

MINUTES

AUGUST 14, 2001

Corbett Water District Regular Monthly Water Board Meeting

Chairman Ed Kalberg called the meeting to order at 7:30 p.m. Board members, Ken Blanc, Steve Wilson, Henry Schwartz and Jeff Grover were present. Also present were Superintendent Randy Stark and District Clerk Kathie Cicerich.

Guests present: Barb Adams, Gordon Fulks and Dave Mysinger.

APPROVAL OF MINUTES

Steve Wilson moved the minutes of the Board meeting on July 10th, 2001 be approved. Ken Blanc seconded the motion. Board members Jeff Grover, Steve Wilson, Ken Blanc, Henry Schwartz and Ed Kalberg voted for the motion. Passed unanimously.

FINANCIAL REPORT REVIEW

Kathie Cicerich briefed the Board on the July 2001 and the updated June 2001 monthly financial reports. A new financial report design was presented to the Board for their review and comment. This new report has all the information as the old format but is generated from QuickBooks and not hand typed. There is less room for error. After much discussion the Board settled on the new computer generated financial report. Also, members of the Board chose not to have the Transaction Detail by Account report included in their packets. This will reduce the amount of paper used.

GUIDELINES REGARDING AUDIENCE COMMENTS AT BOARD MEETINGS

Chairman Ed Kalberg read into the record the new guidelines regarding audience comments at Board meetings. Steve Wilson commented the new guidelines are fair and workable. Ken Blanc, Jeff Grover and Henry Schwartz all agreed.

Audience member Barb Adams (34444 SE Kimbley Rd, Corbett, Oregon 97019) asked if an audience member could pose a question if clarification is needed during the two-minute rule. Chairman Ed Kalberg stated a question from the audience would be considered rhetorical but it would be up to Board members if they want to reply to a question. There was some discussion. Mr. Fulks (28812 E Woodard Rd, Troutdale, Oregon 97060) suggested the audience be provided sufficient information so they understand what the Board is discussing.

AUDIENCE COMMENTS RELATING TO ITEMS NOT ON THE AGENDA

None

BARB ADAMS - RESERVOIR

Barb Adams said there is a group of people who get together and discuss water issues in the District. At their last meeting they discussed reservoir size, chlorine treatment and wells. The discussion group is in favor of a new reservoir between 500,000 and a 1 million gallon tank. The group would like to explore the possibility of a back up well. Barb Adams said Doug Geller is willing to volunteer some time to explore a back-up well if the Board wishes to take a look at wells. If there were a fire in the watershed a well would be a good back up. Mr. Grover asked Barb to find out from Mr. Geller how a well would be powered. Steve Wilson sees a well as an alternative to a really big reservoir. Mr. Wilson suggested if Mr. Geller wanted to put together a written brief describing his ideas and costs for a well that the Board review it.

Mr. Kalberg stated since there is a group of people already set up, the Board could run them as an ad-hoc committee. At each Board meeting a representative from the ad-hoc committee would report to the board on their discussions and findings. The committee would be established by the Board to investigate options relating to a new reservoir. When the reservoir is done the committee dissolves. Further discussion regarding an ad-hoc committee will be discussed at the September 11, 2001 Board meeting.

Under audience comments, Mr. Fulks stated Mr. Geller talked about using a diesel generator for a well if power were not available. Also the cost for well exploration would cost \$30,000. The cost to put in a production well is \$300,000 or maybe \$200,000 per Mr. Fulks.

RESERVOIR

Mr. Stark met with Art Arroyo of Bureau of Land Management (BLM) in July 2001 to discuss leasing of additional property at the treatment plant site. Mr. Arroyo's primary concern was if the District had funding available. BLM wants to be absolutely certain the property is used for the purpose the District has stated. Without funding, BLM will not lease additional property to the District. The District needs to submit an application and a plan of development to BLM so they can review it for environmental issues. After BLM receives the application they

will then develop an Environmental Impact Statement (EIS). The application and recommendation will go out for a 45-day public comment period.

Repetto & Associates, Inc. surveyed the property on August 10, 2001. Once the survey is received it will become part of the plan of development.

There are two financing options the District can use to fund a new reservoir with lower interest rates compared to a general obligation bond. The first program is a State Revolving Loan Fund (SRLF) and the second is a loan through the Oregon Bond Bank (OBB). With the SRLF the interest rate is currently 4.2% and the loan period cannot exceed twenty years. The OBB's current interest rate is 5% and is not to exceed twenty-five years. There was some discussion.

Mr. Kalberg put together a three-page cost/debt analysis for the Board. The worksheets compare three different size reservoirs and costs at 4.2% for 20 years and 5% for 25 years. There was some discussion regarding estimated and actual costs for building a new reservoir. Mr. Wilson would like a more detailed breakdown of the cost from the District's Engineer at the September 2001 board meeting.

Under audience comments, Barb Adams agreed that a more detailed breakdown for the cost of a reservoir is needed. In building a new reservoir, Mr. Fulks would like to know the actual cost for an individual customer.

MAIL SURVEY WITH REGARDS TO FINANCING A NEW RESERVOIR

Of the 1030 surveys mailed out to the District's customers, 116 were returned. Mr. Stark read aloud the questions on the survey and gave the percentages of the different answers submitted. Based on the survey results, the majority wants to build a pre-stressed concrete tank, they want to borrow the money and pay back the loan through water rates at \$10.00 or less a month.

Under audience comments, Barb Adams said the survey is not a true reflection of the majority of the District, but only shows answers from 116 customers. Mr. Fulks said he was very disappointed in the survey because it didn't provide any reasonable alternatives. Discussion followed.

WATER RIGHTS CERTIFICATION

The Oregon Water Resource Department (OWRD) requires municipalities to make up a Water Management Conservation plan in order to renew water rights permits. This is an expensive document. Mr. Stark in talking with OWRD learned the District might be able to prove-up on its water rights. The District would need to hire a registered water rights examiner, which Murray, Smith & Associates employs. The cost to create a certification application is approximately \$5,000 and \$7,000. Mr. Stark will put together a request for proposal and send out to registered examiners to bid on. Mr. Wilson suggested the District look at a few other registered water rights examiners that might be lower in cost and is willing to make some phone calls to get a few other quotes. Mr. Wilson will be put on the agenda next month regarding water rights examiners.

BOARD DISCUSSION ON RESERVOIR SIZE AND TYPE

Steve Wilson said the District should build nothing more than a half million-gallon reservoir. Build it next year at the treatment plant site with the money already saved. It would be constructed with conventional re-enforced concrete, not pre-stressed.

Mr. Grover would like the District to build a one million-gallon pre-stressed concrete reservoir on BLM site #3. A three million gallon tank is too much money for the community to bear. Mr. Grover stated a one million gallon tank would supply the 3-day storage as required by the health department. Using a revolving loan fund or the bond bank would be acceptable as stated per Mr. Grover. Discussion followed.

Jeff Grover made a motion to hold the November 2001 Board meeting in the school board meeting room. This meeting would be a public forum regarding the Water District reservoir system improvements. Ken Blanc seconded the motion. Discussed followed. Under audience comments, Mr. Fulks expressed concern for a level of due diligence. Can the options the Board selects really work? Barb Adams commented the Board already has enough information to make a decision on a reservoir. No Board members voted for the motion. Board member voting against the motion were Ken Blanc, Henry Schwartz, Steve Wilson, Jeff Grover and Ed Kalberg. Motion failed. At the September 11, 2001 meeting, the Board will discuss the main criteria/options relating to water storage.

SOURCE WATER PROTECTION

Oregon Health Division (OHD) and the Department of Environmental Quality (DEQ) were required to assess the source water protection and in doing so compiled an assessment report for the District. OHD & DEQ gave the District the option to use the report or not.

US BANK SIGNATURE CARD

Steve Wilson signed a new bank signature card because he is the new Board Treasurer.

NATURAL RESOURCE ACADEMY - JOB CORP METER

Reynolds School District has leased the old forest building and re-named it "Natural Resource Academy". In order for classes to be held there, the building needs to be brought up to fire codes. Sprinkler systems throughout the buildings need to be installed and adequate hydrant protection is needed. Currently a four-inch OD main serves the facility, which is not adequate for the water flow they need. Reynolds District Engineer wants an eight-inch water main to serve the building and has asked Randy Stark what needs to be done to make it happen. Reynolds School District will pay for the project if it happens.

Ken Blanc moved the meeting be adjourned. Steve Wilson seconded the motion. Board members voting for the motion were Henry Schwartz, Jeff Grover, Ed Kalberg, Ken Blanc and Steve Wilson. Meeting adjourned at 10:30 pm.