

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, April 18, 2006
Corbett, Oregon

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

Also present was District Clerk Jamie Simms.

District Manager Frank Sterzinar was not present due to repair work required on the chlorine pumps at the Treatment Plant.

Audience Members Present: Brian James, Barb Adams, Barbara Strasbaugh, Jeff Hargens, and Dave Mysinger. Along with Erin Shea from the Gresham *Outlook*.

Chairman Freund called the meeting to order at 7:05 p.m. at the Corbett Fire Hall. He asked if any person present wished to address the Board. There were none.

Review / Approve Agenda.

Commissioner Kirkham moved to approve the agenda. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Approval of the Minutes.

Commissioner Gaughan moved to approve the following minutes: January 5, 2006, January 17, January 23, February 7, including the workshop, special and budget hearing minutes, February 21, February 28, March 3, March 7, March 8, March 15, and March 22, 2006. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Interview of Board Applicants.

Those applying for the vacant Board position were Brian James, Barb Adams, Jeff Hargens, and Barbara Strasbaugh.

Chairman Freund asked if any Board member had questions for the applicants. Commissioner Gaughan asked Brian James to expand a little bit more about himself, especially why he would like to serve on both the School Board and the Water Board. Brian said it was not a matter of being on both Boards, he just wanted to serve his community. He attends the water Board meetings and he knows what has been happening within the District.

Commissioner Colclessor asked Brian how much time he had left on the School Board. Brian has one year left and in May he would only be allowed to run for one position, either the School Board or the Water Board. The law stipulates that a person can not run for two elected positions at the same time.

Chairman Freund said all the applications were good and that being a Commissioner took a lot of time and commitment. He thanked each applicant for volunteering and creating a great pool of potential candidate. The list of candidates will stay on file for future reference.

With there being no other questions, Chairman Freund called for the ballots.

The District Clerk read the ballot votes as follows: Brian James received 1 vote and Jeff Hargens received 3 votes. Jeff Hargens was appointed to the Board. Jeff read his oath of office and joined the other Commissioners at the head table to actively participate in the rest of the meeting.

Commissioner Hargens was born and raised in Coos Bay, Oregon and has been a resident of Corbett since 1984. His wife Linda is from the Corbett area, her grandparents are Milt and Margaret Warren. Commissioner Hargens attended Oregon State University and obtained a degree in Construction Engineering Management. He currently owns and operates a medium sized construction company based out of Tualatin. He has years of experience working with Engineers and installing water lines. His construction company does not work on this side of the Willamette River.

The resignation of former Commissioner Lee Wyatt has left the Board without a Secretary/Treasurer. Chairman Freund nominated Commissioner Colclessler for the position of Secretary/Treasurer. Nomination seconded by Commissioner Kirkham. Nomination passed unanimously. Commissioner will sign the needed bank cards as soon as they become available.

Financial Report.

Jamie Simms reviewed the financial reports with the Board. In order to stay within the budget amount for Material and Services only those items that are a necessity are being purchased. She reviewed with the Board the Budget versus actual and cash flows.

Lee Engineering has a couple outstanding invoices. Until Frank is satisfied with those invoices the bill will not be approved for payment. Chairman Freund believed these matters would be solved at tomorrow's workshop at Lee Engineering.

Commissioner Gaughan asked about the cost of the Yoshida project. Yoshida will pay for all time and material charges related to the installation of his new 2" meter for the restaurant across the Stark Street Bridge.

Commissioner Colclessler asked if Clackamas Construction had been paid everything except the amount retained. Jamie said the last regular payment was made to Clackamas Construction last month, and the final bill to close out the project had been submitted to Brian Lee for approval.

The Board reviewed the late notices and shut offs for the month. Eight customers had their water shutoff for non-payment. There were a number of customers that are having their water shutoff for non-payment every other billing period. Jamie said it took two employees to shutoff eight customers a total of two hours. Customers are widely spread throughout the District and each customer requires that a notice be delivered to the customer's door before water service was terminated. Once the notice has been hand delivered the water can be shutoff. For security purposes two employees perform this task together. There has been more than one instance in the past when homeowners have acted inappropriately to the Utility Worker delivering the shutoff notice.

The Utility workers can not accept payments directly from the customers. In order to have their water turned back on the customer must go to the District office and pay with cash or check. Once the customer has paid, a Utility Worker will go back and turn the customer's water on. This restricts the field crew's afternoon projects because they need to be available to turn the customer's water on in a timely manner.

Commissioner Gaughan asked about non-sufficient check payments. Jamie said that once the District has been notified of a returned check the customer would receive a 24-hour notice on their door. Their payment must be made in cash or money order.

Brian James asked why the Utility Workers were not allowed to accept payments from customers. It was his understanding that PGE Utility Workers would only accept check payments from customers they are scheduled to shutoff. Chairman Freund said it was possibly a liability issue for the employer.

The Board reviewed the following fees:

Late Payment fee = \$5.00
Shutoff Letter fee = \$3.00
Shutoff fee = \$15.00
Returned Check fee = \$25.00

Frank previously researched the cost of shutoff fees and found that most companies charged an average of \$50 to shutoff a customer for non-payment. Commissioner Kirkham commented there were a number of folks who had their water shutoff on a regular basis for non-payment.

The Board seemed to be in agreement that the Rules and Regulations needed to be updated. Commissioner Colclessler said the Rules were last updated in 1995. Commissioner Hargens said the fees should be set to where the District could recover its cost.

Chairman Freund spoke about a Water District in Tualatin Valley that charged customers every time they interacted with the customer. He said it took staff time to collect from customers, and he felt it was appropriate to have some fees to collect from those customers. The Rules and Regulations will be reviewed in depth at a later time.

Account No. 9365 has closed and is no longer in business. The realtor for the property has been contacted and he assured us the bill would be paid.

Brian James asked about the Yoshida water line. Chairman Freund said Yoshida's meter would be installed on the North West side of the Stark Street Bridge. Yoshida will be responsible for installing and maintaining the 2" water line under the bridge to service his property. Commissioner Colclessler said Yoshida had installed a well for fire protection.

Correspondence.

Chairman Freund said there was an email letter concerning Stellar J. There will be a workshop held tomorrow at Lee Engineering to discuss the Water Treatment Plant Upgrades.

Other correspondence included the DRC letter from Phil Beverly and a Progress Report from Lee Engineering. Chairman Freund received the Progress Report the prior evening by email. He again stressed that he would like to receive this report from Lee Engineering the week before the meeting so the Board would have adequate time to review the document before the meeting.

Customer Leak Adjustment Requests.

Chairman Freund explained that account No. 7054 was presented to the Board for informational purposes. The Board in general agreed the Rules and Regulations needed to be reworked.

I Deposit.

Chairman Freund attended a seminar on I-Deposit. He learned that the system had a 128 bit encryption and that three folks at West Coast Bank performed backdoor checks looking for errors.

Commissioner Gaughan would like to try the program for two billing cycles to see how well it works. Commissioner Colclessler said it could be tried on a trial basis and would not lock the District into an agreement. He would like to move ahead with the new technology.

Chairman Freund was able to work out a deal with Leslie Radke from West Coast Bank and still obtain the scanner for free, even though it was past the March 31st deadline.

Commissioner Gaughan said the system would allow for the District to find a bounced check faster than the current system. Chairman Freund said it depended on the location of the bank, but it did shorten the float time. Float time is defined as the time differential between when the customer pays with a check and when it reached the bank for processing. As technology increases the amount of float time will decrease. Brian James said more and more people were paying their bills online.

Commissioner Gaughan moved to go ahead with I-Deposit for a minimum of two billing cycles, which is four months. Motion seconded by Commissioner Kirkham.

Commissioner Colclessler previously spoke with Frank and Utility Worker Zachary Bertz about their opinions on I-Deposit. Both Frank and Zac had some concerns about security for scanning customer checks through the internet. The other concern was keeping customer checks at the District Office for sixty days before they could be shredded. Commissioner Gaughan said when the check was scanned it would be marked with 'VOID' across the face of the check. Chairman Freund said the ink printed across the check was not washable at this point in time. Chairman Freund and Commissioner Gaughan had previously spoken with Frank about I-Deposit and Frank didn't fuss about it.

Commissioner Hargens would like for the I-Deposit to be reevaluated and voted on again by the Board at the end of the four month trial period. Chairman Freund agreed.

Motion passed unanimously.

According to the Rules and Regulation all new banking accounts have to be authorized by the Board.

Commissioner Gaughan moved to authorize the Corbett Water District to open a bank account with West Coast Bank for checking and I-Deposit purposes. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Public Comment on Items Not Listed on the Agenda.

There was none.

Items for Board Consideration.

Chairman Freund said Frank had obtained his Treatment I certificate and his pay had been increased in accordance with his employment contract. Frank had been delayed from obtaining his certificate for approximately one year due to delays beyond his control. Chairman Freund would like to see Frank's raise retroactive back to July 1, 2005.

Commissioner Colclessler moved to make Frank's pay retroactive back to July 1, 2005. Motion seconded by Commissioner Gaughan.

Commissioner Kirkham asked if there was money in the budget for the pay increase. Chairman Freund said yes, there was money in the budget's for Frank's raise because he had been expected to be at the higher level the entire budget year. Jamie said the total retro pay would be \$1,333.36.

Commissioner Hargens asked who the acting DRC was. Chairman Freund said it was Lee Engineering but now that Frank had his certificate he would be the DRC on file with the State. Lee Engineering would still be listed as the backup DRC.

Motion passed unanimously.

Chairman Freund said several members of the Budget Committee told him they believed pager pay was inappropriate. As a public servant being available for emergencies was a part of their job requirements. Dave Mysinger (Chairman of the Budget Committee) said this was something the Budget Committee wanted the Board to consider. Chairman Freund said no other District paid their staff to carry a pager.

Brian James asked what the problems there were with paying a pager pay. Dave Mysinger said the discussion had to do with the cost and actual worked performed. Pager pay cost the Districts \$160 a week with a maximum of \$8,320 a year. The two Utility Workers rotate the on call emergency pager every other week. The person with the emergency pager has to be within thirty minutes of the District at all times. Frank is always on call, but as a salaried employee he does not receive pager pay.

Commissioner Hargens said when the employee was on call they could not make plans to go out of town, consume alcohol, and were restricted to a thirty minute response time. He said it affected the employee's personal life and questioned if it was a part of their wage and job description when they accepted the job. Commissioner Gaughan did not think it was in the job description.

Commissioner Hargens asked about Frank's job description concerning pager pay. Jamie said his job description and his employment contract both specified that Frank would receive no additional pay for pager pay.

Commissioner Kirkham said Frank had checked with other Districts and there wasn't one District that paid for pager pay. Commissioner Gaughan asked how the District's wages compared to other Districts. Commissioner Kirkham said in some cases the District was paying more than other Districts in wages.

Brian James said if it was in the job description when they took the position that the employee would receive no additional pay for carrying the pager then it would be okay to not pay pager pay. Commissioner Gaughan said the current field crew has always been paid for pager pay. In Brian's opinion, he felt the crew should receive pager pay because it wasn't in the job description, however when the next employee was hired it could be considered in their job description.

Commissioner Colclessler has created new requirements that stated staff was required to carry the pager as part of their normal work duties. Dave Mysinger asked if the elimination of pager pay would be compensated in their salary. Commissioner Colclessler said pager pay had been originally setup as overtime pay. Dave Mysinger felt that Commissioner Hargens had a good point when he said the staff was restricted when on call. According to Chairman Freund, Barb Adams believed on call duty was a part of the field crew's job to be available and if the employee wasn't comfortable with that type of job they should look for employment elsewhere. Chairman Freund said the rotation of on call duty was a part of the job and Frank has looked at other Districts and none paid pager pay. The only compensation was overtime pay for work performed beyond the standard 40 hour work week, with a minimum of a two hour

call out. Chairman Freund said Frank gave him a prior example that a 15 minute phone call would end up as a two hour call out because of the minimum.

Brian James asked about the overall affect of eliminating pager pay. Commissioner Hargens said getting rid of pager pay could lose an employee. The folks he knows who wear pagers receive some compensation, although it was not their full wage. He said it was an inconvenience to wear the pager, restricting the employee's activities and time. Brian questioned if the elimination of pager pay could lose crew performance, gain disrespect from the employees, or gain a greater respect. He questioned if the \$8,320 in pager pay would be a gain or loss to the District.

Commissioner Hargens said the employee was being paid for approximately 100 hours a week for on call duty. He estimated that it cost the District \$1.60 an hour for pager pay, which he felt was not a lot of money for restricting the employees' activities. Commissioner Gaughan agreed, but he said the community feels that \$160 a week was a lot of money. Commissioner Hargens would be more inclined to know why Frank does not get compensated for pager pay. Chairman Freund said Frank saved the District more money than what he is being paid.

Commissioner Colclessler said that right now the District was really tight on funds because of the Water Treatment Plant Upgrades. He spoke about the time and money put into each worker for their certification and schooling required for their positions. He felt the Board was paying for their education and they wanted to see the employees get a fair wage, but he wanted to see it in another way instead of pager pay. Chairman Freund said it was a give and take and looking at the bigger picture the District pays for the education expenses, which was not true with all Districts. Chairman Freund said the individual gets the knowledge and experience and can take that knowledge to another job.

Dave Mysinger would like to have Frank discuss pager pay with his employees and then have Frank report back to the Board. He said the Board would not want to alienate its two good field employees that have been progressing and doing a better job all the time. Chairman Freund would like to line things up and be more comparable with other Districts. Commissioner Colclessler said as the system continues to improve, less and less emergencies are occurring. Dave Mysinger said Frank could decide to carry the pager all the time and only call on the Utility Workers when he needed additional help. Chairman Freund said that Frank had mentioned that as an option, and that option would be Frank's choice to make.

Commissioner Colclessler said it was to the District's advantage to pay a decent wage because once the time and money has been put into the employee it would be best for the District if the employee stayed with the District.

Commissioner Gaughan is against taking the money away. He felt it was up to Frank to come up with the negotiation. Commissioner Hargens said with his years of experience working with wages that when you take something away from the employees it was almost impossible to do without creating turmoil. Commissioner Gaughan agreed with Commissioner Hargens.

Commissioner Hargens said that in the future when the number of calls decreased it could be reworked. Chairman Freund said the District had to use pagers instead of cell phones because of the terrain.

Commissioner Kirkham would like for Frank to work out pager pay with the employees and then bring it back to the Board for further discussion. He also felt that Frank needed to make more money. He said that in some cases the workers made almost as much money as Frank.

Chairman Freund asked when meters were scheduled to be read. He said two Board members would be reading meters with the crew. Board members were supposed to read with the crew at the last reading but Frank had not been notified, so they scheduled to read the following reading which is scheduled for next week. Jamie asked if the Board members were riding along with the meter readers or would they be participating. Chairman Freund said the Board members would be driving and recording the meter numbers in the books. Commissioner Gaughan asked which Commissioners would be reading meters because he had not known about reading meters. Chairman Freund said him and Commissioners Kirkham and Colclessler had discussed reading meters.

Commissioner Hargens asked about the purpose of reading meters. Chairman Freund said they were going to drive so they could learn the system. He felt that not knowing the location of each meter was a shortcoming. They hear things about the water system, so they thought it would be best if they could see what Frank is talking about first hand. The Board members plan on driving the trucks while the field crew read the meters allowing them to see what chores the crew perform. Chairman Freund felt it would be a new learning tool for the Board to learn more about the District.

Chairman Freund asked when the meters were scheduled to be read. Jamie said meters should be read on the following Monday and Tuesday, typically meter reading starts at 7:30 am. Commissioner Gaughan said he did not want to read meters on Monday or Tuesday. Commissioners Freund and Colclessler are both available to read meters Monday and Tuesday, and Commissioner Kirkham will have to check his schedule.

With no objections from the Board, Chairman Freund adjourned the meeting at 9:05 p.m.

Chairman Freund reopened the meeting for the good of the order. He spoke with Janet Hillock with the Oregon Economic Community Development Department and the \$600,000 loan increase has been approved. There is nothing for the District to do at this time. She will provide a resolution at a later time that the Board will need to approve.

With no objections from the Board, Chairman Freund adjourned the meeting at 9:08 p.m.