

**CORBETT WATER DISTRICT
REGULAR MEETING OF THE BOARD
Written Summary
August 20, 2013**

Board members present: Robert Gaughan, Sonny Boyd, Robert Churnside, Kevin Wilhelm, Jeff Hargens (arrived at 6:38 p.m.)

Staff present: James Jans, Shanti Burns.

Audience members present: Robert Colclessor, Malcolm Freund, Gordon Fulks, Carnetta Boyd, David Jacob, Nicholas Ray, Hans Rathjen, Zachary Bertz, Paul Rodgers, Leann Hamilton, Leland King, Pepe Garcia, Lori Winger, Lori Puclik, Linda Ray, Paula Grangberg, Patrick Oldright (arrived at 6:38 p.m.), Louis Chartrand (arrived at 6:39 p.m.), Susan Richard (arrived at 6:39 p.m.), Dave Toby (arrived at 6:57 p.m.), Dan Graff (arrived at 7:19 p.m.)

Vice chairman **Robert Gaughan** called the meeting to order at 6:32 p.m.

APPROVAL OF THE AGENDA

Sonny Boyd made a motion to approve the agenda, **Robert Churnside** seconded, passed unanimously.

APPROVAL OF THE MINUTES

Sonny Boyd made a motion to approve the minutes of July 16, 2013 as written, **Robert Churnside** seconded, passed unanimously.

LEAK ADJUSTMENTS

8800-00: This customer's case was viewed as a hardship due to the large quantity of water used during the leak. It was noted that the customer repaired the leak promptly. **Sonny Boyd** made a motion to adjust the May/June 2013 billing cycle to the six month average prior to the leak, 11 units, **Robert Churnside** seconded, passed unanimously.

SOUTH FORK DISCUSSION

Brian Lee from Pace Engineers was unable to attend the meeting. **James Jans** distributed Pace Engineers' written progress report for the South Fork fish passage project. **James Jans** states the Oregon Watershed Enhancement Board (OWEB) informed us that no funding is available since the project is a requirement from another governmental agency.

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MONTHLY REPORTS

Secretary/Treasurer Financial Reports: Sonny Boyd questioned the payment made for two child support cases. **Shanti Burns** informed him that we are required to pay the child support office directly for two employees child support obligations, and the amounts have been deducted from the employees paychecks.

Sonny Boyd asked how the pressure reducing station will affect the customer that has an irrigation line on Evans Road. **James Jans** informed him that the customer's pressure has been reduced from 210 psi to 180 psi, leaving sufficient pressure for irrigation.

Sonny Boyd inquired as to the purchase of the Cla-val from GC Systems. **James Jans** states this is for the Evans Road PRV station installed in the barn at the District office. **Sonny Boyd** asked if it was legal to have a PRV station installed above ground and not in a vault. **James Jans** informed him that it follows code and will eliminate the need for a confined space.

Sonny Boyd said the LGIP statement beginning balance did not match the QuickBooks report beginning balance. **Shanti Burns** informed him that the QuickBooks report begins at February 2013 in order to show the previous six months history, and the LGIP statement only reflects the July 2013 transactions, therefore the beginning balances do not match. She instructed him to look at the QuickBooks report as of July 1, 2013 in order to see the beginning balance that matches the LGIP statement.

Sonny Boyd made a motion to approve the financial reports as presented, **Kevin Wilhelm** seconded, passed unanimously.

Manager's Report: District Manager **James Jans** read as follows:

Distribution: We have installed approximately 1,500 feet of 6" pipe under the power lines near Hurt Road. Next year we will be heading down the hill with 8" DI pipe and spend a couple of years replacing the main transmission pipe back to Corbett High School.

We will be finishing the installation project on Littlepage later this week and only have one water service to tie over. We have installed 896 feet, 90% of the 1,000 foot replacement of 6" steel with an 8" C-900 main on this section of Littlepage Road. This project allows the District to have two six inch mains coming down Loudon and Littlepage in order to feed the lower section of the District with an 8" water main per our Water Master Plan. We were slowed down a bit with the 200 pair and fiber optic phone lines that zigzagged across our ditch most of the way. The Boil order sample came back "absent" for this tie in.

Meyers Lane is getting the brush and trees removed and we will install 630 feet of 4" C-900 PVC from Benfield Road to replace the old 1.5" steel line that now ties into the 4" PVC main further down the road in the next couple of weeks. We may be starting the Hurlburt section just below SE Kimbley to tie into last year's 8" pipe replacement project later this month.

Office: The office received \$2,807.35 from Visa, \$255.33 from M/C and \$41.75 from Discover Card last month, for a total of \$18,772.19 gross reportable sales year to date in 2013. We have finished upgrading the two desks in the front office.

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MONTHLY REPORTS - Manager's Report - (Cont.)

Treatment Plant: The new Accu Tab unit has been installed.

Daryl from Taurus Controls has been working on the RSView32 system and we can now run the Cla-val in the automatic position. Daryl still needs to do a bit more work so we can run chemical pump 101 and 102 during the automatic process. All three filter ponds have been cleaned and are ready for the summer season. New pressure transducers have been installed for the level indicators for filter ponds 1 and 3. These two ponds have never had level indicators in the past, so when filter pond 2 would be down for cleaning or repairs we would have no idea what the levels were in the other two ponds. Next, we will be working on flow meters for each of the three ponds.

Hydro & FERC: FERC has requested additional information for our application filed on May 14, 2013. The letter reads as listed below:

“A list of deficiencies is enclosed as Schedule A. Under section 16.9(b) (2) of the regulations, you have 90 days from the date of this letter to correct the deficiencies in your application. We also identified additional information that is needed to adequately assess project-related effects on environmental resources. You have 120 days from the date of this letter to provide the information that we request in the enclosed Schedule B under section 5.21 of the Commission’s regulations.

No resource agency, Indian tribe, or interested person requested additional scientific studies during public notice of the tendering of your application, which ended July 15, 2013.

Project No. 14322-001

SCHEDULE A

DEFICIENCIES

1. Per section 4.61(c) (1) (x) of the Commission’s regulations, please provide the estimated capital cost and annual operation and maintenance cost for the proposed fish passage facilities.
2. Per sections 4.39, 4.41(g), and 4.41(h) of the Commission’s regulations, please provide general design drawings for the proposed fish passage facilities.

20130801-3014 FERC PDF (Unofficial) 08/01/2013

SCHEDULE B

ADDITIONAL INFORMATION REQUEST

In your final license application, you propose to divert flow at existing diversion dams on the North Fork and South Fork of Gordon Creek to 10-inch-diameter buried pipelines that convey flow to a powerhouse located at the existing Corbett Water District water treatment plant. To enhance aquatic habitat in the project area and fulfill an existing fish passage agreement with the Oregon Department of Fish and Wildlife (Oregon DFW), your proposed action includes proposals to install a fish screen and remove the diversion dam at the existing South Fork intake in 2015. You also propose to provide upstream fish passage at the existing North Fork intake and diversion dam no later than 5 years after you receive a state water right certificate for the project.

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MONTHLY REPORTS - Manager's Report - (Cont.)

We will need to assess your proposed fish passage measures, including benefits and costs, as part of our environmental analysis. Therefore, after consultation with Oregon DFW, please provide the following information on your proposed fish passage measures at the project: (1) screen and ladder dimensions and general construction materials, (2) a description of design flow requirements (e.g., flows through facilities) and operating criteria (e.g., any proposed sweeping or approach velocities for fish screens), (3) a map showing the specific location of the proposed fish passage facilities at the intakes and diversion dams, (4) the target fish species and life stages for passage facility design, (5) a description of any proposed maintenance procedures, (6) an implementation schedule, and (7) an estimate of the capital construction cost and annual operation and maintenance cost for each of the proposed fish passage facilities.

Please file the requested additional information within 120 days from the date of this letter. Prior to filing this information with the Commission, you should provide your draft response to this additional information request to the agencies that you consulted during preparation of the license application for review, allowing at least 30 days for them to comment. When you file your response with the Commission, please include agency comments and a summary of how your response addresses those comments.”

The Hydropower Regulatory Act (H.R. 267) would allow the Federal Energy Regulatory Commission to exempt hydropower projects with up to 10 megawatts of capacity and removes any project up to 5 megawatts from FERC licensing oversight. The U.S. Senate passed the Hydropower bills through unanimous consent on Thursday August 1, and are awaiting President Obama's signature.

Gordon Fulks inquired as to the size of the District's hydro generator. **James Jans** said the District has a 10kw hydro generator.

Sonny Boyd asked if the District will be able to meet the required time frame for the FERC license. **James Jans** informed him that we received the most recent FERC letter on August 1, 2013. **Sonny Boyd** replied that the failure to conform letter was received May 14, 2013. **James Jans** states that we have already replied to that letter, and now have 90 days to respond to the letter dated August 1, 2013. **Sonny Boyd** asked which act the District falls under on House Bill 298. **David Jacob** informed him that the District does not fall under the conduit exemptions because the hydro generator is on federal land. Once Senate Bill S545 is passed, we would no longer fall under FERC requirements as our hydro generator is under 10mw. The current law states that any size of hydro generator has to comply with FERC requirements. **Sonny Boyd** said that Taurus Controls paid for the tax credit in March 2013, and he was under the impression that if we did not have the hydro generator operational this year they would not get any benefits from this tax credit. **David Jacob** informed him that the tax credit they purchased was for the construction of the hydro generator and it does not need to be producing power in order for them to use this credit.

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PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA

Gordon Fulks inquired as to what has been done regarding monitoring the levels of the filter ponds. **James Jans** informed him that the District is installing telemetry so we will be able to know how full each filter pond is. We also have telemetry currently installed on all of our reservoirs to monitor their levels. He states we are now in a better position than we were before due to these changes.

Robert Colclessor states that a community member has been required to widen a section of Meyers Lane. **James Jans** said this requirement is from Multnomah County. He states the District was planning on replacing a section of water pipe of Meyers Lane and has decided to work with the mentioned community member and install our water pipe of her side of the road. This will save both the District and the community member time and money.

Susan Richard states that the water in her fish tank has been cloudy for the past couple of months. **James Jans** informed her that when the water looks cloudy it is simply due to air bubbles. **Susan Richard** replied that the water stays cloudy for days and it does not evaporate. **James Jans** said that we will send someone out to check the water at her meter.

Susan Richard was wondering why Shanti Burns called her house last month. **Shanti Burns** said she was contacting Louis Chartrand to find out Susan's name, as she records the names of all audience members on the minutes.

Susan Richard asked if all the employees have safety vests. **James Jans** said they all have safety vests and they are required to wear them when working on the highway.

Leland King said it does not seem like the new chlorine system is working accurately. He said when the water comes out of his faucet the chlorine smell is very strong. **James Jans** said the District maintains chlorine levels that are within the required limits, however if Leland provides his address he will send someone out to his home to sample the chlorine level at his meter.

Nicholas Ray said that on the FERC proposal, page 4, paragraph 2, it states the District proposes to install a hydro generator, however the District has already installed it. He then said that on page 3, section 9, it states that the construction of the project is planned to start within one month and is to be completed within two months from the date of issuance of license. He would like to know why we are not running the hydro generator even though it is completed. **James Jans** informed him that the District cannot run the hydro generator until we receive the FERC license. **Nicholas Ray** said that according to FERC, we cannot have the construction of the generator begin until we receive the FERC license. **James Jans** said that we followed the guidelines from the Energy Trust of Oregon, as well as the instructions from our FERC consultant, Kris Kranzush. He said the District had to complete the construction process in order to receive the grant money from the Energy Trust of Oregon, as well as the BETC tax credit. He said we were instructed to finish the construction of the hydro generator, however we are not allowed to run it until the FERC license is received. He informed Nicholas Ray that if he has any questions regarding the hydro generator or the FERC process, he is more than welcome to come into his office at the District and he will gladly provide him the answers to his questions the best he can. **Robert Gaughan** asked what happens if the District produces an exceptionally high amount of

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PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA - (Cont.)

power. **David Jacob** said if the District was to make more power than what we used it will go towards the fund for low income families. **Malcolm Freund** asked if the District has more control with net metering. **David Jacob** said that prices vary without net metering and are set annually. He feels that net metering is the best way to guarantee a return on our investment.

Zachary Bertz asked if there was any sort of testing done after the conversion between sodium hypochlorite and calcium hypochlorite to see if it changed the corrosion activity index. **James Jans** said the PH slightly increased and we are working with a company to get the system working correctly. **Zachary Bertz** asked if the District has done a langelier index to see if we can reduce the PH for corrosion control. **James Jans** replied that we are keeping our PH levels around 7.2.

UNFINISHED ITEMS FOR BOARD CONSIDERATION

Sonny Boyd said he went through the District's recycling bin and he does not feel the District is complying with the Safe Harbor Act. He said that all empty envelopes that were mailed from customers need to be shredded because they have the customer's name and address on them, as well as the billing postcard and late notice stubs. **Shanti Burns** informed him that we are not required to shred this information as it is all public record. She informed him that she will check with legal counsel in the morning however and will email the Board of Commissioners as soon as she receives a response back.

EXECUTIVE SESSION ORS 192.660(2)(B): TO CONSIDER DISMISSAL OR DISCIPLINE OF, OR TO HEAR CHARGES OR COMPLAINTS AGAINST AN OFFICER, EMPLOYEE, STAFF MEMBER OR AGENT

Nicholas Ray (Nick) would like to have the executive session be held in an open session and left open to the public.

Jeff Hargens states this is the second time Nicholas Ray has been discussed before the Board of Commissioners due to employment issues. He said the first time was due to the employee receiving a DUI, at which time the District worked with him and informed the employee that if he was to mess up again he would be terminated. He has heard comments from the community, as well as from a commissioner, that Nick has been speaking badly about the District's operations and he feels that if the employee has any concerns he should have spoken with either the manager or a Commissioner. **Nicholas Ray** said that he does not feel comfortable approaching the District Manager with his concerns. He informed the Board that he has been instructed in the past by the Manager to adjust the slopes of PH records so they are within the State Tolerance levels. **James Jans** replied that Nick was instructed to calibrate the PH monitor, which is a requirement of the State, and would never have been told to falsify records. **Nicholas Ray** said the only filter pond that was cleaned in 2012 was filter pond #2, which is why he was so upset when the water conservation notice was recently sent out due to a filter pond getting plugged while another one was off line for cleaning. **Jeff Hargens** said that Nick should have

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approached the Board with these concerns, as speaking about this to the public will only cause the community to get upset and nothing will change unless the Board is aware of what is going on. **Sonny Boyd** said Nick informed him that he previously approached a Board member only to be turned away. **Jeff Hargens** said he drinks the same water as the rest of the community. He thinks the water operations are run in a fair manner and the water tastes good. **Nicholas Ray** said that water taste is a matter of opinion. He then asked what he should do if a community member asks about his opinion of the water. **Jeff Hargens** said that Nicholas Ray should refer them to the District Manager. He states that Nick does not have a license for water treatment, and if a community member has a concern about the way the water is being treated he should not speak on things that he is not licensed for. He told Nick to inform the customer to either speak with the District Manager or the Utility Worker II, Jeffrey Busto, as they both have their certification in water treatment. **Jeff Hargens** said that the District Manager has fought to keep Nick's job despite all that has happened. He then informed Nick that it was his decision to no longer allow him access to the Treatment Plant when alone, as with all the turmoil and false statements he feels that the employee is a threat to the water quality. **James Jans** informed Nick that if he has any concerns he needs to bring them up with him and he will answer his questions and clarify why we do things certain ways. **Nicholas Ray** said he does not feel comfortable approaching James Jans. **Linda Ray** said that an employee is out sick because he has had to work so many after hours service calls, and if James Jans allowed Nick to go on some of the service calls it would help the other employees. **Jeff Hargens** informed her that Nicholas Ray cannot go on after hours service calls because the DMV will not allow him to drive work vehicles after business hours due to his DUI. He states this is a choice the employee made. **Nicholas Ray** said that he could drive his own vehicle to service calls. **James Jans** informed him that he would not have all the work tools required for after hours service calls if he was to drive his own vehicle and he would not want unmarked vehicles going to customers homes. **Leland King** asked why James Jans does not go on after hours service calls. **Sonny Boyd** said that James Jans worked at the Treatment Plant just last Saturday. **James Jans** said that he has asked the employee that is sick to take time off work so he can get better. **Jeff Hargens** said he is surprised that James Jans suggested to keep Nicholas Ray employed. He would like James Jans to review the employees work performance after 1-2 months and if it has not improved he would suggest termination. He informed Nick that this is his last chance. **David Jacob** said that if an employee is concerned about the treatment process there are regulatory agencies that can be contacted, such as the Drinking Water Program. **Susan Richard** again said that she is concerned about her water. **James Jans** informed her that the issue is probably due to the recent leak repair as pvc glue can change the taste of the water, or it could be due to a dead end main that may need to be flushed. He told her that if we are not informed of the issue, we will never know something is wrong. **Jeff Hargens** instructed her to fill up a glass of water and let it sit on the counter. If the air bubbles dissipate and water is no longer cloudy then the reason her fish tank is staying cloudy is not due to the water. **Zachary Bertz** said it is concerning if instruments are not being calibrated and states this is a serious allegation. He said if we contact the State they can be of assistance. **Carnetta Boyd** suggested the Board speaks to the rest of the District staff to hear their views on

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how the water operations are being handled. **Susan Richards** said that if the employees feel that the Board is unapproachable, maybe the District should consider hiring an outside mediator. **Nicholas Ray** feels that he can now approach Jeff Hargens with his concerns. He asked Jeff Hargens if, as a business owner, he would ever tell an employee that it would be in his best interest to quit his job before he got fired. **Jeff Hargens** said that if he cares enough about the employee and knows that he is going to dismiss him, then he would suggest this so they do not have a termination on their employment record. He said that it is very hard to find a job if you have been previously terminated. **Robert Churnside** feels that if an employee is not happy at their work place then they should find another job. **Nicholas Ray** states that he enjoys serving the community. **Robert Churnside** said there have been numerous warnings to the employee, including being hard on the equipment, showing a bad attitude and missing numerous days of work. **Jeff Hargens** said this employee needs to show improvement. **James Jans** feels that he has a good working relationship with the rest of the employees, however he does not with Nick as the employee will not approach him with the questions he has. **Jeff Hargens** instructed James Jans to review Nicholas Ray's work performance in 1-2 months and if no improvement has been made he would like termination to be considered. **Jeff Hargens** made a motion to allow James Jans to manage his employees and stay with James Jans' recommendation to keep Nicholas Ray employed at this time, **Sonny Boyd** seconded, passed unanimously.

Jeff Hargens made a motion to adjourn the meeting, **Kevin Wilhelm** seconded, passed unanimously.