

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, August 16, 2005

Corbett, Oregon

Attachments: Financial Reports 4 pages

Manager's Report 3 pages

Parens indicate additions by

Secretary/Treasurer for clarity and fullness

Commissioners Present: Malcolm Freund, Robert Gaughan, Lee Wyatt, Bob Colclessler, and Marion Kirkham.

Also present was District Manager Frank Sterzinar.

Audience Members Present: Janet Helus, Dan Marsh, Dave Mysinger, and Ed Kalberg.

Chairman Freund called the meeting to order at 7:00 p.m. at the Corbett Fire Station.

Review / Approve Agenda.

Commissioner Freund added 'Items for Board Consideration' to the agenda.

Commissioner Colclessler moved to approve the agenda as amended. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Approval of the Minutes.

Commissioners Freund and Colclessler both corrected grammatical errors. Commissioner Wyatt added the following sentence to page three, paragraph three, "The Board commented on the excellent work the District staff had done and the contribution of Committee member Barbara Stasbaugh." She also added the following to the same paragraph, "to continue working closely with Z Marsh."

Commissioner Colclessler moved to approve the July 19th minutes as amended. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

Commissioner Wyatt moved to approve the July 26th minutes as presented. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Financial Report.

Frank Sterzinar went over with the Board the financial information. He commented that the high phone bill was due to Clackamas Construction using the telephone at the Treatment Plant to make long distance calls. Frank has already taken care of this matter (by requesting Clackamas Construction to reimburse the District for the calls and by unhooking the phone). Commissioner Wyatt questioned why payroll checks were listed as 'liability.' Jamie said that they were checks that were held for employee checks and that are paid on behalf of the employees to the IRS and the Oregon Department of Revenue.

District Manager Work Report.

The District Manager reviewed the following information with the Board:

Loudon Reservoir: (As part of repairs to other parts of the system, the Loudon Reservoir has been subject to greater water demand than usual.) The resulting high water use emptied the tank on Loudon in less than four hours. As a quick measure to correct the problem, Frank and Zac Bertz opened a gate valve to fill the tank. Some additional concern about the altitude valves on Loudon came to light: the altitude valve was installed in 1982 but the controls that must be used to initiate the valve's use had not ever been set. The factory grease and paid marks were still apparent. Frank has now set the valve, but because it was off-line for so long, the spring broke and the valve blew apart. Fran will repair the valve when the Reservoir was empty and the crew had an opportunity to delve inside for an inspection, the status of the interior of the tank was found to be in bad shape. Frank said the condition of the tank is similar to the state Reservoir 4 had been in and will require repair work equal to the repair work performed last year on Reservoir No. 4.

South Fork: (The South Fork intake area had been experiencing erosion damage to the intake structures.) Repairs to these at the South Fork have now been completed with an estimated total cost from Frank to be between \$15,000 and \$16,000. (Part of this cost involved a change in plans on how to solve the South Fork intake problems in a more long terms manner.) Instead of simply pouring concrete (as a stop-gap and eventually unsuccessful fix), Frank contacted Russ Lawrence, a stream specialist, and together they realigned the stream path to repair prior damage and to stop the erosion from occurring again. The repairs work with the flow of water instead of trying to work against it. Department of Fish and Wildlife was also present during the repair.

Distribution System: Leaks were repaired on Mershon, Woodard (where the pipe was so bad that the repair started leaking again), Smith, and Christensen roads. A leak was also fixed on the North Fork intake road. System-wide water loss is down to 37%, which is a 2% decrease from last month. Frank let the Board know of a rising concern over the District's supply of water. The North Fork water flow this time last year was 25 cubic feet per second and currently it is only 10. (At the same time, there is a substantial increase in water usage): Treatment Plant outflow last year was 720 gallons per minute and currently is up to 921 gpm.

Treatment Plant Upgrade Phase II: Frank Sterzinar said Clackamas Construction had not cleaned the filter tank before they had filled the tank, making the water unusable. (Frank expressed frustration at not being able to use the water and at having to watch it being essentially dumped by Clackamas Construction.) He has spoken to Clackamas Construction to make sure that if the tank has to be drained again as part of the building process, that water will be put to better use. Of a greater concern was the water leak testing done recently to see how the tank would hold up to being filled. Frank estimated that there were at least 56 leaks in the new filter pond. Frank also reported, though, that Clackamas Construction has already accepted responsibility and will bear the financial cost for all work required to make the structure water tight.

Commissioner Wyatt questioned the repairs that will be needed to bring the filter tank to a 'substantial compliance' level. Frank said Brian Lee had seen the leaks, along with a third party specialist (chosen by Brian Lee as part of the construction process even before this issue with the leaks). Frank is comfortable with the independence and competence of the third party. Commissioner Wyatt asked if additional protection was needed for some unforeseen and unexpected failure of the tank. Frank said there was not a concern that the structure itself would fail. He explained that, the leaks concern the bolt holdings which will need to have epoxy injected into them to make the bolt holdings water tight. Commissioner Wyatt questioned how permanent these repairs would be. Frank replied that the epoxy would be the same type of material used for the Mershon Reservoir, which should last as long as the concrete (somewhere in the range 50 years).

Chairman Freund asked if it was normal for a structure like this to have leaks, and if it was normal, then was the quantity of leaks abnormal. Frank said leaks could be considered normal, but Clackamas Construction had not expected so many.

Commissioner Wyatt questioned what caused the leaks in the structure of the tank and if there might be some connection to proper procedures for pouring concrete being followed. Frank confirmed that all the proper materials had been used, but that in his opinion, Clackamas Construction had not ‘vibrated’ the concrete enough. He explained that vibrating the concrete allows for the concrete to settle between the rebar, which, in turn, allows for proper aggregate settlement. Frank had expressed his concerns with Tom Hatchel who then raised this concern with Clackamas Construction. Clackamas Construction’s response was that they, believe that they, of course, are the most knowledgeable about pouring concrete. Commissioner Wyatt asked Frank if he could ensure that the vibration issue continues to be raised. Frank said he will also review Mr. Hatchel’s finding’s on the tank’s progression given that Mr. Hatchel has been inspecting the construction work. Frank added that Mr. Hatchel, Mike Warren, and Brian Lee (all from Lee Engineering) have raised the vibration issue to Clackamas Construction.

Community member Dan Marsh asked if Frank had any other concerns with the pond, other then leaks in the bolt holes. Frank confirmed again that, there did not appear to be any cracking or other structural failure.

Returned Check Fee.

Chairman Freund read Ordinance No. 2005.06.01 to the Board.

Commissioner Wyatt moved to approve Ordinance No. 2005.06.01, having had a first, second and final reading. Motion seconded by Gaughan. There was no public comment. Motion passed unanimously.

(The Board has since determined that the proper procedure for adopting an ordinance must be begun again to ensure adoption of the Returned Check Fee is done correctly.)

Auditor Update.

Frank secured three quotes to obtain an auditor. Dennis Conner, last year’s auditor, came in at the lowest bid amount at \$4,200, while the others were between \$7,500 and \$8,500 per year. The Board discussed meeting with the auditors to obtain more information.

Chairman Freund asked if the auditors would be doing more work for the District than the prior auditor had done. Frank said that each auditor had received a copy of last year’s audit and the rates had been based on the contents of Dennis’s audit. Commissioner Wyatt indicated she would like to look at each auditor’s representative clients to understand their experience and background with the kinds of accounts and issues faced by the District. Commissioners Freund and Wyatt agreed to both meet with each auditor to get a better understanding of their experience, abilities and services.

Update From the Contract Inventory Board Committee.

Commissioner Wyatt asked if Barbara Strasbaugh had been contacted to confirm if she is willing to continue the monumental task of organizing the District’s contract and project files. Chairman Freund indicated he understood Barbara would continue to volunteer her time to the project. No committee meetings had been held in the past month due to scheduling conflicts of the committee members.

Public Comment on Items Not Listed on the Agenda.

Community member Janet Helus asked about the possibility of a workshop for the draft policy. Chairman Freund referred her to the next agenda item.

Items for Board Consideration.

Chairman Freund confirmed a workshop for the Board and Policy Committee should be scheduled to discuss the draft Policy and Procedure Manual. He said that because the forum would be workshop of the Board and Committee, the public was welcome to attend the Workshop, there could be no public participation. The Board agreed to hold a Workshop on September 1st at 7:00 pm for approximately two hours. Community member Ms. Helus questioned when the public would have an opportunity to comment. Chairman Freund responded that, just as with the School Board Meetings with which Ms. Helus is familiar with, 'Items for Board Consideration' are not a time for public comment.

Chairman Freund requested a status report confirming that the District's insurance coverage was appropriate. Frank indicated he is waiting on a quote from the District's insurance agent, Todd Yost. Frank confirmed that, in the interim, he had instructed Mr. Yost to add Reservoir No. 6 to the policy.

Chairman Freund raised the issue of employee retirement plans. Frank has contacted three companies to make presentations to the District's employees about 403B retirement plans. A 403B plan would replace the current PERS plan at the employee's option. A 403B benefits the District because it reduces the District's cost and allows the employees flexibility. Commissioner Wyatt asked if she could be present during those presentations. Frank indicated he expected that she could and would let her know the dates.

Commissioner Gaughan asked about employee education cost in light of a request from Zac Bertz. Commissioner Wyatt then read parts of a letter from Zac Bertz requesting reimbursements for water District related education courses he planned to take at Mt. Hood Community College. Frank confirmed the educational reimbursement pertained to Zac's area of work for the District. Commissioner Gaughan said he would be in favor of a policy that required a certificate of completion from an employee, and if the program was not completed, the employee would have to repay the District's reimbursement amount in full.

Chairman Freund commented that usually scholarships are not cash given up front, but reimbursement of expenses after the student was enrolled in a program. Commissioner Colclessler brought up the possibility of the expense being paid directly to the College.

Commissioner Kirkham then moved that the District reimburse Zac for his college tuition as stated in Zac's letter to the Board. Motion seconded by Commissioner Gaughan.

Commissioner Wyatt raised concern of setting a precedent without policy. She raised the issue of at least setting a cap on employee education reimbursements. Chairman Freund added that such policy should also require that the availability for such reimbursement be conditioned on the District having the funds available. Commissioner Wyatt asked if there was guidance from the current or draft Policy Manuals. No one remembered how either dealt with the issue.

Chairman Freund called for a vote. Motion failed unanimously. The Board confirmed their commitment to continuing to discuss and form a policy on employee education reimbursements. The Board also asked Frank to convey to Zac the Board's regret and their desire that Zac re-submit his request when the Board had a policy it could follow.

Chairman Freund adjourned the meeting at 10:00 p.m.