

CORBETT WATER DISTRICT

APPROVED MINUTES

Special Meeting 4:30 p.m.

Thursday, September 16, 2004
Corbett, Oregon

Commissioners Present: Bob Colclessor, Malcolm Freund (by telephone), Lee Wyatt, Ken Blanc and Robert Gaughan.

Also present were District Manager Frank Sterzinar and District Clerk Jamie Simms.

Audience Members Present: Janet Helus, Brian James, Ed Kalberg and Barb Adams

Vice-Chairman Colclessor called the meeting to order at 4:30 p.m. at the District office.

The purpose of the special meeting was to discuss the Water Treatment Plant (WTP).

Review / Approve Agenda.

Commissioner Colclessor discussed adding company credit cards to the agenda. Commissioner Wyatt did not feel comfortable adding this topic to the agenda.

Discuss 75% Design Phase of WTP Upgrades.

Commissioner Blanc said that he wanted to continue with the process for obtaining the work permits. He is concerned with the financial impact. Commissioner Blanc said that the total budget amount for the Headworks project consisted of \$1,500,000 in loan proceeds and \$335,000 in savings.

The Board discussed how much money was available for the WTP upgrades.

Ed Kalberg went over a worksheet titled Analysis of Sources and Uses of Funds. He said that Lee Engineering had budgeted \$916,000 in construction cost and from his worksheet the District had \$620,000 to spend. Commissioner Wyatt said that the Board had been asked to consider \$916,000 but no decision had been made. The Board continued discussion of Ed's worksheet.

The Loan Repayment Fund consists of \$120,000 each year to repay the loan. Ed Kalberg said that initially it had been set up to be 25% of the water sales, but the Board changed it to \$10,000 per month. Because this fund was started before any loan proceeds were drawn \$256,000 had accumulated in this account. The Board transferred this \$250,000 to the Headworks project and decreased the overall amount of the loan to be drawn.

Commissioner Blanc spoke to Brian Lee, P.E. and he thought that Brian Lee was under the impression that the \$250,000 transferred to the Headworks project was extra money to be spent above and beyond the original amount.

Commissioner Wyatt pointed out that the generator and the fence were both outside of the contract. Commissioner Freund said that the Board could remove items from the contract to stay within budget. He would like to see the money go as far as it could, towards making improvements.

Commissioner Wyatt went over the numbers trying to find the hole. She came to a conclusion that the hole was \$296,000. She said that the options to fix this hole included cutting and/or increasing the loan amount if possible.

Commissioner Blanc said that the pipe replacement projects could not be done in this budget year, so next year that money could be used for the WTP. The Board discussed continuing the WTP upgrades into future budget years. Commissioner Wyatt asked what the project end date was. Frank Sterzinar replied October 2005.

Commissioner Colclessler said he wanted to spend the money in the best interest of the District.

Commissioner Blanc said that engineering was a lot of money. He would like to have the designs ready for bid, but before they went out for bid the Board could shave off money. Commissioner Wyatt said to look into getting permission first and then not to bid out more then the District could afford.

Commissioner Blanc spoke about the cost of Filter Pond No. 2.

Commissioner Gaughan asked if the engineering plans changed how much it would cost the District. Commissioner Wyatt said if the Board continued with the plans it would cost an additional \$100,000.

Commissioner Colclessler said that changing the Reservoir from concrete to steel saved the District about \$500,000.

Commissioner Blanc said that it appeared that the WTP upgrades continued to be upgrading. Barb Adams said that it had previously been presented to Lee Engineering that the WTP upgrades needed to be priority ordered. Ed Kalberg said that in June 2003, Lee Engineering presented a budget of \$440,000 for WTP upgrades. He questioned what the payback period was and if the District was going high tech. Commissioner Wyatt said that she did not think the work was high tech. She was seeking for checks and balances and a safety net. Barb Adams said that the upgrades were needed for water quality issues.

Commissioner Colclessler said that to rebuild pond No. 2 would cost \$400,000 and it would last about 15 – 25 years. A concrete pond would cost just over \$550,000 but would last 100 years.

The Board discussed how long the permits would be last for the WTP.

Commissioner Colclessler said that the District could look into getting a grant from Homeland Security for the fencing at the WTP.

The Board discussed the cost of filter pond No. 2 with having the greatest cost associated with the concrete.

Brian James questioned the engineering of the WTP.

Frank Sterzinar spoke about heavy rains harming the filter ponds.

Janet Helus brought up the rising cost of steel prices. She questioned if the pipes could be purchased now before they rise even higher.

Ed Kalberg asked about the WTP upgrade benefits. Commissioner Wyatt said it was a federal requirement for water safety.

Frank Sterzinar said that he spoke to a gentlemen from Multnomah County who could grant the District a grace period for permitting. He also said that he wanted new PRV's installed soon.

Commissioner Wyatt moved to approve the 90%. Motion seconded by Commissioner Gaughan. Commissioner Wyatt amended the motion to approve the 75% and to move to 90% for engineering. Motion seconded by Commissioner Gaughan. Commissioner Freund said that this did not commit the District to the \$900,000. Motion passed unanimously.

Public Input NOT on the Agenda.

Brian James thanked the Board for participation and said that he would like to be considered for the open committees.

Janet Helus questioned how much the permits would cost. She also asked if the next meeting would include a discussion of the policy and review contract committees. Commissioner Wyatt said that she had created draft proposals for the committees. Commissioner Freund thought that the committees were premature. Commissioner Wyatt said it was beyond staff level.

Commissioner Blanc moved to add the discussion of the contract review committees to the next regular meeting. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

Commissioner Blanc moved to adjourn. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Meeting adjourned at 6:15 p.m.