

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Monthly Meeting

Tuesday, April 20, 2004
Corbett, Oregon

Commissioners Present: Chairman Gordon Fulks, Vice-Chairman Doug Geller, Secretary-Treasury Malcolm Freund, Ken Blanc and Bob Colclessor.

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

Audience Members Present: About 50 audience members were present.

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, Secretary-Treasury Malcolm Freund, Ken Blanc, Bob Colclessor and Jarrod Hill (*The Outlook*). The executive session was recorded and filed at the District office.

The meeting was then opened to the public. There was public discussion of the Executive Session.

Consider Employment of a District Manager.

Commissioner Geller said that six applications were received and five applicants were interviewed. Out of the five interviewed a number one and number two candidate were considered qualified to be the District Manager. The first choice is Frank Sterzinar, Jr. from Coos Bay; he plans on relocating to Fairview in the near future. The job offer would include the following:

- Start date of May 10, 2004 with a starting salary of \$38,000 annually.
- Benefits are per existing District policy and plans.
- Vacation would be accrued at three weeks per year.
- Salary adjustments for certifications would include: \$2,000 for W.D. II and \$2,000 for W.T. I (to be obtained within one year).
- Position is exempt from overtime and pager pay. Position is also exempt from the Union.

Commissioner Blanc did not agree with the process for selecting the new District Manager. Chairman Fulks said that Mr. Sterzinar came highly recommended. Susan Larson Leigh and Nev Scott thought the process for hiring the District Manager was not properly outlined.

Commissioner Freund made a motion to hire Frank Sterzinar, Jr. as the District Manager. Motion seconded by Commissioner Colclessor. Voting for the motion were Commissioners Fulks, Geller, Freund, and Colclessor. Voting against the motion was Commissioner Blanc.

Changes to the Agenda.

Chairman Fulks mentioned adding agenda items for the Headworks project and a Resolution for inter-fund borrowing.

Headworks Project.

Chairman Fulks said that the steel had been delivered and the construction of the Reservoir had begun. Stellar J has requested a change order for the increase price of steel. Lee Engineering approved a change

order of \$3,378.24 for steel. All commissioners seemed hesitant to agree to another change order, but most felt comfortable agreeing with Lee Engineering's approval.

Commissioner Freund made a motion to approve Chairman Fulks to sign the \$3,378.24 change order. Motion seconded by Commissioner Colclessler. Voting for the motion were Commissioners Fulks, Geller, Freund, and Colclessler. Voting against the motion was Commissioner Blanc.

Resolution Authorizing Inter-fund Borrowing.

Chairman Fulks read the Resolution to the Board. This Resolution authorizes the Headworks Fund to borrow money from the Loan Repayment fund. Borrowing the money allows the District to cover the payment for construction from money in the bank for the Loan Repayment Fund. In 2004-2005, these two accounts will be consolidated into one fund called the Headworks Project.

Commissioner Colclessler moved to adopt Resolution 2004.01.01 "Authorizing Inter-Fund Borrowing." Motion seconded by Commissioner Freund. Motion passed unanimously.

Review / Approve Minutes.

The February minutes were tabled until the next regular Board meeting.

Commissioner Colclessler made a motion to approve the March 11, 2004 minutes. Motion seconded by Commissioner Geller. Motion passed unanimously.

Commissioner Geller made a motion to approve the April 6, 2004 minutes. Motion seconded by Commissioner Colclessler. Motion passed unanimously.

Financial Report.

The District Clerk reported that the first few purchase orders have gone through, and a summary had been included in the Board packet. Water Sales were down a little compared to the previous year because of bi-monthly billing and the decreased water rates.

Work Report.

Mr. Caldwell briefed the Board on work projects performed in April 2004.

- A 6 x 10 tap for 365th was completed.
- The crew installed an irrigation meter, and they're working on another.
- Marc Caldwell, Gene Hubbard, Bob Colclessler and Ken Blanc met with Lee Engineering to go over the project for 366th.

Appropriate Charges for Complete Removal of Water Service.

Chairman Fulks said that the District had a customer that was not paying their water bill, so water service had been terminated. The customer turned their own water back on, which the crew turned off and removed the meter. The customer installed a meter they had acquired and again turned on their water. The next step was to remove the entire water service, but the tenant moved out of the residence.

Chairman Fulks would like to set a minimum water service removal fee of \$500 and \$1,000 to reinstall the service line. The District would also have to consider the aggregated theft of water service.

Discussion of Road Maintenance in District Watershed.

Commissioner Geller said that the Forest Service was cutting back costs and were considering stopping the maintenance to Forest Road 1509 (Camp A road) that leads to the Watershed. This road is a primary alternative access road for the Portland Water Bureau for fire fighting going to the Bullrun Watershed.

Marc Caldwell said that about ½ of the road was paved. He believed that the upkeep on this road would be minimal. Commissioner Geller said that in the winter the road is inaccessible due to snow. Tom Layton (Fire District 14 Chief) said that any fire on the mountain would spread quickly and planes and helicopters would take a long time to reach the scene. Chief Layton said that it was in the District's and Portland's best interest to keep the Camp A road open. There is potential for major fire damage if the road was not passable.

Consent Items: Extend Deadline for Locating Meters/Valves to May 1.

Commissioner Freund made a motion to approve the consent item. Motion seconded by Commissioner Colclessner. Motion passed unanimously.

Public Input on Items Not on the Agenda.

Clint Davis said that he appreciated the Board's time and good intentions towards the District. Clint wished to read a letter to the Board from the community. Chairman Fulks said that public comments needed to adhere to the "Kalberg" rules. Any written document needed to be submitted to the District Clerk and not read to the Board. Clint Davis said that he would like his full two minutes allowed according to the "Kalberg" rules. Chairman Fulks said that the meeting was out of time. The audience stood up as a group to express their preference for the letter to be heard. Chairman Fulks asked for a motion to adjourn.

Commissioner Freund made a motion to adjourn at 7:30 p.m. Motion seconded by Commissioner Colclessner. Voting for the motion were Commissioners Fulks, Geller, Freund, and Colclessner. Voting against the motion was Commissioner Blanc.

Much discussion continued after the adjournment, but was out of order and thus not a part of the minutes.

Commissioner Blanc made a motion to reopen the meeting to let Clint Davis speak. Chairman Fulks said that the meeting had been adjourned, it was completed and he wanted the Budget Committee to step forward. Again, much discussion followed. Commissioner Colclessner said that there had been no second so the motion would die. Chairman Fulks reminded the Board that they had to be careful because they were not in session.

THIRD BUDGET COMMITTEE MEETING FOR 2004-2005

Budget Committee Chairman Dave Mysinger called the Budget Committee Meeting to order at 7:45 p.m. Budget committee members Gordon Fulks, Doug Geller, Malcolm Freund, Ken Blanc, Bob Colclessner, Dave Mysinger, Marion Kirkham, Dan Graff, and Dave Tobie were present. Barb Adams arrived later in the meeting.

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. No one mentioned a conflict of interest.

Committee Discussions of 2004-2005 Budget.

Chairman Mysinger asked Jamie Simms to explain the Loan Repayment and Headworks Funds. Jamie said that the Loan Repayment Fund shows the total transfer to the Headworks Fund. The Headworks Fund was adjusted to show the 'Reservoir Rate Surcharge,' 'Interest' was increased to \$1,000 to reflect the additional funds, 'Principle, Interest and Loan Payment', and the money transferred in. This brings the total for 'Site Prep & Reservoir Const.' to \$1,747,899. The 'OHD State Revolving Loan Fund' was increased to \$1,490,000 to reflect the amount expected from loan proceeds.

Budget Committee member Gordon Fulks moved to approve page 1A “Headworks Project” with the above adjustments. Motion seconded by Doug Geller. Motion passed unanimously.

The Loan Repayment Fund has an addition under ‘Working Capital’ and ‘Transferred to Other Funds’ of \$256,899. Budget Committee member Gordon Fulks moved to approve page 1B “Loan Repayment Fund” with the above adjustments. Motion seconded by Malcolm Freund. Motion passed unanimously.

Chairman Mysinger asked about the amount under ‘Safety.’ At the last budget meeting it was suggested that ‘Safety’ would be budgeted at \$1,000. Jane Anderson said that on November 18th, 2004 the Board passed a Resolution titled “Safety is Job #1” and if safety was a number one concern why would it be budgeted at \$1,000 when last year it was \$8,000. Gordon Fulks said that the \$8,000 was a one time purchase for shoring. Doug Geller said that OSHA Law said that shoring is a must, if a trench was past a certain depth. Chairman Mysinger said that it depended on what was purchased from year to year.

Marc Caldwell said that last year the crew spent about \$2,000 on signs, but it did not show up as a line item because ‘Safety’ was a new category as of 2003-2004. He would like to purchase a lifting mechanism to lift the road plates (estimated at \$400); currently the crew uses a chain. Marion Kirkham would like to see \$5,000 under ‘Safety.’ ‘Safety’ will be at \$1,000 and ‘Meters’ will become \$20,000 instead of \$21,000 to balance.

Budget Committee member Gordon Fulks moved to approve page 3 “General Fund-Material & Services” with the above adjustment. Motion seconded by Malcolm Freund. Motion passed unanimously.

Chairman Mysinger asked about ‘Net Working Capital’ under resources. Jamie Simms said ‘Net Working Capital’ would be increased by \$130,000 to reflect the repainting of Reservoir #4.

Budget Committee member Gordon Fulks moved to approve page 1 “General Fund-Resources” with the above adjustment. Motion seconded by Malcolm Freund. Motion passed unanimously.

Chairman Mysinger proposed that ‘Personal Services’ be left at the \$233,000. This would include ‘District Clerk’ at \$28,000, ‘Office Assistant’ \$6,000, ‘Health Insurance’ \$25,000, ‘Education’ \$4,000, ‘Temporary Help & Overtime’ \$25,000, ‘District Manager’ \$52,500, ‘Worker II’ \$50,000 and ‘Worker I’ at \$42,500.

Marc Caldwell said that the Water Treatment Plant Operator (WTPO) was his current job description and he wanted to know why he was notified that his job description and pay would change at a budget meeting. Gordon Fulks said that it was a best estimate looking forward. He said that the District Manager would be the highest paid person at the District, and there were no names attached to Worker II and Worker I employees. Marc Caldwell said that according to the April 6th minutes that were approved tonight the Board could not assign the crew additional duties or have their pay increased or decreased because of Union negotiations. Marc pointed out that he was a WTPO at almost \$49,000 and now the WTPO is at \$0 the same goes for the Utility I at \$31,000 for 2003-2004 and it is now at \$0 for 2004-2005.

Marc Caldwell asked if the Board had conducted a wage comparison. Doug Geller said that a formal comparison had not been done. Gordon Fulks said that the Board learned what the going rates were in the recruitment process for the District Manager.

Brian James commented that the budget appeared to be generalized and not rock solid about the line items proposed.

Kathy Warner commented that the District lost a good employee recently with the resignation of Utility Worker II, Torey Redfern. She questioned running the District with two employees and a new manager that was not familiar with the Districts needs.

Jane Anderson said that she had a copy from a draft budget dated May 2nd that was completed by Marc Caldwell the Interim Manager and Jamie Simms the District Clerk/Budget Officer. Jane Anderson questioned why those original documents had been adjusted by the Board Chairman.

Dale Burkholder said that the District had a big investment in the current employees, and they were invaluable. He said don't fix something that was not broken. Dale Burkholder also said that with hiring the District Manager who was not qualified to run the water system was a liability to the District. Dale wanted to make sure that the water quality would not be affected.

Jane Anderson said that there had been four employees resign and only three would be replaced (at a lower wage), so she believed that there would be plenty of money in the 2004-2005 budget for 'Personal Services.'

Dan Graff commented that he thought the currently employees should be budgeted at their current salary. If Worker II was budget at \$50,000 at a loaded costs of 25%, that would make his yearly salary less then what Marc Caldwell was currently making. Some discussion followed.

Dave Davis said that in the "Costs Above and Below" said the savings from not having a Superintendent was \$100,000 and the actual salary was about \$50,000. Doug Geller said that the Superintendent cost included overtime, health insurance, PERS and pager pay.

Budget Committee member Gordon Fulks moved to approve page 2 "General Fund-Personal Services" with Chairman Mysinger's adjustments. Motion seconded by Doug Geller. Voting for the motion were Gordon Fulks, Doug Geller, Malcolm Freund, Ken Blanc, Bob Colclessor, Dave Mysinger, Dave Tobie, Marion Kirkham, and Barb Adams. Voting Against the motion was Dan Graff.

Chairman Mysinger said that under Capital Outlay the changes from the workshop included 'New Equipment' \$6,000, 'System Improvement' \$516,268, 'Shop & Office' \$5,000, 'Fire Hydrants' \$2,500, 'New Equipment-Vehicles' \$6,000, for a total under Capital Outlay of \$535,768.

Budget Committee member Barb Adams moved to approve page 4 "General Fund-Capital Outlay" with Chairman Mysinger's adjustments. Motion seconded by Marion Kirkham. Voting for the motion were Gordon Fulks, Doug Geller, Malcolm Freund, Ken Blanc, Bob Colclessor, Dave Mysinger, Dave Tobie, Marion Kirkham, and Barb Adams. Voting Against the motion was Dan Graff. Dan Graff voted against this motion because he did not agree with Personal Services he would like to move money from Capital Outlay into Personal Services.

Budget Committee member Barb Adams made a motion that the 2004-2005 budget be approved as changed by the Budget Committee, certifying that the permanent tax rate of 0.5781 per \$1,000 of assessed value shall be used to calculate *Taxes Necessary to Balance Budget* in the General Fund Resources category. Motion seconded by Malcolm Freund. Motion passed unanimously.

Budget committee member Gordon Fulks made a motion to adjourn. Motion seconded by Malcolm Freund. The motion passed unanimously.

Meeting adjourned at 9:25 p.m.