

**CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
July 16, 2019**

BOARD MEMBERS PRESENT: Sara Grigsby, Bob Gaughan, Fred Sanchez & Dan Graff. Jeff Hargens arrived at 6:37 p.m.

BOARD MEMBERS ABSENT: see note J.Hargens arrival above

STAFF PRESENT: District Manager Jeff Busto, Assistant District Clerk Lynda Ronell and District Clerk Gail Griffith

AUDIENCE MEMBERS: David Jacob, Malcolm Freund, Gordon Fulks and Jack Garrison

Secretary Bob Gaughan called the meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Sara Grigsby made a motion to approve the Agenda deleting the July 9, 2019 minutes for approval and adding Auditor letter of engagement as Item #1 in New Business. Fred Sanchez seconded, all were in favor, motion carried. *(4yes votes: S Grigsby, B Gaughan, F.Sanchez & D.Graff 0 no votes)*

APPROVAL OF THE MINUTES

JUNE 18, 2019 BUDGET HEARING & JUNE 18, 2019 REGULAR BOARD MEETING

Sara Grigsby made a motion to approve the June 18, 2019 Budget Hearing minutes and June 18, 2019 Regular Board Meeting minutes as presented. Dan Graff seconded, all were in favor, motion carried. *(4yes votes: S Grigsby, B Gaughan, F.Sanchez & D.Graff 0 no votes)*

TREASURERS REPORT JUNE 2019 *(Jeff Hargens arrived at this point in meeting 6:37 p.m.)*

Sara Grigsby addressed the Board. She gave a little background for the new Board members that she had been in the position for one year. Since it is the new fiscal year she reviewed some data points regarding the last year.

She stated that currently we fix leaks as they occur. We have installed new meters that potentially could increase revenue, but that is unknown at this time. We are contracting out more work. We have lost the Southfork partly because of the fire. We are considering a well. There are PERS liabilities and a loan which we are still paying. We are getting a sobering wake up call regarding our finances. Sara continued, we could be more strategic in what our short and long term expenses, risks and challenges could be. We need to think of how all of these things affect rates. It is possible that significant rate increases will happen but more discussion needs to take place. She continued that this year as treasurer she wants to get much clearer on the District's challenges and how they influence and get translated into our budget and taking these into account we need to be more bold and provide more education to the public on managing the gaps including the possibility of rate increases.

Sara Grigsby said she looked at the financial information provided this month and the District Clerk answered any questions she had.

Sara Grigsby made a motion the June 2019 Treasurers Report be approved as presented. Jeff Hargens asked Treasurer Grigsby if she reviewed the time cards for employees when she looking at payroll costs. Sara Grigsby said she does not look at the cards. Jeff Hargens stated that Personnel Services is something that needs to be watched to make sure it doesn't get out of "whack". Sara Grigsby said in the Report of Accounts, Personnel Services, she does review the information and tracks it with the budget. Fred Sanchez seconded the motion, all were in favor, motion carried. *(5 yes votes: S Grigsby, B Gaughan, F.Sanchez, D.Graff & J.Hargens 0 no votes)*

ADDITION AND DELETION OF CHECK SIGNERS

The Board reviewed the Wells Fargo signer amendment deleting former Board members Jack Garrison and Kevin Wilhelm and adding new Board members Fred Sanchez and Dan Graff. Jeff Busto will sign as the authorized signer to make the changes.

Jeff Hargens said the only check that requires two Board signatures is a payroll check at the end of the month. Jeff Hargens stated there is usually very short notice for the check. He asked if it is possible for the checks to be prepared a couple days in advance so there is more time to get signers. The District Clerk responded according to Board policy employees are paid on the last day of the month for that month unless the last day is a weekend day. Then we get paid on the Friday before the last day of the month. If payroll checks were prepared two days in advance than we would project payroll for those day. The District already projects payroll when we are paid on Friday and the end of the month is Sunday. Discussion of the current payroll system. The Board asked the District Clerk to review the information on payroll and prepare a proposal to possibly change the pay date.

Wells Fargo form to add and delete signers was signed.

WELL UPDATE

The District Clerk distributed information to the Board about base rates charged by other Water Districts, proposed post card for a public meeting on the well and proposed Agenda for the meeting.

Jeff Hargens addressed the Board members regarding the pre-application meeting on water rights with the Water master and Oregon Water Resources. The meeting was attended by Engineers Tim Shell and Chris Augustine, Dennis of Oregon Water Resources, Amy the State Water Master in our area, Jeff Hargens and Gail Griffith at the meeting and Sara Grigsby and Jeff Busto by phone. The concerns the District needs to look at are how the hydrology will affect any of the local streams. It will be up to the District to prove that the well will not affect surface water drainage from the streams. In the National Scenic area there is zero allowable affect of a well on surface water. Our engineers think that since we are going with a deep well (1,200') it should not affect the streams. The Water Master and Oregon Water Resources are in favor of doing a test or pilot well. There are no other wells in the area to prove that a well would not affect the streams. We have two choices a pilot well or drill the final well and use it as a pilot well. Pilot well would require a 6 to 8" casing. The final well would be a 12-16" casing. Sara Grigsby said her understanding was they look closely at the affects of the well on stream flow in a quarter mile radius and one mile radius. The Water Master said there is a feasibility grant that would pay for digging a test well. If you wait for the water right permit and do the feasibility study first it will give more flexibility for what you would go for in your water rights. Jeff Hargens said the grant is only a 50 percent match. The District Clerk noted that there is not full information but it may be that the grant does not cover construction, but rather just the engineering.

Dan Graff asked how they would figure out the impact on the flows in the streams. There was no complete answer for this question. More discussion.

Sara Grigsby noted they have 180 to 240 days by statute to respond when a water right request is filed. Water Resources said we should "give it a year". Sara continued that they would look at this well very carefully. Jeff Hargens said they also noted that a well for our situation would be a good idea.

Cost of a production well is approximately is \$700,000 for casing and drilling and \$400,000 for a pilot well. Tim Shell and Chris Augustine think we would find good water and should go with drilling the larger well to begin with. Short discussion of Aquifer Storage Recover (ASR).

Jack Garrison stated this is basically the same information that the District received a few years ago. The difference is the location and depth of the proposed well.

Jeff Busto noted the place we are considering now for the well is better than the previous locations discussed. The current location has three phase power, it is on the same side of the road as our main and there are pressure reducing stations close by.

Fred Sanchez asked what the cost of the land would be for the well. Jeff Hargens stated he and his wife are the owners of the land. He stated they are willing to give the District an easement to place a well on the property. Fred Sanchez said an attorney would be needed to complete paperwork for the easement.

The Board reviewed the handouts distributed. Jeff Hargens stated there are two more issues. First how will we approach paying for the well and the outreach meeting proposed on the 6th draft Agenda.

Jeff Hargens said that reviewing base rates for other Districts it appears Cascade Locks is close to ours and the others are higher. Short discussion on the water base rate handout. Discussion of rates.

Sara Grigsby said the tentative meeting on the 6th we need to get as many people as possible there. We need to get their concerns. We need to discuss why the well is important, this is what the challenge is, this is what it is going to cost, how will we pay for it and in what time frame.

Jeff Hargens stated we are looking at a 2 million dollar well and on the average customer the bill will go up \$10 per month.

Fred Sanchez stated he thinks what people will want to know is “why do we need it”. Do we have reports from hydrologists and experts. He continued that he is looking to the future and will someone ask if the Southfork is going to come back to life. We will not have growth out here due to zoning.

Dan Graff said his question is where would we go get more water in Corbett? There are no more reservoirs on the mountain and Southfork is drying up. What other creek or watershed could we go to. Would we buy it from Gresham? The cost of infrastructure would be astronomical. We will need a well somewhere at some point. Jeff Busto noted our system is gravity feed. We have no way to get water from another municipality. We would have to pump the water. We would have to put a new line in all the way up to the top of the district.

Sara Grigsby stated professionally she is a facilitator of meetings. The basic rule is before you ask for an agreement you first get a shared understanding. We are getting an shared understanding amongst ourselves and we need to make sure the community gets the same shared understanding. If we don't we will have a bunch of grumpy people.

Dan Graff said if the water rights and the project will take one to two years then we should be able to come up with the information such as the Southfork is dying , we have limited capacity and here are the options for water in the future. By the time we schedule a well driller we should be able to get information to the public.

The District Clerk noted that the original push for the August 6 meeting was the District Manager having surgery in August and the date of September 15 for the letter of intent for the loan. It appears the letter of intent is not that involved and could be completed. Is there a reason why the public meeting to discuss the well couldn't be pushed back so there could be more preparation.

Jeff Hargens said he didn't think we had to have the meeting in August. We need to remember Southfork is dying, if we had a fire in our watershed it would be devastating. 90% of the community lives in the Sandy River basin and cannot drill a well. What will we do for water? Property values would plummet. Dan Graff agreed if you do not have water you have no community. Jeff Hargens said our only resource is to drill a well and sooner rather than later because we don't own our watershed and we can't control the logging in the watershed. Dan Graff said saying that would convince people.

Sara Grigsby suggested we push the public meeting to September. We can still move ahead with the letter of intent and come up with our information for the meeting. Jeff Hargens agreed waiting is a good idea.

Bob Gaughan commented he doesn't disagree with drilling a well. He is concerned about the money and how we will pay for it. He said a rate increase would be more fair than a base rate increase.

The District Clerk suggested the Board members review the “draft Agenda”. We need to get an outline of what would be the presentation. We would need, what’s our water source, how it has changed, our storage facilities, looking at the future. Options of where else could we get water like Gresham and the cost. Pictures of Southfork through the years and how it looks now. Sara Grigsby asked that the Board receive a copy of the draft agenda and each Board member send their input to the office to compile and have something for the August meeting. Jeff Hargens agreed we can discuss the information at the August Board meeting and then come up with a date for the public meeting. Dan Graff said we need as much information for the public as we can compile. They will make up their own minds.

Jack Garrison said someone will ask the question as to why the Water District has never asked their customers to conserve water. There are rules about discussing rate increases.

OUTREACH EDUCATION PROGRAM

Jeff Busto reported we had 14 people take the tour of the Treatment Plant and the headworks on Saturday July 13, 2019. There were many positive comments. Jeff Hargens said he agreed it was a very positive experience. Malcolm Freund agreed it was a good tour. Discussion of another tour. Sara Grigsby took pictures and those will be posted on the Water District website.

AUDITOR LETTER OF ENGAGEMENT FOR FISCAL YEAR 2019-2020

Jeff Hargens made a motion to accept the letter of engagement with Richard Winkel for the Fiscal Year 2019-2020. Bob Gaughan seconded, all were in favor, motion carried. *(5 yes votes: S Grigsby, B Gaughan, F.Sanchez, D.Graff & J.Hargens 0 no votes)*

MANAGERS REPORT

The Board received a copy of the report in their Board packets. A copy of the report is attached to these minutes. The District Manager read the report aloud.

Fred Sanchez asked how often the Filter Ponds are cleaned. Jeff Busto responded a minimum of annually and a maximum of every six months.

There were no meters replaced in the last month due to staffing problem. Jeff Busto said he thought all of the 5/8 x 3/4 meters should be done before he goes in for surgery.

PUBLIC COMMENTS

Gordon Fulks said he liked Sara Grigsby’s comments during the Treasurers report. He asked about the Master Plan which says what needs to be done physically as well as financially. What are the deferred maintenance costs, PERS costs and the well cost all together. He would like the full picture. Sara Grigsby said we need to know what our challenges and needs are and what the costs are.

Master Plan was done in 2005 and is valid for 20 years. We are due for another in 2025. David Jacob said he could prepare a proposal to complete the next master plan for Corbett Water.

Discussion of the transmission lines. Jeff Busto said this Fall we will do a water audit which will give us the percentage of loss.

BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER

ADJOURNMENT OF THE MEETING

Jeff Hargens made a motion to adjourn the meeting at 8:30 p.m. Dan Graff seconded the motion, all were in favor, motion carried. *(5 yes votes: S Grigsby, B Gaughan, F.Sanchez, D.Graff & J.Hargens 0 no votes)*