

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 6:00 P.M.

Tuesday, May 16, 2006
Corbett, Oregon

Commissioners Present: Malcolm Freund, Bob Gaughan, Bob Colclessner, Marion Kirkham, and Jeff Hargens.

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

Audience Members Present: Donna Colclessner, Dave Mysinger, Linda Hargens, and Dan Marsh.

Chairman Freund called the meeting to order at 6:00 p.m. at the Corbett Fire Hall.

Water Treatment Plant Contract.

Present for this portion of the meeting was Brian Lee from Lee Engineering, Rob Mack, Jeff Geiger, and Carl Roelle with Taurus, George Tylott from Tice Electric, and Jeff Mueller with Clackamas Construction.

Frank explained that Taurus figured out the computer issues at the Treatment Plant. The offsite computer software program called PC Anywhere seemed to be in conflict with the computer. Taurus has removed several applications from the program that are not in use.

Taurus has energized the card to the chart recorder and it now serves as a backup to the computer.

Frank spoke about the water entering into the filter pond being so clean, that it is slowing down the shmutzdeck layer that needs to form in order to get the NTU level acceptable.

Taurus will be onsite tomorrow to finish the computer so it will print the required contractual reports. Brian Lee has the operation manuals from Taurus and after they have been reviewed he will pass them along.

Frank would like for the Board to decide how they would like to close out the contract. The Board at a prior meeting had decided 4-6-06 as the date of completion with liquidated damages totaling \$21,500 for going over 43 days.

Commissioner Gaughan asked if Clackamas was going to pick up the extra engineering fees for the tank failing the leak tests. Jeff Mueller said he was waiting to hear from the Board on the matter, but he has spoken to Brian Lee about it on several occasions. Brian Lee said there was over \$27,000 in engineering fees for the defective concrete work. Brian can issue a deductive change order and hold this money from the amount retained. Jeff Hargens asked if Clackamas Construction was working out this additional cost with their sub Springhill, who was responsible for the pouring of the concrete. Jeff Mueller said he was working this issue out with Springhill through litigation but he needed a final amount so he could pursue the exact dollar amount through the litigation between his company and Springhill.

Commissioner Hargens asked if the concrete work had set the project behind schedule. Brian Lee summarized the following time schedule: The original contract allotted 240 days for substantial completion, but time extension changed the total to 261 days. Clackamas reached substantial completion in 259 days. Clackamas had 60 days after substantial completion to reach final completion plus 8 days for weather, and the project was completed in 111 days. The concrete work was completed in the substantial completion category.

Jeff Mueller questioned what the problems were with the computer that had kept it from running properly for sixty days. Frank said the problem with the computer was the software conflict. Jeff Geiger w/Taurus said he had been in this business for 25 years and that this was a very odd and difficult problem to troubleshoot. Jeff Geiger said there were hundreds of these systems running in Oregon, Washington, and California and none of them have been this crazy. Rob Mack said they had recently set up another customer with the exact software and computer versions as the District, and they have not had any computer problems.

Chairman Freund asked about the chart recorder being reinstalled at the Treatment Plant as a backup to the computer. Frank has reinstalled the chart recorder and the original auto dialer so if the computer fails it would kick in. It has been wired in a way that the chart recorder and the computer will not use the phone line at the same time.

Chairman Freund said Frank was the District's DRC and he wanted to know if he was satisfied with the system. Frank spoke about a tier three violation that he had waived because the staff was on site and had manually recorded the data.

Jeff Mueller said the flow meter had been replaced on warranty. Frank explained that water in the conduit that had caused the problem has been corrected.

Commissioner Hargens asked if the work being done on the computer was warranty work. Frank said the computer met the 7 day contract test time, when the new computer was originally installed on 3-21-06. Rob Mack said the programming and the functionality for the computer has been good from the beginning, but there had been intermittent problems covered by the warranty.

Commissioner Kirkham asked how much time staff had put into problems tied to the upgrades. Frank worked with the contractor on related issues, but he said that if the work the crew had done was not done it would not have held up the project. Frank said staff was at the Treatment Plant a lot, but they also learned a lot about the new system.

Commissioner Gaughan asked about the warranty for the computer not starting until it was functioning properly. Jeff Geiger has no problem extending the warranty, he felt that once the problems was fixed it would no longer be an issue in the future. Commissioner Hargens wanted to consider looking at a two tier warranty. Taurus agreed to extend a formal warranty to 12-31-07 on the instruments as well as the computer.

Chairman Freund said the tank would undergo another leak test before the warranty expired. Jeff Mueller said the tank could be tested March of next year.

Commissioner Hargens moved for a 43 day extension to the contract extending the contract to 4-6-06, therefore no liquidated damages will be charged on the contract, the concrete tank will be tested prior to 4-6-07 for leaks, Lee Engineering deduction change order for the leak test failures, and the computer and instruments will be under warranty until 12-31-07. Motion seconded by Commissioner Gaughan.

Jeff Mueller asked when the retainage would be released. Brian Lee will work on the paper work and then the retainage will be released.

Chairman Freund asked Brian when the District would receive the required manuals. Brian will have the manuals at the District office by next week.

Commissioner Hargens asked about training. Taurus will schedule a time with Frank to train District staff on the computer and the NTU.

Motion passed unanimously.

Review / Approve Agenda.

Commissioner Colclessler removed the May 4, 2006 minutes from the agenda.

Commissioner Colclessler moved to approve the agenda as changed. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Approval of the Minutes.

Commissioner Colclessler moved to accept the March 21, 2006 minutes. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Commissioner Colclessler would like for page 6 of the April 18, 2006 minutes wording to change from 'Headworks project' to Water Treatment Plant Upgrades.

Commissioner Colclessler moved to accept the April 18, 2006 minutes with the above change. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Chairman Freund called for recess at 7:20 pm. He then called the meeting back to order at 7:35 pm.

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.

Jamie explained that the 'Employees PERS' line item was negative on the budget versus actual document because it was overpaid and that it would be corrected by the end of the month.

Commissioner Hargens would like for those accounts with a zero balance to be removed from the budget versus actual documentation in order to make it easier to read. Jamie will make the necessary adjustments to the document to eliminate those zero line item accounts.

Commissioner Gaughan asked about the inexpensive garbage bill. Jamie said the District switched to an on-call dumpster service. It cost \$40 a month to have the dumpster on site and another \$40 to have it emptied.

There was some discussion of the two week review of I-Deposit banking. There was a list of pros and cons compiled by all District staff. This will be looked into more in depth at a later meeting. At first glance it does appear that the cons out weight the pros, but Jamie will work with Leslie Radke from West Coast Bank to see if some of the cons can be remedied.

Chairman Freund received a call from Leslie Radke asking about on-line banking. Jamie would like on-line banking so she could review the bank status on a daily basis. The information available on-line is only for viewing purposes, no transactions can be authorized on-line.

Commissioner Gaughan moved to approve online banking services with West Coast Bank. Motion seconded by Commissioner Colclessler. Motion passed unanimously.

Commissioner Colclessler moved for Jamie Simms and Elzina Marsh to be authorized users of West Coast Banking services online. Commissioner Colclessler modified his motion to include that Elzina Marsh be bonded while in the position of Assistant District Clerk. Motion passed unanimously.

Manager's Report.

Frank went over with the Board the following scheduled projects:

- Reservoir No. 5 – Some trees will have to be removed that are over the plastic pipe.
- Larch Mountain – The crew has found all the water lines. There is an 8” steel pipe currently in use, but it will be abandoned very shortly. The crew plans on running the conduit inside this pipe and PGE has given their okay to go ahead as scheduled.
- Christensen Line Replacement – Frank has red marked the drawings and has started the required paper work.
- Deverell PRV Station – This PRV station provides water to the entire community and it needs to be upgrade. A smaller clay valve needs to be installed because when there is low flow it is below operating levels. Frank also plans on installing a new hydrant at this location.
- Nielson Line Replacement – The homeowner has encroached in the District's easement and damaged the main water line. Currently the natural springs, our water and the customer's sewage are being washed across the road. The plan is to replace the line starting at Reynolds School and continuing down Neilson until it reaches the Columbia River Highway.

Commissioner Gaughan asked if these plans would require the full \$600,000 available to the District. Frank said there should be some money left over for other projects next year.

Projects completed for the month include the following:

- Repaired two leaks on Littlepage Road.
- Frank's chlorine de-gasser experiment is working.
- New installs on Woodard, Rohrbach, and the Columbia River Highway.

The newer Corbett Grade school has a very large leak (21,000 gallons per day). The School and the Water District will collaborate together under an inter-government agreement to replace the main from the meter to the school. The school has purchased the required materials and District staff will help install the new pipe over the holiday weekend so school will not be affected.

Commissioner Hargens questioned what would happen the next time the school had a leak. He felt the school should be responsible for their own leak. He would like to see a letter from the School that indemnified the District. Chairman Freund said if the Water District didn't help the School and told them to go hire a plumber that it would be more costly than the Water District fixing the leak. Chairman Freund wanted to see the District reimbursed for the Water District's employees' time involved making the necessary repairs. Commissioner Colclessler agreed that the employee cost should be reimbursed and he too would also like to see a letter of indemnification. Commissioner Hargens felt the School should be responsible for their own leak just like any other customer. He said the School has been relying on the

Water District to fix their leaks. Chairman Freund said it would be mutual benefit to have the leak fixed. Commissioner Colclessler said the water was needed to season pond No. 2. Commissioner Hargens agreed staff should fix the leak, but the School needed to be financially responsible for the work. Frank explained that the School was asking for a leak adjustment all the way back to December 2005. Chairman Freund said that having Water District staff fix the leak and asking for a leak adjustment was like having their cake and eating it too.

Dave Mysinger asked how it was possible to work on the customer's side of the meter. Commissioner Colclessler said it was because the school is public property so it was an inter-government agreement. He said no matter which way you looked at it tax payers were paying for the water leak to be fixed.

Frank said that Chairman Freund and he had previously sat down and discussed the School leak with the School Superintendent Mr. Dunton. The material required to fix the leak has been ordered and Water District staff could either help with the repairs or not. Chairman Freund said the inter-government agreement would cover the Water District staff working on School property. Commissioner Hargens said to stay with this plan, but he would like to consider this again in the future. Commissioner Colclessler said this would be brought up again in the Rules and Regulations.

Correspondence.

Chairman Freund has spoken with Janet Hillock with the Oregon Economic Community Development Department (OECD) and the \$600,000 in additional loan funds was progressing, but it had yet to reach the top for final approval. Janet however did tell him that she believed the District should have access to the additional funds this fiscal year.

The Board also reviewed the progress report from Lee Engineering, but most projects are currently on hold so there was very little to review.

Customer Leak Adjustment Requests.

Joseph Sidebottom was present to discuss his water leak with the Board. He explained that Gene Hubbard was trying to find a water leak for his neighbor and ended up installing a shutoff valve on his water line instead of his neighbor's. Mr. Sidebottom had been in Brazil all last month and came home to no water because that valve Gene installed had split. Mr. Sidebottom notified the District and Frank and Utility Worker I Zachary Bertz, made the necessary repairs so the customer could have water, although it was against current Oregon Law and plumbing codes to make the repairs.

When Gene installed the valve he was not on District time, although he was a District employee at that time. This brought up the issue of working on the customer's side of the meter. Frank would like for Mr. Sidebottom to sign a letter of indemnification to the District. Frank also commented that the meter needed to be replaced because it was running slow. Staff will install a new water meter and wipe the continued charges from the system.

Commissioner Colclessler asked Mr. Sidebottom if he was satisfied with Frank's proposal. Mr. Sidebottom replied yes, he just questioned why the hole hadn't been filled in yet. Frank said they partially backfilled the hole but they wanted to make sure it was going to hold before they filled it completely in. Commissioner Kirkham asked what the water pressure was. Frank replied that the pressure was 125 PSI at Mr. Sidebottom's meter.

Commissioner Colclessler moved that Mr. Sidebottom's bill be adjusted and a new meter be installed and his water bill to start over for the month and in exchange Mr. Sidebottom must sign a letter of

indemnification to the District. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Leak adjustment of account 9250 is a continued discussion from a prior Board meeting. The customer originally had installed schedule 20 piping which was underrated for the amount of 160 pounds of pressure on the main line.

Chairman Freund said this customer has had three separate leaks in the last few months and he questioned if this would be an ongoing problem. Frank said the upper section had already been replaced and the customer plans on replacing the lower section as well. Chairman Freund asked if the customer had a pressure reducer. Frank said the customer wanted the high pressure for his sprinkler system.

Commissioner Gaughan wanted to consider giving another leak adjustment one more time but clearly stating this would be the last one the customer would receive.

Commissioner Colclessler moved to give account number 9250 a leak adjustment in the amount of \$113.15. Stating this would be the final leak adjustment until the customer replaces the line with a pipe that would be necessary to sustain the pressure the customer desires. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Public Comment on Items Not Listed on the Agenda.

Dan Marsh asked if the District had a standard disclaimer letter customers must sign off on before staff did any work on the customer's side of the meter. Frank replied no there was not a standard disclaimer letter. Dan suggested that one be created so the District would not be held liable.

Dan asked if the leak at the school was under the pavement. Frank replied yes. Dan then spoke about recovering the District's cost for the repair. This included not only man hours but also wear and tear on the vehicles.

Dan also asked what a chlorine de-gasser was. Frank went on to explain that he had created a pump to work with liquid sodium hypochlorite that releases gas. The pumps he created allows for the gas to be bleed off the line before it enters into the pumps and locks it up.

Items for Board Consideration.

Commissioner Hargens would like to see a standard letter of indemnification for public and private use. He would also like for staff to only work between the main and meter and not behind the meter.

Commissioner Hargens would like to see a list of folks available to help customers with their plumbing problems. Frank said it was a legal issue the District can not recommend a plumber but we could provide customers a list of folks close by that would be of service, but not rank them in any type of order.

Chairman Freund asked if Frank had seen the new SDAO newsletter that spoke about safety/security grants available. Frank said the grant areas covered were limited.

With no objections from the Board, Chairman Freund adjourned the meeting at 9:35 p.m.