

**CORBETT WATER DISTRICT
REGULAR MEETING OF THE BOARD
Written Summary
August 17, 2010**

Board members present: Jeff Hargens, Victor Schmidt, Sonny Boyd, Robert Gaughan, Robert Churnside.

Staff present: Shanti Kraai.

Audience members present: No audience members present.

Chairman **Jeff Hargens** called the meeting to order at 6:35 p.m.

APPROVAL OF THE AGENDA

Victor Schmidt would like to add a discussion on the treatment plant control systems as item 6a. **Robert Gaughan** made a motion to approve the agenda as modified, **Sonny Boyd** seconded, passed unanimously.

APPROVAL OF THE MINUTES

Jeff Hargens made a motion to approve the minutes of July 20, 2010 as written, **Sonny Boyd** seconded, passed unanimously.

3860-00 CREDIT

This customer's case was reviewed at three prior board meetings. During all prior meetings it was decided that a credit to this customers account can be used, however no cash refund shall be issued. **Jeff Hargens** stated this customer shall not be allowed to be put back on the agenda unless they attend a meeting and state their case, at which time the board can make a decision to place them on an agenda for a future meeting.

PACE ENGINEERS: PROJECT UPDATES

Hydro Generation: **Brian Lee** states that before we can apply for the BETC credit we will need to find out if the treatment plant site will be eligible. It may not qualify for the credit due to the location on federal land. Without BETC the payback for the location at the treatment plant would be around 20 years. We may have to look at using other sites instead. Once we find out if the treatment plant site is eligible, we can continue with the application process.

Reservoir 2: **Brian Lee** states that the inside of reservoir 2 is completed and has already been painted. He states that the exterior concrete is pitted, which was not originally known. He states the contractor may have to put in a change of order for up to \$2,000 for this change. Due to valve issues, the yard piping plans have had to be changed numerous times. He states that due to the valve changes, the contractor is requesting a three week extension. The District will have to pay a \$500 completion penalty per day after 45 days from the beginning of the construction project. **Jeff Hargens** called James Jans and put the conversation on speaker phone. **James Jans** states

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PACE ENGINEERS: PROJECT UPDATES - Reservoir 2 - (Cont.)

that the valve parts are not that hard to find and he does not feel that it should take more than a two week extension to complete the project. **Brian Lee** states that the spools that are harder to find since they have to be custom made. **Jeff Hargens** informed Brian Lee that the board approves a no cost change order for a two week extension. Pace Engineers is charging an extra \$3,388 for engineering services on Reservoir 2. This will place the engineering fees at 21.36% of the construction cost. **Brian Lee** said that he has tried to keep the engineering fees as low as possible and even gave the District an hourly price break. He states that there were extra site visits due to unforeseen circumstances, such as coal tar lining the bottom of the reservoir, as well as yard piping detail changes. He states that 20% of construction costs for engineering fees are simply an average and some circumstances require going over this average cost. **Jeff Hargens** says he does not feel comfortable approving the extra fees until he speaks with the District Manager.

TREATMENT PLANT CONTROL SYSTEM

Jeff Hargens informed Victor Schmidt that the following report needs to be presented to the District Manager for discussion since he is not present. Victor Schmidt distributed a preliminary review sheet to the board of directors. He states that the automatic mode on page one of the telemetry controls has been eliminated. **Brian Lee** said he is not sure that it is fully function, and it has been modified by prior employees. It is slowly being configured by Pace Engineers and the District Manager. The chlorine injector has been upgraded within the last couple of months. The District determined that an auto feeder would not be cost efficient since the hopper would require the soda ash to be delivered in one ton containers, as well as the need for hot water for mixing. The water level monitoring is working for the updated filter pond #2. **Brian Lee** states that Mcrometer meters are installed at filter pond #1 and #3, which are currently outdated. Please see the attached preliminary review sheet.

RESOLUTION 2010.08.01: AUTHORIZATION OF NEW BANK ACCOUNT

Jeff Hargens read aloud resolution 2010.08.01, authorization of new bank account. This resolution authorizes the opening of a money market account with Northwest Credit Union, with an opening balance of \$30,000. The resolution was signed by all members of the board.

RESOLUTION 2010.08.02: INTANGIBLE ASSET POLICY

Jeff Hargens read aloud resolution 2010.08.02. This resolution will improve how intangible assets are recorded, recognized, and reflected in the general purpose financial statements. It also sets a limit that items under \$3,000 will not be amortized. The resolution was signed by all members of the board.

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RESOLUTION 2010.08.03: CAPITAL ASSET POLICY

Jeff Hargens read aloud resolution 2010.08.03. This resolution will comply with the need to be consistent with the current auditing standards in how capital assets are recorded, recognized, and reflected in the general purpose financial statements. It also sets a limit that items under \$2,500 will not be amortized. The resolution was signed by all members of the board.

RESOLUTION 2010.08.04: CHECK SIGNERS

Jeff Hargens read aloud resolution 2010.08.04. This resolution states that the elected officers of the board are authorized check signers, however if the need arises the board can approve a commissioner to be an authorized check signer. The resolution was signed by all members of the board.

MONTHLY REPORTS

Secretary/Treasurer Financial Reports: Sonny Boyd would like to know what the purchase of the key repair kit from EJ Brooks was for, as well as the purchase of 12 awg wire from Rexel. **Shanti Kraai** states she will speak with the District Manager regarding these purchases and inform Sonny Boyd via email with the information of these items. **Victor Schmidt** would like a list of current project costs to be included in the board packets.

Managers Report: The District will soon begin the Siedl Rd. main replacement project. Since the District Manager was not present at this meeting due to a mechanical breakdown of his transmission in The Dalles, a more thorough manager's report will be included in the next board packet.

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA

No public comments.

UNFINISHED ITEMS FOR BOARD CONSIDERATION

Sonny Boyd would like to receive a comparison of engineering fees versus total project cost on the previous construction projects similar to Reservoir 2.

Robert Gaughan made a motion to adjourn the meeting, **Robert Churnside** seconded, passed unanimously. Meeting adjourned at 7:50 p.m.