of interest.

Committee Discussions of 2004-2005 Budget.

Chairman Mysinger asked if anybody on the Budget Committee had any questions before the committee started to talk about the details. Gordon Fulks said that there would be one structural change to the budget that would involve combining two special funds into one.

Chairman Mysinger began with discussion of the General Fund's resources. He asked if water sales were projected based on previous years. Gordon Fulks said that they were based on the actual water sales projected for the current budget year. Barb Adams questioned the decreased proposal in water sales.

Gordon Fulks replied that it was from the 7.5% rate reduction made in the beginning of 2003-2004, with usage was predicted to stay the same.

Chairman Mysinger wondered where the \$5,000 under 'Service Connections' came to be. Marc Caldwell said that actual 'Service Connections' vary. Corbett is a small town with little growth. Chairman Mysinger wanted to know the cost associated with new installation. The standard ¾ inch meter installation is \$1,700 and the 1 inch meter is \$1,900. Marc Caldwell said that irrigation use has been increasing.

Gordon Fulks would like for the Budget Committee to pencil in the tentative numbers on their working papers. This would allow the committee to make sure that any changes to the budget will still allow resources and expenditures to balance. Gordon Fulks explained that the Budget Committee would either approve the entire budget as a whole, by category, or by line item at the next meeting.

Chairman Mysinger asked if the number for 'Net Working Capital' was from the auditor. Gordon Fulks said that the \$258,897 included \$90,000 from unused 'Capital Outlay' which was an arbitrary number. The painting of Reservoir #4 (\$130,000) still needed to be added into the 'Net Working Capital' because it probably would not be completed until 2004-2005.

Chairman Mysinger asked if \$9,000 under 'Vehicles' was a reasonable amount. 'Vehicles' are based on the predicted actual for 2003-04. Chairman Mysinger asked why "Office Supplies & Postage" had decreased. Jamie Simms said that it was because of the savings on postage from bi-monthly billing.

Marc Caldwell would like a crane for the service truck. Barb Adams asked what the purpose of the crane was. Gordon Fulks said it would lift heavy pipe. Marc Caldwell said that it would also lift valves, pumps, and even a compactor. Currently the crew has to lift and move these heavy items around. Gordon Fulks discussed under what category the crane should go 'Material & Services' or 'Capital Outlay'. After some discussion it was decided that it should go under 'new equipment-vehicles' in 'Capital Outlay'.

Dan Graff asked why 'Safety' went from \$8,000 in 2003-04 to \$0 in 2004-05. Gordon Fulks replied that in 2003-04 the crew purchased shoring panels. Marc Caldwell said it included shoring panels, signs, hardhats, eye protection, etc. He said that last year it was discussed that money needed to be set aside specifically for safety to promote general safety awareness. The Budget Committee came to a general consensus to put \$1,000 into 'Safety', and 'Meters' reduced to \$20,000.

Gordon Fulks said that the \$35,000 under 'Legal' was estimated for labor issues and the regular attorney. Doug Geller mentioned that there might be a need to hire a contract specialist for the New Reservoir Project.

Chairman Mysinger questioned the decreased amount under 'Computer'. Gordon Fulks said that the computers should all be completed but they still would need to be maintained and upgraded. For example, there is a yearly fee for maintaining the payroll/tax software. Barb Adams asked about new billing software. Gordon Fulks said that Malcolm Freund found promising billing software for about \$700.

Doug Geller commented that he liked how this proposed budget was not just taking what was budgeted in the previous year and adding inflation. This year's proposed line items took into account the actual from the previous years and the expected actual for the current year.

The Budget Committee came to a general consensus that 'Material & Services' will remain at \$161,000 including moving \$1,000 from 'Meters' into 'Safety Equipment'.

Chairman Mysinger wanted to know how much the new crane would cost. Marc Caldwell said that he had an estimate for \$6,000 plus installation, but he thought the crew could install it themselves. Gordon Fulks felt that the crane would be a good idea, but he questioned buying one for \$6,000; he wondered if the District could find a crane for about \$500. Marc Caldwell wanted a crane that would last twenty years versus one that would last six months. The crew had spotted a crane they liked on an A & A Drilling truck. A & A Drilling said their crane performed well, and it was able to reach around both sides of the truck. The Committee came to an agreement that the crane at \$6,000 should go in the budget.

Chairman Mysinger moved the discussion to a dump truck. Marc Caldwell reported to the Committee that currently the District owned a one ton dump truck and that could not carry much material. Barb Adams asked what the crew used, when they were laying pipe on Rohrbach road. Doug Geller said that the District rented a dump truck and driver. Gordon Fulks said that Davis Excavation delivered material in a 'Just In Time' (JIT) format for a reasonable fee. He also commented that in the future the District may not have the manpower needed to drive their own dump truck. Doug Geller asked if Marc Caldwell had looked into other alternatives, like renting or leasing. Mr. Caldwell said he would. Marion Kirkham mentioned that insurance on a dump truck could be expensive.

Chairman Mysinger moved the discussion to paving the parking lot. Marc Caldwell had a contractor bid on paving the front and back parking lot at four inches thick and the bid came to about \$15,000. Asphaltting the parking area would cut down on dust and mud. Barb Adams mentioned the possibility of salting the parking lot to hold down the dust. Dan Graff suggested asphalt grindings to keep the dust down. The Budget Committee came to the consensus that they were not in favor of paving the parking area at this time.

Marc Caldwell had to leave at 8:30 p.m. to respond to the emergency pager. But, before he left he mentioned that he would also like to purchase a Metro Tech locator and a leak detector both estimated at \$2,500. The Budget Committee informally agreed that these would be a good purchase and should be added to the budget.

Ken Blanc asked how many new fire hydrant installations were critical. Tom Layton (Fire District 14 Chief) said that he could think of about twelve locations. He pointed out that additional fire hydrants would help insurance rates because the shuttle time to fill the water tankers would be shorter. Mr. Layton would like to see two new hydrants (not including those for new pipe constructions) per year. He said the Fire Department would match the Water District with \$2,500 funding. There was some discussion about current location and pressure of fire hydrants in the District. Doug Geller had to leave at 9:00 p.m.

Gordon Fulks would like for the Budget Committee to eliminate the Loan Repayment fund add it to the Headworks Project Fund in keeping with a recommendation from the District auditor.

The Headworks Project Fund will have to be adjusted to include the funds from the Loan Repayment Fund. Transferred from other funds will be \$256,899 which is the actual beginning balance of \$134,899 plus \$120,000 for the 2003-04 surcharge and interest accrued on those funds in the Loan Repayment Fund. A new line item for Reservoir Rate Surcharge will be budgeted at \$120,000 for the 2004-05 surcharge. Earnings from temporary investments will be estimated at \$1,000 because of the carryover in additional funds. The OHD State Revolving Loan Fund will be increased to \$1,490,000 because of project delays, with construction not completed until 2004-05. The loan is for \$1,500,000 and currently the District has only drawn \$10,000.

Total requirements will include a new line item called Principle, Interest and Loan Reserves of \$120,000 to make the first loan repayment in December 2004. Site Prep and Reservoir Construction will increase from \$1,150,000 to \$1,747,899 to reflect the additional monies transferred in. A summary sheet will be prepared for the April 20th meeting so the Budget Committee can clearly see the numbers.

Gordon Fulks said that 'Personal Services' were lumped together in the Proposed by Budget Officer because there were several unknowns. Employee costs will include a loaded amount of 25%. Superintendent, Water Treatment Plant Operator, Utility Worker II, Utility Worker I, Social Security & Medicare, Worker's Comp, Pension & Unemployment, and Overtime & Temporary help will all become zero. The District Clerk will be budgeted at \$28,000 and the Office assistant will be at \$6,000. Health Insurance will be at \$25,000, Education at \$4,000 and Temporary Help at \$22,000. Additional line items will include District Manager at \$50,000, Worker II at \$44,000 and Worker I at \$38,000. These include a base salary of \$40,000, \$35,000 and \$30,000 respectively.

Gordon Fulks said that Worker II and I could be either labor unit employees or salaried employees. Worker II may be an Assistant Manager. Gordon Fulks said that the Board has not made a decision on the reorganization of the District, but they are required to fill in the salaries for budgeting, and this is a best guess. He said that the Board has come to the conclusion that it will take two or three field employees to run the District. With one employee there would not be enough back up, and with four employees, there would be featherbedding.

Dan Graff asked if the plan was to have two field employees (including Manager) during the winter and to use temporary help in the summer. Gordon Fulks said that was his idea, but the Board has not passed judgment on that yet. Dan Graff asked how the Board plans on using non-labor unit temporary employees with union employees. Bob Colclessor said that at Freightliner the Forman could work so many hours on the machines. Gordon Fulks replied that it would be a part of union negotiations. He believed that the manager had to be apart of the working crew. The District Does not want a manager who sits in the office too much. The Manager has to deal with the union. He said that the Board cannot have the employees too categorized as to what they will do.

Gordon Fulks said that the budget is based on the past, based on the theory, that the Board is assuming the future is like the past. Dan Graff asked why everything was being shifted around, if it's based on the history. Gordon Fulks replied that a number of employees had resigned. Dan Graff asked about emergency response pay. Gordon Fulks said that it would go under Temporary Help.

Ken Blanc asked about Commissioners per diem. Gordon Fulks said that he missed it mistakenly and their should be an amount in that category, he would like to see one or two thousand in the category. Barb Adams said that Commissioners per diem made sense 2003-04 but not for 2004-05. Dan Graff said that with a new District Manager it should eliminate the need to have any Commissioners per diem. Commissioners per diem will be budgeted at \$0. Gordon Fulks said that it will be beyond zero because Board members could get paid if they choose. This brings Personal Services to a total of \$217,000.

Chairman Mysinger announced that the next budget committee meeting will be April 20th; public comment will be taken at that time.

Budget committee member Barb Adams made a motion to adjourn. Motion seconded by Bob Colclessor. The motion passed unanimously.

Meeting adjourned at 10:00 pm.