

**CORBETT WATER DISTRICT  
BOARD OF COMMISSIONERS  
REGULAR BOARD MEETING  
September 17, 2019**

**BOARD MEMBERS PRESENT:** Sara Grigsby, Fred Sanchez, Dan Graff and Jeff Hargens

**BOARD MEMBERS ABSENT:** Bob Gaughan

**STAFF PRESENT:** Assistant District Clerk Lynda Ronell and District Clerk Gail Griffith

**AUDIENCE MEMBERS:** Malcolm Freund and Tim Shell of Wallis Engineering

President Jeff Hargens called the meeting to order at 6:30 p.m.

**APPROVAL OF THE AGENDA**

Fred Sanchez made a motion to approve the September 17, 2019 Agenda as presented. Dan Graff seconded, all were in favor, motion carried. *(4 yes votes: S Grigsby, F.Sanchez, J.Hargens & D.Graff 0 no votes)*

**APPROVAL OF THE MINUTES August 20, 2019 Regular Meeting**

Sara Grigsby made a motion to approve the August 20, 2019 regular Board meeting minutes as presented. Dan Graff seconded, all were in favor, motion carried. *(4 yes votes: S Grigsby, F.Sanchez, J.Hargens & D.Graff 0 no votes)*

**TREASURERS REPORT AUGUST 2019**

Sara Grigsby distributed a summary of revenue and expenses spreadsheet by year from 2011 through 2018. (copy of the spreadsheet is attached to the minutes). Sara Grigsby went over the information. She noted that revenue from water sales is basically flat as well as what we receive for Base Rates. Our tax base is not going to increase as our area is restricted in the amount of growth. The only way we will receive more revenue is if we increase our water rates. Discussion of the unfunded PERS liability. Capital Outlay has gone down because no major projects have been completed recently. This has caused our cash carryover to increase. Jeff Hargens said this is good information because it shows we are hitting our budget but we are basically maintaining our system and not improving our system. We need to improve our system as well as maintain it. We need to raise rates to improve our system. Sara Grigsby continued through the spreadsheet with the Board and said she thinks we need to be as transparent as possible, budget as carefully as possible and consider that we have a very fixed income.

Fred Sanchez made a motion the August 2019 Treasurers Report be approved as presented in depth and in great detail. Dan Graff seconded the motion, all were in favor, motion carried. *(4 yes votes: S Grigsby, F.Sanchez, D.Graff & J.Hargens 0 no votes)*

**WELL UPDATE**

The Board received a Technical Memo of Grant and Loan Cost Analysis from Wallis Engineering in their Board packets. (A copy is attached to the minutes) Jeff Hargens thanked Tim Shell for preparing the information. Tim Shell went over the information with the Board. Funding options are a low interest loan from the OHA State Revolving Fund and/or a Water projects Grant from OWRD and a feasibility study grant from OWRD for a test well. Jeff Hargens asked how sure are we of getting the feasibility grant? Tim Shell said it seems like there is a greater availability for that grant. However, the feasibility grant only goes toward the storage portion of the study. Sara Grigsby asked how this information fits into getting a water rights permit? Tim Shell said a water rights permit is a one year process and can be started at any time. The entire project could take up to five years depending upon which option you go with.

Sara Grigsby asked Tim Shell what he thought is the best option. Tim Shell responded that looking at the data it comes down to a matter of risk. Do you want the well done quickly, how concerned are you about losing your water supply. The Grant for the feasibility study can only be used for certain things, like water storage, and it doesn't seem like a great fit for this project. Regarding risk for water usage and availability that would have to be referred to Jeff Busto.

Fred Sanchez asked if there is any risk of losing our water rights and how did we obtain the water rights? Jeff Hargens stated we have surface water rights for Gordon Creek in the amount of 960 gallons per minute. The water rights are controlled by the State. There is always a risk or concern when you only have one water source.

Sara Grigsby asked what Board members think about the feasibility grant. Dan Graff said he didn't like the feasibility study. Wherever it could be placed in the options it moves the timeline out. Jeff Hargens said he thought the study would help us get our water rights and it is less risk to determine quality and quantity of water since currently there is no information from that area. Sara Grigsby said she supports a test well. Jeff Hargens agreed, but added you might as well do the feasibility study at the same time.

Discussion of the options. Jeff Hargens said option A1 would be the best for both cost and time. Dan Graff said option A1 was his favorite and B1 was second. Which brings it down to time, can we wait, and cost since B1 takes longer but costs less. Sara Grigsby said the deficit of A1 is not doing a test well and that might reduce your chances of getting permits. Jeff Hargens said B1 relies on project grants and those that have been awarded were irrigation grants. We cannot count on grants. Sara Grigsby noted we can apply for grants and work on getting a loan at the same time. Discussion of grant timelines. Dan Graff asked why B2 has an additional year? Tim Shell said it has to do with grant cycles. If the feasibility grant is submitted within the next month then that could move up to B2 and that would move the timeline up to that of A3.

President Hargens asked the Board if they think a test well is necessary. All of the Board members agreed a test well is important.

If the feasibility grant application can get submitted in the next month then there is no reason not to try for that grant. In the mean time a well driller could be contacted regarding drilling a test well since they have to be scheduled months in advance. Fred Sanchez asked where the money is coming from for the test well. There was \$250,000 budgeted this fiscal year and since drilling would not happen until next fiscal year we would have additional money at that time. Dan Graff said he thinks the well is inevitable and we can move forward with the test well while we apply for grants and a loan.

Sara Grigsby asked when we would have to submit a project grant. Tim Shell replied those usually have April deadlines. He noted the District would not be able to apply for the water project grant until you have the test well results. Discussion of grants and loans and timeline.

It was agreed A2 would move up to A1 if the feasibility study grant, the loan request and the test well run concurrently. Jeff Hargens said we are looking at a three to five year timeframe for a production well. Sara Grigsby said August 2023 is the best case scenario.

Sara Grigsby made a motion to proceed with the OHA Drinking Water Revolving Fund loan application and move forward with a test well and concurrently submit an application for a feasibility study grant by the October grant deadline. Dan Graff seconded the motion, all were in favor, motion carried. *(4 yes votes: S Grigsby, F.Sanchez, D.Graff & J.Hargens 0 no votes*

Jeff Hargens made a motion that Wallis Engineering assist in writing our feasibility study grant for submission in October 2019 in an amount not to exceed \$6,000. 00. Dan Graff seconded the motion, all were in favor, motion carried. *(4 yes votes: S Grigsby, F.Sanchez, D.Graff & J.Hargens 0 no votes*

Tim Shell said the next step would be to design the test well. Jeff Hargens asked Tim Shell if Wallis Engineering could provide a proposal to design the test well and take the project through the bid process. Tim Shell stated that he would work with Chris Augustine and provide that for the next Board meeting.

Malcolm Freund suggested there may be Oregon Lottery dollars available. Office Staff will look into the possibility.

## **PUBLIC RECORDS POLICY First Reading**

Included in the Board packets was a copy of the recently updated public records policy. (copy attached to the minutes) Copies of the policy were available to all audience members. This was the first reading of the updated policy. There were no objections to the policy. Second reading and adoption will be completed during the October 15, 2019 regular Board meeting.

## **FIELD AND OFFICE REPORT IN PLACE OF MANAGERS REPORT**

The Board received a copy of the report in their Board packets. A copy of the report is attached to these minutes. President Hargens went over the report with the Board. Jeff Hargens said any questions regarding the meters would be held until the Manager is back. The District Clerk noted the repair band for the leak on Mershon Road is custom made and will not be delivered for 8 to 10 weeks. Jeff's Hargens stated the new window in the District Manager's office is fantastic.

The District Clerk reported that Lynda Ronell and Steve Smith have been working together to make sure all of the backflows in the District are tested. Those that were not tested by September 1, 2019 will receive a 48 hour notice and if they do not schedule their test we will test it at a cost of \$100.00. Most of those receiving the notices will end up getting theirs tested by a private company.

District Manager update. The District Clerk reported District Manager Jeff Busto is recovering and doing well from the surgery but has some other medical issues he is dealing with. Currently, we do not have a date for his return to full time work.

## **PUBLIC COMMENTS**

Malcolm Freund noted that one of the leaks on Evans had been going on for quite a while and wondered why it took so long to fix. He asked about the cost. He is concerned about the contract work cost. The District Clerk reported we do not have the bill yet. Malcolm Freund also questioned why the band for Mershon Road leak is taking so long. It was explained the band is specially made.

## **SUGGESTIONS FOR FUTURE AGENDA ITEMS**

Jeff Hargens asked that the South Fork Intake be added so it can be fixed and working correctly.

Set a date for Public Informational Meeting outside a regular Board meeting regarding the well proposal.

## **BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER**

Fred Sanchez asked for a copy of the Corbett Water District Water Rights.

The District Clerk noted for information that Chapter 265 in the Oregon Revised Statutes is related to domestic water supplies. As a water authority Water Districts are only required to notify the customers thirty days in advance of a hearing regarding raising water rates. They must be notified about the hearing on their bill or by a mailing sent out to everyone in the district. It is possible a prior Board did add additional requirements that require extra meetings and notifications when raising rates. The current Board could rescind those additional requirements. The District Clerk will continue to review Board actions from the past to see how it came about that additional hearings and notifications were required to raise rates.

## **ADJOURNMENT OF THE MEETING**

Jeff Hargens made a motion to adjourn the meeting at 8:15 p.m. Sara Grigsby seconded the motion, all were in favor, motion carried. *(4yes votes: S Grigsby, F.Sanchez, D.Graff & J.Hargens 0 no votes)*