

**CORBETT WATER DISTRICT
REGULAR MONTHLY BOARD MEETING**

Chairman Ed Kalberg called the meeting to order at 7:00 p.m. Board members Ken Blanc, Jeff Grover, and Henry Schwartz were present. Board member Steve Wilson arrived at 7:05 p.m. Also present were Superintendent Randy Stark and District Clerk Kathie Cicerich.

Community members present were, Mariam Kirkham, Don Sturm, Mark Caldwell, Torey Redfern, Mr. & Mrs. Bob Colclessor, Sue Fry, Barb Adams, Gordon Fulks, and Doug Geller. Brian Lee from Lee Engineering was also present.

REVIEW AND APPROVAL OF AGENDA

Mr. Stark asked to add Lee Engineering to the agenda item: reservoir maintenance on reservoir #4. There were no objections from the Board.

APPROVAL OF MINUTES

Mr. Blanc moved to accept the regular Board minutes and 2003-2004 Budget Hearing minutes from May 13, 2003. Board members voting for the motion were, Ed Kalberg, Jeff Grover, Henry Schwartz and Ken Blanc. Motion passed unanimously.

FINANCIAL REPORT

Kathie Cicerich reported on the May 2003 payables, receivables and year to date expenses. Ed Kalberg passed out a "Schedule of Cash Reserves" for the Corbett Water District as of May 31, 2003. As of May 31, 2003, the accumulated cash balance is \$719,656, and out of this amount \$113,260 is for the loan payment fund for the construction of the reservoir, \$59,295 is in the checking account, and the other \$547,100 is in the LGIP account. The unspent capital outlay fund is at \$252,641 and the unspent capitol improvement fund is at \$229,559.

MONTHLY WORK REPORT

Randy Stark briefed the Board on work projects and leak repairs performed in May 2003. The crew finished clearing the boundary around the treatment plant site. A 2" hydrant meter was installed for Don Sturm's irrigation. Filter pond #1 was cleaned. Meters were switched on Hurlburt Road from the old 4" OD main to the new 8" ductile iron main, and on Friday June 13, 2003; the contractor will tie in the main. Grounds maintenance at reservoir #3 was completed. The "Water Resources Department" released a proposed certificate of water rights and it will become a water right of record in sixty days if we don't contest or protest the proposed water right. This water right grants the District two cubic feet per second from each of the two forks, or two cubic feet per second from both forks.

Next Don Sturm presented the Board with a letter that requests reduced water rates for agricultural use. The letter states that Mr. Sturm believes any agriculture water bill over \$100 should be assessed at ½ the normal rate. After some discussion, the Board requested Randy Stark to put together a list of agricultural water users and the usage history for customers in the District. Randy Stark was also asked to put together information on how reduced rates for agriculture farmers would affect the District's revenues. Discussion followed.

RESERVOIR PROJECT AND WATER TREATMENT PLANT IMPROVEMENTS

Brian Lee passed out the May 2003 reservoir project progress report. The reservoir drawing specifications have been completed. The drawings were submitted to OECDD, Multnomah County, and Oregon Health Division. The Erosion Control permits were submitted on May 21, 2003 to Multnomah County and to date Lee Engineering has not received any feedback on the drawings. Brian Lee and Phil Beverly did a treatment plant site visit. Ideas were discussed on how to fix the many problems at the site, which resulted in a condensed level of work that fits into the estimated budget for the project. Rick Roth from Multnomah County also was present at the site visit and he indicated that a favorable staff report would be submitted to the Planning Commission.

A pre-design review application meeting was held at Multnomah County on May 29, 2003. Rick Roth went over the requirements for design review, which is another submittal per Brian Lee. Cornforth Consultants received verbal approval from Lee Engineering to proceed with the Site Specific Seismic Hazard Report which, the City of Gresham requires for their design review. Based on the completed report, Lee Engineering has concluded that it is not advisable to completely bury the reservoir because it would require pile foundations, which are costly. This brings up the possibility of another erosion control permit. A short discussion followed.

Lee Engineering is still in the process of obtaining two off-lease improvements from BLM. The first off lease improvement is to build a firebreak around the existing building, and the second is to build a fire truck turn around. Brian Lee said that on June 5, 2003 a letter was received from Tom Charbonneau with the Department of Human Services. This letter grants approval of the plans, which are subject to a few standard conditions.

Upcoming work for the month is to make some final modifications to the grading plan based on the Site Specific Seismic Report. The submittal packet will be created for Multnomah County for the design review. Lee Engineering will also prepare for the Community Service Use permit public hearing on June 20, 2003. A third soil disposal site needs to be identified and he is to begin work on the Erosion Control Permit if needed. And finally, coordinate the other permits so the project can proceed as soon as possible after issuing the Community Service Use Permit. Brian Lee anticipates the project going out to bid the end of July or first part of August.

Next, Brian Lee handed out a Design Change Notice #1 in the amount of \$11,200. The building official is requiring a Site Specific Seismic Hazard Report before a building permit can be issued. This requires an estimated eighty hours from Lee Engineering in the amount of \$6,800 and \$4,400 for the geotechnical report. After the Board talked about their frustrations regarding all the permits and the cost of them that the County requires, Jeff Grover made a motion to accept the Design Change #1 in the amount of \$11,200.

Community member, Doug Geller said Brian Lee is asking for approval for funds that have already been spent, which wouldn't be his way of doing consulting work. Mr. Geller also said that eighty hours of permitting work is a full time job for two weeks for one person, and asked if that time has already been spent. Brian Lee said the geotechnical report was proceeded on based on verbal approval and was discussed at the May 2003 Board meeting. The Board did not have any concerns or questions as to whether that needed to be done, so Lee Engineering proceeded with the report so the whole process wouldn't be delayed. Brian Lee said some of the eighty hours have been spent on the permitting process, but not all of them. Barb Adams, Bob Colclessor and Gordon Fulks also commented on the needed permit the County is requiring.

Board members voting for the motion Jeff Grover's made were, Ken Blanc, Steve Wilson, Ed Kalberg, Henry Schwartz and Jeff Grover. Motion passed unanimously.

The second packet Brian Lee handed out to the Board members pertains to the water treatment plant improvements project. This report shows a newly developed scope of work for improvements and is more detailed and less costly than what was reported by Phil Beverly at the May, 2003 Board meeting. Brian Lee said the costs were based on calling several suppliers and pricing from other jobs that were conducted recently. The estimated project cost is \$440,000, which consists of the following improvements and cost per each item:

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| 1. | Influent Vault Reconfiguration | \$ 24,100 |
| 2. | Filter Basin Flow Control | \$ 6,000 |
| 3. | Effluent Weir Vault Design | \$ 32,500 |
| 4. | Water Quality Monitoring | \$ 40,000 |
| 5. | Master Meter Replacement | \$ 6,750 |
| 6. | Chlorine Feed System | \$ 20,100 |
| 7. | Chlorine Contact Chamber Modifications | \$ 3,000 |
| 8. | PH/Corrosion Control | \$ 10,200 |
| 9. | Plant Automation | \$ 47,750 |
| 10. | WTP Building Expansion | \$ 72,500 |
| 11. | New Emergency Generator | \$ 25,000 |
| 12. | Security Fencing | \$ 21,600 |
| | Sub Total | \$309,500 |
| | Mobilizations (5%) | \$ 15,475 |
| | Sub Total | \$324,975 |
| | Engineering (25%) | \$ 81,244 |
| | Contingency (10%) | \$ 32,498 |
| | Total estimated Project Cost | \$438,716 |

Brian Lee went over the above listed items and pricing. The existing influent vault will be reconfigured with a three-way valve that is connected to a raw water turbidity meter. The filter basin flow control will have adjustable influent riser pipes installed and Mr. Lee said there was a possibility the District employees's could do the filter basin flow control themselves. The effluent weir vault will be a constructed using concrete and will be able to do a combination of things at the same time, for example; it will allow water to flow out of the filters into the weir structure so that water will either flow into the contact chamber or flow to waste. This would eliminate six automatic valves. Lee Engineering is purposing re-using existing District meters for the water quality-monitoring device, and adding four turbidimeters, one pH temperature meter, and four sample pumps. This will allow much better control of the treatment process. The master meter will be replaced with a filtered water 10" mag meter. The Chlorine feed system will add a secondary system that will be connected post reservoir in case the residual in the reservoir drops below the norm. An air vent will be installed in the chlorine contact chamber in order to prevent air binding. An injection pump, mix tank, mixer and piping/spray bar are needed for pH corrosion control. Plant automation consists of a programmable logic controller, level sensors, piping, computers and an auto dialer. Electricity for the building and telemetry has been put under the WTP building expansion line item. The generator has been reduced in size down from a 75w to a propane 20w-83amp. Part of Homeland security is putting a fence around the water treatment plant site.

Brian Lee entertained a motion from the Board to accept the letter of agreement for engineering services in the amount of \$81,244 for the water treatment plant improvements. Jeff Grover motioned to accept Lee Engineering's letter of agreement with an estimated amount of \$82,000 for engineering services for the water treatment plant improvements. Several of the Board members said they were much happier with the numbers presented tonight from Brian Lee versus the numbers given at the May 2003, Board meeting from Phil Beverly.

Gordon Fulks said he would appreciate it if the current Board put off making a motion on this subject until the new Board members have a workshop with Duane Lee regarding this topic. He said he wants to see how much the bids come in at for the reservoir, and then see how much money is left over for treatment plant improvements. Mr. Fulks said, that maybe some more intelligent decisions could be made down the road if he was given more time to look at the letter of engineering services and associated costs.

Ed Kalberg expressed disappointment in not getting information from Lee engineering to the Board in at least a week in advance before the Board meetings to give them more time to review and be prepared for discussion and decisions. Board members voting against the motion were Ken Blanc, Steve Wilson, Ed Kalberg and Henry Schwartz. Jeff Grover abstained from voting. Motion failed. Mr. Kalberg asked that the water treatment plant improvements project be on next month's agenda.

The third packet handed out to the Board from Brian Lee is the engineering fee estimate in the amount of \$20,000 for final design and construction services for Larch Mountain #4 reservoir recoating – amendment #6. The estimated construction cost is projected at \$163,000. The purposed work on the reservoir consists of recoating the reservoir and installing a cathodic protection system that will increase the life expectancy of the coating system from twenty years to thirty years. A site gauge would be installed on the outside of the tank. After some brief conversation, Jeff Grover made motion to accept Lee Engineering's letter of agreement with an estimated amount of \$20,000 for engineering services for the final design and construction services for Larch Mountain #4 reservoir recoating.

Gordon Fulks asked the current Board to hold off on any decisions for the #4 reservoir project until the details can be looked at more carefully. He asked about the estimated \$163,000 for this project, and how does that compare to building a new steel reservoir. Brian Lee said the \$163,000 is approximately half the cost for a new tank. Mr. Fulks questioned why would an engineer need to be involved in this project because when he paints his house or scrapes it, he doesn't need an engineer. Mr. Lee said an engineer needs to be involved because it deals with a storage tank for drinking water and it's a State law. Mr. Geller also suggested to the Board to hold off on approving this agreement.

Board member Steve Wilson said he was in favor of moving ahead with this project. Jeff Grover and Ken Blanc agreed with Mr. Wilson. Ed Kalberg talked about the cost of this project listed in the Master Plan versus the estimated amount of \$163,000 from Lee Engineering. Gordon Fulks said he has grave reservations about this project and said if the Board agrees to spend the \$20,000 payable to the engineer on this project tonight, he and the new Board members can reverse that decision in July when they are officially Board members. He said this is beyond the way most people do this type of business and that Brian Lee is just trying to continue his employment with Corbett Water District, and he finds this egregious at this point.

Board members voting for Jeff Grover's motion were, Ken Blanc, Steve Wilson, Ed Kalberg, Henry Schwartz and Jeff Grover. Motion passed unanimously.

HURBURT ROAD PROJECT UPDATE

Mr. Stark said the project is just about completed. All meters have been switched over and Friday the crew will do the final tie-in. The final bill will probably come in before the end of June 2003.

MATTERS, WHICH COULD POSSIBLY BECOME LEGAL ISSUES

At the May 2003 Board meeting, Ed Kalberg gave all Board members a list of questions he put together. He said if any Board member can say yes to any of the questions included in the handout, then that person needs to bring it up tonight so the issue can be discussed. None of the Board members made comment, ending this subject.

BOARD ADOPTS BUDGET RESOLUTION

Mr. Randy Stark read aloud Resolution 2003.06.01. This resolution is for the adoption of the 2003-2004 budget. Jeff Grover made a motion to adopt resolution 2003.06.01 as read. Board members voting for the motion were, Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

2003-2003 FUND TRANSFER RESOLUTION

Mr. Stark read aloud Resolution 2003.06.02. This resolution transfers \$39,000 from the General Contingency Fund to Personal Service General Fund. The budgeted amount under the health insurance category in Personal Services was under-funded, plus this takes into account any accrued vacation, comp, sick and pager pay not taken as of 6/30/03. Jeff Grover made a motion to adopt resolution 2003-06-02 as read. Discussion followed. Board members voting for the motion were, Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

FISCAL RESPONSIBILITY PLAN

Ed Kalberg handed out a transmittal memorandum titled "Fiscal Responsibility and Capital Improvement Plan-Draft". Mr. Kalberg read this plan out loud and asked that it be in the minutes as follows:

In the past several months numerous issues concerning the Corbett Water District have been raised. It has been suggested that there was no Plan to deal with these issues, and I must admit that even though we had been working with a "de facto" plan, there actually was no written plan.

Therefore I have taken the time to commit to "pen & ink" certain situations that have been mentioned in the past, as well as some proposed solutions to these situations.

This Plan is submitted for the purpose of generating discussion, which hopefully will result in a formal plan to which the District will commit. Through the discussion phase of this Plan it is understood that there may be many more situations addressed and there will more than likely be quite different proposed solutions to these situations.

Nevertheless, it has been very clearly proposed, and overwhelmingly supported, that a formal Plan is needed, and this should be considered as merely a "first step" in accomplishing this objective.

Respectfully submitted, Ed Kalberg – Chairman – Corbett Water District.

There were seven situations included in the handout with solutions for each item.

Mr. Kalberg said it has been his privilege to serve on the Board for the past four years. He talked about his experience on the Board and how much he has learned about the Water District. He is proud that he was part of the process of getting the future reservoir built at the treatment plant site.

Next, Mr. Kalberg passed out a handout that shows the history of rate increases, and capital improvement project costs for the past four years.

Mr. Kalberg talked about the petty bickering that's been going on in the Board meetings, and asked that all people involved be civil to one another and that everyone listen to each other's ideas even if you don't agree with them.

Randy Stark made a short speech thanking Mr. Henry Schwartz for his twenty years of service on the Corbett Water Board. Mr. Schwartz was presented with a plaque for his service.

Henry Schwartz motioned to adjourn the meeting. Board members voting for the motion were, Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously. Meeting ended at 9:30 p.m.