

CORBETT WATER DISTRICT APPROVED MINUTES

Tuesday, June 19, 2007

**Corbett Fire Hall
Corbett, Oregon 97019**

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

Present from PACE Engineers was Phil Beverly.

Employees present were Z Marsh, Zac Bertz and Kevin Moran.

Audience Members Present: Barb Adams, Sonny Boyd, Gordon Fulks, Dave Mysinger, Victor Schmidt, and Jamie Simms.

Chairman Gaughan called the meeting to order at 7:05 p.m. at the Corbett Fire Hall.

Review / Approve Agenda.

Commissioner Hargens moved to accept the agenda. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Resolution 2007.06.01 Budget Approval.

Commissioner Colclessor had a question on the Personnel Services Page Draft Option 1 regarding the \$210,815 amount in Pension and Unemployment. Jamie Simms responded that it was \$190,000 for payoff and \$20,000 for the normal PERS, because once it is paid, the normal actually drops. The actual payoff amount isn't definite yet. It will take 30 days from when they receive the check for \$750 for Mercer to tell us what is actually owed for the payoff and what the percentage rate would be following the payoff.

Purchasing the Bobcat during this fiscal year was discussed and the things on the budget that needed to be changed were discussed. Two other Bobcat bids are needed before the purchase is approved. Chairman Gaughan read the Resolution 2007.06.01 for budget approval (see attached). Question from Gordon Fulks was about the \$100,000 difference between General Fund Totals and the Resources page 1 total of the actual budget. The answer given was the difference is the unappropriated funds.

Commissioner Hargens made a motion to accept the resolution as read. Commissioner Colclessor seconded it. Vote was unanimous in favor of the Resolution 2007.06.01 Budget Approval. The Commissioners signed the Resolution 2007.06.01 Budget Approval.

PACE Engineering.

Phil Beverly was present for PACE. He reported that the new filter is online and that the more water that is put into the filter the better it works. Zac Bertz is keeping him up to date with reports. Jeff Hargens questioned whether Reservoir #5 has begun and Zac will report in the field workers report. Zac reports that the turbidity of the water is comparable to the turbidity of filter pond #2. There is an oddity at Corbett Water District that he hasn't seen before and that is in the winter plant growth comes on all the filters and then goes away in the spring. Usually it's the other way.

Leak Adjustments.

Commissioner Freund moved that the leak adjustments be approved as written.

Commissioner Colclessor seconded the motion. Motion passed unanimously.

Approval of the Minutes.

Commissioner Colclessor made two changes to the May 15, 2007 minutes for clarity.

Commissioner Freund made one change to the May 15, 2007 minutes for clarity.

Commissioner Colclessor moved to approve the May 15, 2007 minutes as corrected.

Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Commissioner Colclessor moved to approve the May 31, 2007 special meeting minutes.

Motion seconded by Chairman Hargens. Motion passed unanimously.

Commissioner Colclessor moved to approve the June 2, 2007 special meeting minutes.

Motion seconded by Chairman Freund. Motion passed unanimously.

Secretary / Treasurer Report.

Commissioner Colclessor said an evaluation of what's been done, and what is going to happen would be beneficial to all. He said another board member should have been appointed to oversee the daily workings of the district. Things happened that the board wasn't even prepared for. He recommended teamwork in all things. He questions what the board has done, what the utility workers projects that have been completed, what the staff has learned, and what the board have learned. #5 bypass is done and #4 reservoir they're working on.

Victor Schmidt had called Commissioner Colclessor and reported about the air in his line, that reservoir #4 was empty. Both utility workers responded to him when he called.

Kevin reported that is why they're running the computer line to the reservoir. Rooster Rock is on that line and can dry it out quickly. The plan is to have a computer signal at reservoir 4 and the Loudon reservoir so the water level is monitored from the office instead of going to each reservoir and looking in.

The track hoe did not have a purchase order. Commissioner Coleclessor didn't understand why it wasn't done. Commissioner Hargens said the issue has been discussed and it will change. He, in defense of the workers, said the workers didn't have a consistent basis of what to do.

Barb Adams and Dave Mysinger spoke in support of Zac and Kevin, and spoke with appreciation of the work they had done, taking the whole responsibility for the district. Commissioner Colclessor asked that Kevin take lead in the team for a while so he can get a feeling of leadership and have the authority, and do the reports for the next board meeting. Kevin agreed to it.

Chairman Gaughan spoke in appreciation of how the utility workers have worked without a manager. They have gotten a lot done and have consistently been working strongly together. Commissioner Colclessor spoke of how excellent a job they have done. Commissioner Hargens recommended that the utility workers respond to the board as to how they can work more efficiently with the workers. Sonny Boyd commented that one of the first things you can do to wreck a relationship with the workers is to make them not feel empowered to do their job.

Financial Report/Matters.

All the financial reports are in the packet. Questions about the Mbank checks came from Commissioner Freund. The payroll taxes are still paid from Mbank and also PERS is withdrawn by ACH. The resolution 2007.01.02 revised terminates Mbank June 30th, so PERS will have to be changed. Commissioner Freund moves that the reporting official be changed from Frank Sterzinar to Commissioner Gaughan effective immediately. Commissioner Hargens seconded it. Motion passed unanimously. Jamie also stated that something should be done to pay the taxes with West Coast Bank. Commissioner Freund talked about the credit card that needs to be changed. West Coast Bank offers a business checking that we can have a debit card attached. Jamie Simms was given the authorization to cancel the credit card and can now authorize a change. Commissioner Freund moved that the credit card be destroyed since it has another name on it. Commissioner Colclessor seconded. Motion was defeated unanimously. Commissioner Hargens made a motion to contact Leslie Radke with the idea of getting a credit card to fit the needs of the District. When that card is obtained, then the other one is to be destroyed. Commissioner Freund seconded the motion. Motion passed unanimously. Leslie Radke is willing to come and talk to the new board about banking at West Coast Bank. Her first availability is Tuesday, June 26th. They agreed to meet at 7:00 p.m. at the Water District Office.

Field Crew's Report.

Power is installed at Reservoir 4 and approved by PGE. The bypass was discussed. Brian Lee came out and did a site inspection today. He dropped off some submittals. HCI dropped off a stainless ladder inside the tank. It was rejected by PACE as not being according to specs. They want a fiberglass one in there. The cathodic protection wouldn't work with stainless. HCI is up there and will be sandblasting either this week or next week and possibly have the primer on. Kevin installed a 45-degree elbow, which will cause the tank to stir. It's much cheaper for us to do it than them. HCI received permission to cut manholes, so they're welding. The north fork is clean. There were two really old meters on Bell where one had a leak. Since they were digging one up and another was on the pipe, they chose to replace both meters. They decided it was good preventative maintenance. Robin has mowed by the tanks and maintained the office. The next big project is Christensen Rd. Kevin added that our new temporary worker is the best one since he has worked at the water district. She cleans and works well independently. She's got a very positive attitude and consistent. There will be a meter upgrade at the end of Stevens road. Treatment plant filter pond 2 passed tests from the state and is online, and they're blending the water from the other ponds. Commissioner Hargens questioned whether PACE was doing regular inspections at the Loudon

Reservoir. Zac had discussed this subject with Brian Lee and he replied that they would be done as needed. He did say that someone would be there with the sandblasting and the primer coats. Commissioner Hargens is frustrated with the lack of attendance of the engineering firm to report. It would be great to have a report from Brian in time for each meeting to assess the progress of the projects. There was a meeting with BLM with Commissioner Kirkham, Commissioner Gaughan, and Zac Bertz concerning their timber sale. What was agreed upon was to wait until the draft proposal was presented, and then schedule the meeting with BLM. After the proposal is available, there are 30 days to formally respond. The tracer study has been completed and presented to Kerry Salas. There is still the desire to hire another temporary person.

Correspondence.

Commissioner Colclessler said lawyer has been contacted to make a statement to the public to alert them about the proposed PERS paycheck surcharge.

PERS Payback Options

The PERS payback options are to pay \$7.50 per month and \$15.00 per bill, or to raise the water rate. Commissioner Hargens stated he was for raising the meter base rate, instead of having a surcharge of \$15.00 for two years. Commissioner Freund thought it had been discussed enough. Commissioner Hargens stated he was concerned about whether or not some other fees would have to be charged when the surcharge was finished.

Commissioner Freund gave the opinion that to be up front to the public, it was necessary to have the surcharge so the people knew why. Jamie Simms said that this is the only time we will have to pay the lump sum. It is what is past due. We will never have a lump sum payment like this again. We now pay as we go. The only change in charges that can be made is the change in the percentages that are paid each month. Not even PERS can predict that. Victor Schmidt said as a customer he would not mind having a surcharge because it's to solve a finite problem. Commissioner Gaughan spoke of folks in the community who will be paying more for surcharges than for water. Commissioner Freund asked whether the surcharge could start July 1. The answer was no, because the decision for a surcharge cannot be retroactive. The first time to implement the surcharge would be the November 1 billing. The motion to adopt the rate surcharge must be sent to each customer within the 30 days of the rate hearing. Commissioner Colclessler and Jamie Simms both agreed that the Water District was in good shape financially for the next few years.

Purchasing the Bobcat

Commissioner Hargens made the motion that Zac Bertz get two more bids for the Bobcat and that Commissioner Colclessler and Commissioner Gaughan be in charge of signing the purchase order giving authorization to purchase the Bobcat of choice. If this wasn't finished by June 30, that it would be Commissioner Gaughan and Commissioner Kirkham signing the purchase order. Commissioner Colclessler seconded. Motion passed unanimously. The challenge was given to check all options, not only financial, but availability.

Personnel Manual Update

There were significant changes made and it was tabled for the next board meeting.

Public Comment on Items Not Listed on the Agenda.

Gordon Fulks summarized the last 4 years and gave thanks to the many hours given by Commissioner Colclessler and Commissioner Freund, who would be leaving the board.

Unfinished Items for Board Consideration.

Commissioner Freund raised the question about the meter reading devices. It was addressed and the program is obsolete with the system. Commissioner Hargens recommended continuing the research. Zac said the radio read meters would be good. Then it would be direct read and could be done in two hours.

Executive Session.

Commissioner Gaughan opened executive session at 9:38 p.m. Pursuant to ORS 192.660(2)(a) 'The governing body of a public body may hold an executive session: To consider the employment of a public officer, employee, staff member or individual agent.' Included in the executive session are Victor Schmidt and Sonny Boyd, newly elected board members, but not sworn in and utility workers Zachary Bertz and Kevin Moran, who are invited to give comments, but may be excused after comments.

Commissioner Gaughan opened the meeting to the public at 10:46 pm. He stated that no decisions had been made and no votes were taken.

Commissioner Gaughan adjourned the meeting at 10:46 pm.