

**CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
May 15, 2018**

BOARD MEMBERS PRESENT: Jack Garrison, Jeff Hargens, Kevin Wilhelm and Bob Gaughan

BOARD MEMBERS ABSENT: Sara Grigsby

STAFF PRESENT: District Manager Jeff Busto and District Clerk Gail Griffith

AUDIENCE MEMBERS Malcolm Freund and David Jacob

President Jeff Hargens called the meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Jack Garrison made a motion to approve the Agenda as presented. All were in favor, motion carried. *(4 yes votes: K.Wilhelm, J.Garrison, B.Gaughan & J.Hargens 0 no votes)*

MINUTES

Jeff Hargens asked if there were any corrections to the April 25th, 2018 regular Board meeting minutes. Jack Garrison asked if the self assessment questionnaire for workers comp had been completed. The District Clerk responded that the District Manager would complete the form and we are not up against a deadline. Jack also noted that in the section in the minutes where it mentions a statement was posted on facebook related to water availability during a major earthquake, many people in the community do not use facebook so we need to make sure the information gets out in other ways. Kevin Wilhelm noted that on the last page it states that he left the meeting "twice". The second time where Kevin is listed as leaving will be removed. Kevin Wilhelm made a motion the minutes of the April 25, 2018 regular Board meeting be approved as modified. Jack Garrison seconded, all were in favor, motion carried. *(4 yes votes: K.Wilhelm, B.Gaughan, J.Hargens & J.Garrison 0 no votes)*

TREASURERS REPORT

Treasurer Sara Grigsby is not in attendance. President Hargens said this item will be waived until next month.

SOUTHFORK INTAKE – UPDATE

District Manager Busto reported that he, Jeff Hargens and Kevin Wilhelm met with a Frank Lumber representative and State Forestry representative. We discussed our concerns with them. They will not be assisting in the removal of the trees or any clean up. They believe they worked within the requirements of the law and they have no control over mother nature. The clean up is up to the District. We cannot have Board members or other Volunteers help out since our insurance will not cover them. We will need to have our crew or a contractor do the work. Jeff Busto continued that he is leaning towards a contractor doing the work to absolve the district of any safety risks or violations. We are checking to see if our insurance will cover the cost of the clean up. Jeff Hargens commented that they are allowed to log up to twenty feet from the stream. The State Forester did not think there was problem.

Jeff Busto stated that Oregon State University is sponsoring a survey of all water utilities who use surface water within a watershed. It includes how forest practices affect that use. Jeff Busto has completed the survey and included documentation about our situation. Jeff Busto continued that one of the things in the survey may include the establishment of an information system for anyone who might be affected by an area being logged. Jack Garrison said it would be good if we could know about any logging activity when they go in for their permits. Jeff Hargens said they did talk to the Forester about making sure our intake is on any of their maps and also to be notified of any logging activity in the watershed and/or aerial spraying. Short discussion of grant money available for watershed protection.

District Manager Busto will follow up with the State Forester on the items discussed during their meeting.

DRAFT RESOLUTION 2018-04-25 AMENDMENT TO RESOLUTION 1999.02 Wage and Salary- Cost of Living

Second reading of resolution related to changing which consumer price index will be used as a basis to determine the cost of living adjustments for employees payroll. There is a copy of the resolution posted at the District office. Final adoption and signing of resolution will occur at the June 19, 2018 meeting.

LEAK ADJUSTMENT POLICY REVIEW AND DISCUSSION

The Board received information in their Board packets about how others districts handle leak adjustments. Jeff Hargens said he thought it was very interesting. The District Clerk explained she had done a mass email to all the Water Districts in Special Districts and received the information.

Jeff Hargens said it looks like most of them allow leak adjustments but they are on a rolling 24 month basis and give a maximum of 50% of the leak amount. Quite a few won't accept a leak adjustment request unless it is at least \$500. He continued that we are pretty generous with our leak adjustment policy, but, many other districts have to pay for their water so they have a different cost structure. Per gallon cost may be much more for them.

Jack Garrison said there are some that have the running clock of 24 months and you can not have more than one adjustment during that time. They also listed time frames for when a leak has to be fixed in order to qualify for an adjustment.

Jeff Hargens said he thought the District is doing a good thing for the community they way we do it now. We may need to put a maximum amount or make some changes. He continued that it may be good to set a certain percentage of increase to allow a leak adjustment. The District Clerk noted the very small leak adjustments are handled in the office. The office staff does discourage customers from taking the small adjustments and lets them know those small leak adjustments go against the three leak limit. Jack Garrison said that recently we have had people with leaks that extended over two or three billing cycles before fixing the leak. We need to solve that problem

Jeff Hargens said our policy is pretty lenient, but, it is a different structure because of how we get our water and the cost of our water. District Manager Jeff Busto reported that he calculated the cost per unit for chemicals including not only what we add to the water but our analytical chemicals and it works out to three cents per unit to produce the water.

The office staff and District Manager will work to prepare a new draft leak adjustment policy for the Board to review.

REVENUE FROM FILTER POND 1B ALTERNATIVE USE

Jeff Hargens said the money that we received for filter pond 1b can be re-directed to other projects. We have checked with Special Districts and it is allowed to change the use. Jeff Busto said there have been discussions of using the money to develop an alternative source of water such as a well. This would definitely benefit the District and its patrons.

Jack Garrison asked if there was a cost accounting of what we spent on the project before we decided to go in another direction and any money spent after that to bring filter pond 1 up to what we are today. The District Clerk reported we billed \$200,487.07 for the filter pond base rate and after adjustments it came to \$199,706.95. We have received \$198,204.11 with a balance of \$1,502.84 to be received. We spent \$83,700.41 on engineering, permits a vault and other items for the project prior to the change in plans. We spent \$1,200 to clean filter pond 1. The balance available is \$114,806.54 which can be used on another capital project. The Board will continue to discuss any changes for the use of the money during public meetings, allow public comment and finally come to a decision on how the funds will be used.

Jeff Hargens said next month we will have it on the agenda again and give the public a chance to ask questions. We need to make a decision regarding what we will be doing with the funds.

Jack Garrison asked Jeff Busto if we had any more information on what the costs would be if we decided to replace all of the meters in the system. Jeff Busto said he had the information, he noted that there is grant money available for the meters and he is not sure about grant money for a well. There is money in the budget for the meter replacement. Jeff Busto is working on getting some of our old meters tested to see how well they were working when they were removed.

Jeff Hargens said he would like to see the filter pond 1b money used for an alternate water source rather than meter replacement since we could be billing more with new meters and that wouldn't look very good.

The other Board members expressed their opinions regarding the use of the money. Jack Garrison said his concern is that right now there is a finite pot of money and we need to decide what is the total cost of purchase and installation of all the meters and regarding the well we know we have a geological study and if we go forward with that depends upon the requirements we have for the source. We need to know what we want for gallons per minute, etc. and the location will affect the cost. We need a range of costs for the well between what the most attractive option is to the most stringent. The Board also needs to continue to consider the unfunded PERS liability and our loan repayment. Jack said he doesn't know if we have the money to complete all of these projects and as a Board we need to look at the big picture to see what our total costs will be and what are revenues over the next two to three years will be. Jeff Busto said he is looking into getting those numbers for the Board.

Kevin Wilhelm said he agrees with Jack we have a lot out there to think about in the next few years. Kevin continued that his main concern is he would like to see more than meters getting replaced but to go forward with a second water source. That is important. Jeff Hargens said they are big projects and not all of them need to be done. We could do a third or a half of the meters or whatever amount we have. We just need the numbers. We also need to remember for the water source it will take several years to get it accomplished with most of it spent at the back half of the project. Kevin Wilhelm said the first thing we need to find out is if it is possible to put the well in next to the treatment plant then that is a "no brainer". We need to have some facts. Jeff Busto said he has spoken to the hydro-geologist and they were looking for Columbia river basalt, which they thought was to thin up there, but there is new data available that leads them to believe we can drill at the treatment plant or Donahue road area.

The District Clerk asked to clarify the Board wants costs on meters including installation and how it would impact the District if they were purchased in phases on third or half or all at once and also costs on what an alternative water source would cost and how much would be needed per year if it was planned out over two or three years including different options of if it could be used as a supplement or stand alone source.

Bob Gaughan said if we are going forward with meters he wants to know what return we will get. We need the old meters checked for efficiency so we know if purchasing meters will give us a good return for our money. Jeff Busto said he is waiting for a spot with Rockwood water to get some of the old meters tested.

Jeff Hargens said we need to random test our meters, get some data on how bad they are and then get some costs on what it takes to replace the meters. If the data comes back that we are wasting a lot of water and the new meters will pay for themselves than we as a Board would be better off getting those meters replaced as soon as possible. In addition we need to hire a company to look into a second water source. It should be a company that can come up with cost data, and design and everything that we need to drill a well and have it working in two to three years. It would need to be someone to take care of the permits and everything and come up with a cost proposal and "hold our hands" all the way through it. He continued that if PERS knocks on our door we can get a surcharge that may be what we have to do and that shows everyone in the community what it is for and why it is there.

HIRING OF COMPANY TO ASSIST WITH RESEARCH AND DEVELOPMENT OF ADDITIONAL WATER SOURCE

Jeff Busto reported he has contracted with Wallis Engineering in Vancouver. They have a working relationship with the hydro-geologist firm that was involved in doing the original study for us. They have determined the original study is not as accurate as it could have been. Jeff Busto said he has met with them and gave them the go-ahead to prepare a proposal for us for the cost of development of a well and cost depending upon what the depth is if we could do it as a capital improvement project. Jeff Busto will contact Wallis and ask them to bring the proposal to the June Board meeting.

Bob Gaughan asked if there was any decision on how many gallons per minute we would want the well to produce? Jeff Busto said it depends on what is in the ground. If we could get a well that would produce 600 gallons per minute that would take care of all the needs for the District. Jack Garrison noted that we need to make sure they know what our requirement is because that will determine what size of casing and other factors. Discussion on what was discussed previously for requirements. Jeff Busto said he told the engineer that if we lost our current water source we would need 600 gallons per minute to survive. The other item that has never been discussed is that we can take our water and use the ground as a reservoir. We can take finish water or well water and pump it into the ground. During the winter when we have lower demand we could take any excess water and charge an aquafir.

Jeff Hargens said we need to decide if we want a back up system or only water for an emergency.

EMERGENCY PREPAREDNESS

Tabled until next month.

MANAGER'S REPORT

The Board received the Manager's Report in their Board packets.

Jack Garrison asked if the water usage increased this weekend. District Manager Jeff Busto responded usage was up to 780,000 gallons during the hot weather Sunday. That is not an issue unless it was sustained for many days. Short discussion. Jeff Busto said we have plenty of water right now.

Jeff Busto reported that two of the items that were deficient on the Sanitary Survey have been corrected and reported to James Nursrala of Oregon Health Authority. They have been removed. We have one more item to complete. Jeff said he worked with David Jacob and we have decided that rather than doing work outside which would involve a lot of digging we will be able to complete the repairs inside the vault. Jeff said parts are on order and hopefully it will be completed in June.

Fencing at the headworks will be going in next week.

PUBLIC COMMENTS

No comments

SUGGESTIONS FUTURE AGENDA ITEMS

Those noted during the meeting.

Budget Hearing will be in June. Hearing will start at 6:30 p.m. and the Board meeting will start immediately following.

REVIEW ACTION ITEMS FOR NEXT MONTH

Noted.

BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER

None

ADJOURNMENT OF THE MEETING

Jeff Hargens made a motion to adjourn the meeting at 7:30 p.m. Jack Garrison seconded, all were in favor, motion carried. *(4 yes votes: K.Wilhelm, J.Garrison, B.Gaughan & J.Hargens 0 no votes)*