

Corbett Water District  
Regular monthly Water Board Meeting

The meeting was called to order at 7:30 p.m. by Chairman Jeff Grover. All Board members, Ken Blanc, Ed Kalberg, Sandra Redfern and Henry Schwartz, were present. Also present were staff members Torey Redfern and Supt. Randy Stark along with Carol Quinn, Sue Fry and Barbara Giddeon. About ten others arrived later in the meeting in time for the public hearing.

There was a short discussion of the minutes of the special meeting held June 29 to clarify there had been much discussion by the Board before a decision was made to present a bond issue in the November election. Mr. Blanc moved the minutes be approved. Ms. Redfern Seconded. Passed unanimously.

As a new Board member, Mr. Blanc asked whether the Board must approve paying the monthly bills. Mr. Kalberg explained the Board is not responsible for approving each individual expenditure, but it is responsible to see expenditures are maintained as budgeted. Mr. Blanc also asked about being able to qualify a vote for the record on various motions. As noted in the policy, this is permissible.

Mr. Stark presented Resolution 2000.07a for the Board's consideration. It pertains to the repair of the damage around the southern end of the South Fork diversion dam. This erosion damage resulted from flooding during the 1999-2000 winter and if not corrected will encourage further erosion during future flooding. The South fork supplies a critical need for drinking water to Corbett residents and further erosion will redirect stream flow around the diversion dam. The Army Corps of Engineers permit allows work in the creek only from July 15-September 15. This time frame limits when the bids may be sought, awarded and work completed. District Engineers Murray, Smith & Assoc. have devised a plan to correct the damage and prevent further damage in the future. The Division of State Lands will give a permit for the work. A problem could come from the possibility of Multnomah County requiring a flood hazard permit for \$4,000 which will require about \$4,000 for an engineer to perform a hydraulic analysis of the stream bed. The degree of erosion combined with the likelihood of further damage, and the limited time for the repairs constitutes an emergency that requires prompt action.

The contract will be valued at less than \$50,000 and will be awarded within less than 60 days. The Engineer will prepare documents and the District will solicit bids. The Resolution declares an emergency and is therefore exempted from the competitive bidding requirements of ORS 279.015(1). Mr. Kalberg moved the Board approve Resolution 2000.07a. Mr. Blanc seconded the motion. Passed unanimously.

Mr. Grover opened the meeting for audience comments pertaining to the old business the Board had just discussed.

Sue Fry asked about Corbett Water District getting a grant for the construction of the reservoir. She heard of a District that got a grant to put one in at no cost to the District through some program. Mr. Stark replied most programs are funded by low cost loans. Corbett Water District would have a difficult time meeting the criteria to qualify for any grant available and for overcoming the stiff competition.

Ms. Giddeon wondered if the South Fork Dam Project had been done according to the contract. She was advised it had been. She also wanted it noted in the record that while she commented at the regular June Board meeting she thought the Budget has been well done, she had since changed her mind because the last rate increase was to put money toward Capital Improvements and the Reservoir. No money was put aside for the Reservoir Fund in the current budget.

Mr. Redfern told the Board that as an employee and as a customer he would like the Board to consider other options than building a 3.2 million gallon reservoir at an estimated cost of \$2,950,000.

At 8:00 p.m. Mr. Grover closed the regular meeting to open a Public Hearing for the purpose of discussing a proposed water rate increase. Mr. Stark presented information relating rate structure in general (such as flat, minimum, inclining, declining), income requirements, rate increase options. He presented options for three proposals including one that would raise rates by 25% each year for the next four years for a total raise of about 144%, one that would raise rates each year by 25% from the current rate for the next four years which would raise rates a total of 100% over four years, and one that would raise rates by 25% this year and 10% for each on the next three years. He asked the Board to consider a built in cost of living increase for future years so the District would not get so far behind in its rate structure. He also suggested as rates increased the Board consider an option that would give low-income families some sort of adjustment. According to reports a minimum use for a family of four for a month is 5,000 gallons of water.

There was some discussion by the Board of his proposal. Mr. Blanc asked how Mr. Stark arrived at the priority list of projects for line replacement. Mr. Stark noted that some involved demand overload and some involved age in the ground.

Mr. Grover opened the meeting for public comment asking people to state their name and address the meeting.

Dave Mysinger asked what would happen after 2004 if the rates would have to be raised again. Mr. Stark stated that he hoped the inflation factor would be handled by a COL adjustment and the three options he prepared were to give some kind of revenue projection. Jack O'Neil asked whether current rates would cover some Capital Outlay Improvements. Roseanne Schwartz asked some questions regarding the water district since this was her first meeting. Mr. Kimbley asked about the 3.2 million gallon reservoir and the engineer's estimate of almost 3 million dollars. Mr. O'Neil asked if District personnel and equipment could construct or install some of the proposed projects. Mr. Stark replied that state law requires public bidding, prevailing wage, expensive special equipments, and more personnel – all of which would not be cost effective for the district. Jeff Klann wondered if the District could apply for any waivers that would exempt the District from some of the state laws. Mr. Stark replied not that he knew of. Rick Weaver thanked Mr. Stark for the work and perspective he put into the report and stated he felt Option No. 2 would be the best choice for the District. Gordon Fulks discussed water rates and projects he had been involved with in the Santa Barbara area of Southern California. He thought raising rates too much has a negative effect because people might seek water sources elsewhere like digging wells. He also commented many of the capital projects they completed were unnecessary and

very expensive. Mr. Freund questioned how both pipe laid in the 30's and the 70's could both be in need of repair because of age. Mr. Stark explained that his plan of pipe replacement covers 20 years and that while pipe in the 70's is only 30 years old now in 20 years it will be 50 years old and probably ready for replacement. He also questioned a lifeline rate for a family of four since in this area it would probably apply to the elderly and would more likely be 2 people in a household. Mr. Kimbley asked if the rate increase would allow the tax base to be removed. Mr. Stark replied that the District received nearly \$100,000 in tax base revenue. The rate increase does not include funds to replace this amount. Public comment concluded.

Mr. Kalberg advised the Board that the district can plan for needed work now or wait until there is an emergency and it is too late to meet demand. While he understands the need for future increases, he does not want to lock rate increases into the future years. This can look bad two ways – either too much was raised or too little. He believes the information is excellent, but prefers to take it on a year by year budget basis. Mr. Blanc agreed with Mr. Kalberg on the one year at a time basis. He would like a master plan update and for the district to figure out what the highest priority projects should be. Ms. Redfern, Mr. Schwartz and Mr. Grover all agreed with the yearly review and see what develops. Mr. Blanc moved the Board approve the proposed rate increase of 25% to meet budget requirements of the 2000-2001 adopted budget effective as of July 1, 2000. Mr. Kalberg seconded. Passed unanimously.

Mr. Stark asked the Board to approve the increase of the connection fees to cover actual costs of installing the various size meters. This is a small amount of the budget, but it is necessary that connections be increased to cover cost. If in the future land development increases, a system development charge can be assessed. Mr. Kalberg moved the connection fee schedule be increased as proposed effective August 1, 2000. Ms. Redfern seconded. Passed unanimously.

Mr. Stark presented information on the proposed 2.95 million dollar bond for the construction of a 3.2 million gallon reservoir. He explained the reservoir of pre-stressed concrete would add to a total of 850,000 gallons storage now. The District has been saving money for the reservoir since 1997 and currently has about \$325,000 to be used. It will supply approximately 5 days of average water use in and about 2 days of peak water use storage for the District. It will provide an additional chlorine contact buffer chamber between the District and customer. The current contact chamber is the clear well at the treatment plant. It will also be available for use during high turbidity. It will work with the filters and when water

is too turbid a valve will shut and the district will use stored water. Mr. Stark presented a contract requesting Richard Roberts of Preston Gates and Ellis to be hired as bond counsel. Mr. Roberts will handle the details presenting the bond issue, etc. Mr. Kalberg moved the Board sign the contract and accept the proposal as presented. Mr. Blanc seconded. This will allow the process to proceed and see if it passes or not. If the project does not cost as much as estimated, fewer bonds will be issued. The motion passed with Mr. Blanc, Mr. Kalberg, Mr. Schwartz and Mr. Grover voting in favor. Ms. Redfern abstained from voting.

Mr. Stark read Resolution No. 2000.07b into the record calling a special election to submit to the voters the question of contracting a general obligation bonded indebtedness in the amount of \$2,950,000 to construct and equip additional water storage facilities, improve the water treatment plant, make related improvements; and to pay all costs incidental thereto.

A special election is called for the purpose of submitting to the qualified voters of the District the question of contracting a general obligation bonded indebtedness in the name of the District in a sum not to exceed \$2,950,000. The bonds shall mature over a period of not more than 21 years.

The special election hereby called shall be held in the District on November 7, 2000. The election shall be conducted pursuant to ORS 254.465 et seq.;

The District Manager shall cause to be delivered to the Election Officer of Multnomah County, Oregon the attached Notice of Bond Election, not later than 61 days prior the election: and

The Election officer is requested to give the electorate of the District notice that the election shall be conducted by mail pursuant to Oregon law.

Mr. Kalberg moved the Board adopt Resolution 2000.07b as read. Mr. Blanc seconded. There was some discussion. Mr. Freund and Mr. Fulks asked questions concerning a pre-treatment reservoir. The motion passed with Mr. Blanc, Mr. Kalberg, Mr. Schwartz, and Mr. Grover in favor and Ms. Redfern abstained. Ms. Redfern qualified her position because she did not want to be responsible for putting such a debt on people in the community.

Mr. Grover called for the election of officers for the Board for the current fiscal year. Nominations were opened for chairman. Mr. Kalberg moved Mr. Grover be nominated as chairman. Mr. Blanc seconded. The motion passed with Mr. Blanc,

Mr. Kalberg, Ms. Redfern and Mr. Schwartz voting in favor and Mr. Grover voted against.

Mr. Blanc moved Sandra Redfern be retained as vice-chairman. Ms. Redfern declined the nomination. Ms. Redfern moved Mr. Blanc be vice-chairman. Mr. Kalberg seconded. The motion passed with Mr. Kalberg, Ms. Redfern, Mr. Schwartz and Mr. Grover voting in favor and Mr. Blanc abstained from voting.

Ms. Redfern nominated Ed. Kalberg as Secretary/Treasurer. Mr. Blanc seconded the nomination. Passed unanimously.

Mr. Grover asked if there were any other audience comments. Ms. Gideon referred to the 1998-1999 Budget Message suggesting borrowing funds to construct a 1 million gallon reservoir.

The meeting was adjourned at 11:00 p.m.