

**CORBETT WATER DISTRICT  
REGULAR MONTHLY WATER BOARD MEETING  
AND RATE INCREASE HEARING**

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

Community members present were Bart Witka, Marion Kirkham, Al Kimbley, Doug Geller, Barb Adams, Dave Mysinger and Gordon Fulks.

**APPROVAL OF MINUTES**

Mr. Wilson requested a modification to the regular board meeting minutes from May 14, 2002. Page 2 under Master Plan Update, it was suggested to drop "with two modifications" where it states; Lee Engineering Inc, agrees to provide the services outline in the proposal and consistent with the District's Request for Proposal, with two modifications. In the May 28, 2002, special board meeting minutes, there were two corrections made. Page 1, fifth paragraph under Reservoir, last sentence to read, economical fashion and that the District can afford, instead of economically fashion in that the District can afford. The second correction is on page 2, second paragraph, first sentencing where it states; the draft of the design bid. This should be changed to read, the draft of the design build. Community member Gordon Fulks had a few suggestions regarding the minutes. Jeff Grover made motion to accept the minutes from May 14 and May 28, 2002 with the above corrections. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

**FINANCIAL REPORT**

Kathie Cicerich went over May 2002 expenditures and discussed estimated year-end totals. There was some Board discussion.

**MONTHLY WORK REPORT**

Randy Stark briefed the Board on work projects and leak repairs performed in May.

The regular Board Meeting was adjourned at 7:40 p.m. for the purpose of holding a Rate Increase Hearing.

**RATE INCREASE HEARING**

Mr. Stark gave a brief history on how the District got to the point it is now to build a new reservoir. After his presentation he handed out a table with three different rate increase options to pay for the reservoir loan. Option 1 is a flat rate increase of \$10 per customer per month. Option 2 increase rates 25% and option 3 increases the unit rate to 36.74% but the base rate remains the same at \$12.88. Bart Witka, Marion Kirkham, Doug Geller, Al Kimbley, Gordon Fulks and Barb Adams made public comment regarding the different rate increase options and other concerns. Marion Kirkham passed along to the Board members a water bill from the Rainbow Water District. Kathie Cicerich read into record a letter from Carolyn Coons and Klaus Heyne, which address their concerns regarding a rate increase.

After public comments and Board discussion, Steve Wilson motioned to adopt option 2, which is a 25% rate increase for all customers. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, f Grover and Henry Schwartz. Motion passed unanimously. The hearing ended at 9:00 p.m.

Ed Kalberg reconvened the regular monthly Board Meeting at 9:00 p.m.

## **AUDIENCE COMMENTS RELATING TO ITEMS NOT ON THE AGENDA**

Mr. Fulks commented on the Waterline Direct Newsletter and the meeting with Duane Lee from Lee Engineering.

### **JND TRANSFER**

Mr. Stark read resolution 2002.06.01 regarding budget fund transfer. This resolution transfers \$5,000 from the General Contingency fund to Personal Service General Fund. Personal Services is going to be tight and this transfer would guarantee the District doesn't go over what has been budgeted. Also the District has hired a new auditor and this should cover any audit adjustments. Ed Kalberg requested a copy of the accrued vacation, sick, comp and pager pay report. The report will be available at the August 13, 2002 Board meeting. After Board discussion, Jeff Grover motioned to adopt resolution 2002.06.01 as read. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

At 9:10 p.m. pursuant to ORS 192.660, Chairman Ed Kalberg called the Board into Executive Session for the purpose of legal consultation.

At 9:35 p.m. Chairman Ed Kalberg reconvened the regular Board meeting.

### **STANDARD FORM OF AGREEMENT BETWEEN OWNER & ENGINEER FOR PROFESSIONAL SERVICE**

The District's attorney, Tom McPherson reviewed the form of contract proposed by Lee Engineering and recommends the District reject the contract as is. The contract limits the duties and any unforeseen liabilities of the Engineer, which places the District with any overlooked responsibilities. Based on the attorney's recommendation, Randy Stark recommends the Board reject the agreement and allow him to authorize Tom McPherson enter into negotiations with Lee Engineering to develop a new contract. Ken Blanc moved the Board reject the proposed standard form of agreement contract from Lee Engineering and agree to authorize Randy Stark to hire Mersereau & Shannon to enter into negotiations with Lee Engineering to negotiate a contract that is more favorable to the District. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously.

The Board and Mr. Stark discussed their issues regarding the proposed standard form of agreement contract presented by Lee Engineering. A key issue discussed was the \$35,000 quote for the engineering study from Lee Engineering. Randy Stark said that for the most part, other engineers have already done the engineering study. Mr. Stark also discussed the findings from the other engineer study, which describes what size and type the reservoir should be. Mr. Wilson would like to see a scope of work outline that shows a level of effort that corresponds with each task, for example the number of hours needed to complete each task. He also suggested setting a limit of \$10,000 and that the District does not want Lee Engineering to re-invent the wheel. The District wants a basic definition of the scope of the project and the Board expects Lee Engineering to integrate this effort with the work that is being done on the master plan as promised. Jeff Grover moved to reject the contract as it stands from Lee Engineering, dated 6/7/2002. Board members voting for the motion were Ken Blanc, Steve Wilson, Ed Kalberg, Jeff Grover and Henry Schwartz. Motion passed unanimously. Also, the Board came to an unofficial consensus to authorize Randy Stark to request a further breakdown of the scope of work and recommends along with the rejection that Lee engineering come back with a counter proposal that identifies level of effort, time schedule and how it will coordinate with previous master planning efforts as well as his current update.

The Board suggested to District Clerk Kathie Cicerich to shorten the minutes. Legally, all that needs to be in the minutes are any actions made by the Board. The tapes from the meetings are held for one year if any person needs further details of the meetings

Board member Henry Schwartz adjourned the meeting at 10:55 p.m.