

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, September 19, 2006
Corbett, Oregon

Commissioners Present: Bob Gaughan, Bob Colclessor, and Marion Kirkham.

Present from PAC Engineers (formerly known as Lee Engineering and Lee-PACE Engineers) were David Lee, Brian Lee, and Jim Schaver.

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

Audience Members Present: Donna Colclessor, and Dave Mysinger.

Chairman Gaughan called the meeting to order at 7:01 p.m. at the Corbett Fire Hall.

Review / Approve Agenda.

Commissioner Colclessor wanted to add the SDAO authorization for information to his secretary / treasurer report.

Commissioner Colclessor moved to approve the agenda with the above information noted. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

PACE Engineering.

Jim Schaver is the managing principal for PACE Engineers (PACE) at the Oregon City office. In response to a client perception letter sent to the District PACE has found that they have probably been a little lax in their communications with the District. Frank has provided to PACE a list of questions the Board would like to have answered regarding issues with PACE. Jim has not personally worked on the project, other than oversight.

David Lee said PACE has reviewed the projects for the Corbett Water District. He has gone back and checked Brian Lee's records to see if he could verify independently the answer to some of the Board's questions. PACE is very interested in Corbett Water District as a client and they are aware they have some deficiencies they need to improve upon. They appreciated the fact that the District was interested enough to come to them with their questions rather than slamming the door in their face and hiring a new Engineering firm.

Christensen Road Waterline.

David said it had been expressed to them the high cost concerning the Christensen Road waterline replacement. When Lee Engineering first became involved with the District, staff was constructing their own waterlines and wanted to satisfy the requirements of the Health Department that required an Engineer of Record.

The Rohrbach road waterline project did not include any surveying or engineering design, only standard details from the Engineers. It was completed entirely in the field by the District's crew, with Lee Engineering personnel on site only at the start of construction to review procedures, during key crossings, and at the end for testing and disinfection that were needed in order to satisfy the Health Division.

The next project was for the waterline replacement on 366th. This project did not have any surveying and the preliminary drawings were prepared from hand sketches provided by the District and Lee Engineering provided the final detailed design and site visits were only performed as needed. David felt that the cost comparisons between the Christensen road waterline and previous jobs were not valid because it was his understanding that the District expected a different level of service.

David said the Christensen road project had been identified but the actual scope of work had been in question. There was an issue if the paved surface on Christensen road was in the center of the right-of-way or not. Lee Engineer was directed to provide a detailed design survey, which has been completed. This survey resulted in the establishment of the center line and identification of the right-of-way.

Tom Hatchel and a junior engineer came out and used a wheel and tape, using that center line to develop an informal Topo. This Topo was sent back to Lee Engineering and was used to set up the drawings. These drawings are about 75-85% complete at this point.

David referred to a question listed on Frank's list that asked the engineers why Tom Hatchel's data had not been used. David said that Tom's data for the Topo had been used and was put on the drawings, rather than having the surveyor doing a complete design Topo.

There had also been a question asking 'Why was there so much time spent surveying the road?' David said the answer to this questions was because the roadway involved had a legal description and a record of survey on it which our surveyor used and then went clear back down the highway. The surveyor traced the monumentation back up through the project to make sure the right-of-way was correctly defined.

David said that his records indicated that PACE had billed approximately \$12,000 for surveying and design services on a project that was currently defined as 3,000 lineal feet of new waterline. In today's market place David has estimated that the cost for installation for this waterline, if you went out to bid and you paid prevailing wage rates, would be around \$200,000 – 225,000 in constructional cost. The design services are so far approximately 6% and it would take approximately 12% to complete the design and ready to put out to bid.

David asked the Board if there was any other questions or concerns regarding the Christensen road waterline project. Chairman Gaughan commented that this was to repair a leaking water line. Frank said the current line was 2" OD steel, which will be upgraded to a 6" per the Master Plan.

Frank questioned why the survey had gone way beyond the 3,000'. It was David's understanding that the survey went clear to the end of Christensen road. Frank said that portion had already been replaced. He said at the point where the project is scheduled to end there is clearly spray painted on the road 'Project End' so he does not understand why the surveyor went past that point. He felt that there was no reason why the survey continued past this point when it had been clearly marked. Brian said he did not know why the surveyor went beyond the marked point, but he will look into it further.

Frank questioned why the surveying had to be done on Hurlburt road to the Highway because there was an existing monument. The monument is housed in a special housing by the County and State at the intersection of Hurlburt and Christensen. David asked how far it was from the Highway monument to the

monument at the intersection of Hurlburt and Christensen, approximately 500'? David said from a surveying standpoint a single point out in the field did not establish a basis of bearing for proper right-of-way alignment or to trace back the record of survey so it was necessary to go down and tie in with that lower monument and then project it forward. David said the fact that it wasn't specifically required for the water line design does not mean it was not necessary for re-establishing the center line. Frank said by looking at it at a farmer's perspective the center line in reality really didn't mean anything because we would be right along the side the road. David said they have run into places that the road itself has been outside of the right-of-way and the Utilities adjacent to it were also outside of the right-of-way. David said as more and more people move into the area one of them might say you are trespassing and I want compensation. Lee Engineering was trying to be responsible and saying they needed to identify the right-of-way before any work could be performed, or that potential liability could exist.

David spoke about liability and who bares the responsibility. He said they get more and more defensive from a professional standpoint when everybody wants to hold them liable, so they either do it correctly or they don't do it at all. He said that perhaps they were being conservative on this issue of the right-of-way but he felt there was a reason for it.

Dave said the design was not complete at this time. Brian had informed him there had been some changes to the scope of the project. Those issues have to be clarified so no extra work will be completed. David said he expected to sit down with Frank and discuss the exact scope of work and the fees associated with that work before any more work was done.

The Board had no further questions on the Christensen Road Waterline project.

Water Treatment Plant.

David said there was obviously a difference of opinion if the Water Treatment Plant upgrades had been properly managed, correctly managed, or proactively managed to the Board's satisfaction.

David said the upgrades had been completed below the contract price because of a deductive change order negotiated with the contractor to express additional cost incurred by the District from Lee Engineering associated with repair of defective work on the filter basin of approximately \$27,000. If you back that out and look at the increasing change orders it is about 2% of the original bid price. He felt that this type of project to be under 5% of construction cost in change orders was very good.

David told the Board that the contractor that had been the lowest bidder was not known for Treatment Plant work, but they were branching off into new areas, although this was not their area of expertise. Brian had previously told David that there had been several elements of this project that were done very well including the control building and the electrical work. Frank agreed. David said the sub-contractors had gone out their way to give the District a good product.

David said that the real issue comes down to a couple of problems that still have not been resolved. The biggest issue is making the filter work. Phil Beverly has gone back and reviewed all the documents, materials, and sources to make sure everything met the specifications. Phil has also looked at other Water Districts in the Northwest Oregon to see if they are using the same sources and what their experiences have been. Phil has made direct contact with the City of Salem, Milwaukee and the North Clackamas County (which used to be Oak Lodge) and they found that the product is what everyone else is using and they have experienced the same problems the District has. In the production process of the material it is screened and washed but it is not washed multiple times and therefore it comes to the job site with a

significant amount of silt in the sand and it does take sometime to wash it out of the system until the treated water passes turbidity tests.

David asked Phil if there was anything that could be done to fix the high turbidity levels. Phil said that each design was a little bit different. The folks having the best success was Hillsboro. They have a method where they can up-wash through the filter and overflow the pond; this is not a normal procedure in a slow sand filter.

There is also the issue of the development of the Schmutzdecke. This is where there is a biological mass on top of the filter that provides treatment. This really depends on the raw water source as to how quickly that Schmutzdecke will form. David said in Brownsville they have such rainy water that the gravel does such a good job filtering that there is almost no nutrients left in the water by the time it gets to the slow sand filter and the bio mass doesn't have enough to eat so it would grow very fast.

David said PACE believes that part of the District's problem is in the project timeline. Ideally we would have been activating the filter in the summer months but we had run out of water because we've had a very dry summer and we don't have enough excess water to run through the new filter basin. Frank said we have consistently run water through the filter, although it is not being run at 400 or 500 gallons per minute.

David asked Frank if the Schmutzdecke was developing. Frank replied no. The Schmutzdecke is developing on one side but everything else is just going right through the sand. Everywhere there is an air hole to bleed air out of the under drain absolutely nothing is growing. Frank has taken some of the Schmutzdecke from the other ponds and placed it in the new pond and it gets sucked right through the sand.

Frank spoke about the efforts that have gone into decreasing the turbidity level in the new filter basin. Phil Beverly had advised District staff to drain the filter pond down to the gravel level and rake the top to stir up the top surface in an effort to work in the Schmutzdecke that had began to grow. At that time this was being done two employees sunk all the way through the sand to where the rock level began. This sinkage occurred near the header and near where the water enters into the pond. The next time Phil advised to drain the pond completely and then rake the top level. Staff used plywood shoes to walk around on the sand and they still sank down to the gravel in the same areas as before. David said the sand was loose enough that folks were going all the way down to the rock? Frank said both employees sunk in the sand just above their waist levels. David asked if there was any noticeable loss of material? Frank said there was a small loss, but he felt it was because the sand had been disturbed. Meaning it had expanded out instead of being pulled through the filter. But the filter pond had been running constant since it was put online. Good days the NTU is 4, bad days it's 6. There was algae growing on the top, but now it's clean. However in the distribution box, you can see the algae come through in big plates. It's like it collects on the inside of the pipe, and is paper thin.

Frank tried slowing things down since algae was growing on the other ponds. According to Phil's advisement tried filling it up to overflow and turned it loose. David asked about actually seeing turbidity. Frank said yes, when it first came online. Over a period of months, the filter pond has been filled and drained, and it actually made the NTU readings worse. The filter has been running essentially since February at varied flows. With Phil's suggestion, when cleaning the other filters, staff takes the Schmutzdecke and throws it into the new filter to seed it but it goes right through the sand. David appreciated the information. He didn't realize that the crew had done that much work. Frank replied that the other two ponds get algae and it slows them up. They can walk on those ponds without being sucked in. Since the sand came from the Columbia River, there is more colloidal material there.

Frank spoke of the consistent pattern of slowing the flow to let the algae grow, the algae grows and then gets to a certain point and the algae's gone and they're back to the beginning again. David agreed it isn't acceptable and he thought something different was going on. He'll get to the bottom of it and try to get us an answer. He agrees with Frank's notes that we're getting near the one year warranty period on the contract and we need an answer. Frank has done total plate counts, coli form, measuring from water on top versus water coming out to see if he has any biological entrapment to see if it's actually working and the plate count on top and the water coming out is the same.

David said there was a question about re-engineering or redoing. He researched what the Board might have been referring to. It was relayed to him that they might be referring to some conduits installed in Phase I that were associated with the level indicator on the new reservoir and flow meter. Those had to be relocated or were relocated in Phase II. They were needed for monitoring the reservoir prior to Phase II being built. At the time Phase I was completed, the district was still confirming funding for Phase II. There was no assurance at that point that it was going to happen. Therefore, they were essential monitoring tools that were needed. Then when Phase II was initiated, there were many options considered for the building. To know the result of the outcome at that time was not possible. If that is the issue, then he thought it was a natural part of the process that happens to the system with expansion and growth. Frank agreed that it was the conduits and the problem was the duplicate engineering and construction. Yes, they were moved, and the placement is better now but the fact still remains that the old wiring could have worked. It seems that monies were spent when there wasn't a need. David asks if it is feasible to know where the new equipment was to be placed. Frank's reply was it only could be in one of two places and that all equipment was in the same place with more added to one wall. The power distribution system was altered considerably. That played a major roll as far as how it's handled as far as the power. But the original equipment is in the same spot...it hasn't moved. Now there's just more.

David talked about the raw water flow control valve. Frank talked about the Phase I flow being great and Phase II maximum amount of flow is 830 gpm. GC Systems had been contacted to look at the system. What they found is the material that gets left around the strainer gets trapped around the anticavitation kit. It builds up gradually around it and packs into it blocking off the ports. Basically the flow is running through about 1/8th inch slots in the kit. They also have to pass through a similar piece with the same style slots and then go up the pipe. We can't get in there and clean it. The strainer is kept clean but we can't clean out those pine needles. The million dollar reservoir has about two feet in it many times because of this difficulty. What really should be in there, with the support of Clay Valve, is the standard valve pack. The anticavitation kit isn't required because that valve runs wide open. The valve hasn't been turned down at any time, because three filters need to have the water. David's response was that GC systems designers were consulted and recommended the valve we have with the anti-cavitation kit. It's based on the hydraulic condition assuming maximum intake elevation, full pipe, having about 85 psi at the valve intake and with a rate of flow control valve, you're trying to maintain a flow and you're stepping that pressure down to essentially atmospheric to flow into the bases. The valve is functioning simultaneously as a rate of flow control valve and a pressure reducing valve. When there is that much differential pressure (85psi - 0), the manual and the designers at GC systems strongly recommend the anti-cavitation kit. What happens is that engineers are not often operators and we don't consider the field conditions or the "real world" that the valve is operating in. On one hand, the engineers are trying to protect the district and say we don't want the valve wearing out prematurely because of cavitation but that protection ends up being an operational problem because of the debris that gets into the raw water. The answer in this case is to pull the anti-cavitation kit out of the valve. You take the risk of premature damage to the valve simply because it's necessary to properly operate it. David needs to go back and check the design versus the reduced port body versus the standard valve body.

Brian had explained to David that the initial design phases the District had elected to furnish the computer and the ups for the project. Taurus was supposed to take this computer to their shop and go through its paces to make sure it was proper and met all the necessary requirements of the plant and the software to be used. When the computer was taken into the field to be installed at the Treatment Plant it crashed several times creating operational issues and violations. Frank said the new computer that was installed had the same issues as the first computer. The problem ended up being a compatibility issue between the ups software program and the dialogic card. The District is currently still using the ups software but not the dialogic card. David said that this was obviously extremely frustrating and cost a lot of time and effort on everybody. It has been David's experience that technology and products are changing so fast that even those that are experts in the industry are having trouble keeping up. David said any time you start up a new plant there were issues of some sort to be dealt with. He said he wished he could have an answer for us, but as long as things continue to change it would continue to happen. David said it was his frustration as to whether it was integrator, who is actually programming the new plant, or whether it's the suppliers themselves that are not knowledgeable of their products. David had received positive feedback about Taurus's work. The assumption was they should have caught the problem sooner, they should have known what was wrong, but they stayed with the problem and worked through it to add value to the project.

Frank said there was still an issue of the reports the computer generates. In the contract documents these reports were clearly spelled out for the design. Frank said it took a lot of work to get the contractor to understand that this is what they bid on and this is what you gave us and they did not match. The program does work now but it does have a few little glitches that DHS does not like. Through the water quality violations staff has installed a 100% redundant system, so if that computer ever fails again we will still be recording data on the chart recorder with its own auto-dialer.

The DHS wants the peak hourly flow instead of the average hourly flow. The current system calculates the contact time with the average hourly flow instead of the peak hourly flow, so staff has to manually calculate the contact time.

Staff can use District computers and their home computers to access the computer at the Treatment Plant. A second modem line has been installed at the Treatment Plant so if somebody is calling the Plant, they are not calling the computer. This allows the computer to receive on one line and call out on another. Right now the computer is doing what it is suppose to and if it crashes staff would be notified within seconds. David asked if it was common for folks to install a manual redundant system. Jim Schaver said some folks do and some folks do not install a redundant system.

Frank said staff has to manually back up the system and he wants the system to back up automatically so it happens on a regular basis because when the software reaches a certain point it would delete the information. David said the computer should be automatically backing up daily. Brian said it was constantly writing to the database, so if the computer were to lock up it would lose the data from the point of lock up but not prior to it. David said the historical data should still be there. Frank said staff manually backup to the data to a CD. This CD is used to bring the information to the District office so staff can access the required numbers to calculate the contact time. Frank has discussed this issue with Taurus but they have not heard back from them on to how to resolve this issue.

The Board and Frank had no further questions on the Water Treatment Plant project.

Billings.

David referred to a prior invoice that time had been billed under the wrong category. So, a change was made on an invoice that moved time from one category to another, although there was no net effective of the amount billed to the District. A complete history of the hours was provided to the District staff for their review.

The Hydraulic project had been placed on temporary hold during the Board meeting of October 2005 because of cash flow issues. Brian had elected to hold the billings for the time logged on the project for the first few days in October before the Board said to stop work. He had assumed that the project would restart as scheduled, but the work was not restarted and the president of PACE, Marty Penhallegon, instructed for Brian to bill us for the project, which is what has been done.

The Board and Frank had no further questions on Billing.

Project Management / Tracking.

David has taken this opportunity to step back from the details of the project work and look objectively at the relationship between the District and PACE. He believed the two parties needed to correct three obvious deficiencies.

1. The relationship should be based upon a formal general services engineering agreement that clearly defines the roles and responsibilities of each party. The document should be a generally accepted form such as that produced by the EJCDC, or another form acceptable to the parties.
2. All project work should be authorized as an amendment to the agreement or authorized as an attached Work Order. The authorization work should be defined by a scope of work and an estimate of the fee. The authorized fee is then a not-to-exceed amount.
3. Any change in scope of the work should only proceed when the change and adjustment in the fee is authorized by the Board in writing.

David felt that they have been too lax with regards to formally entering into agreements with the Board and then having an accurate budget to track those projects.

David has found that Lee Engineering and now PACE Engineering does not have a basic engineering services agreement with the District. The service agreement had been presented to the Board back when the Master Plan Update was being completed. The agreement had been reviewed by the Board and sent to the District's council, but there were some disagreement on the language. David believes this document is important to have because if you use a standard general services agreement then the language in the document defined the relationship between the Board and the Engineer. It says exactly what the Engineer is suppose to do and what their responsibilities are and the same goes for the District. This allows for a basis to resolve disputes when they occur.

There needs to be a signed agreement before anymore work can be completed. Then, when a project is needed the Engineer and Frank can sit down and define the project and make sure there is a written scope of work and a written fee estimate. This project agreement is assigned to the original agreement as an amendment or a work order so it can be tracked. If this done it would solve a number of the issues that have come up with the Board.

Commissioner Kirkham asked why there wasn't something done when all of the over-excavation had occurred? He questioned why there wasn't a signed agreement about how much it was going to cost? David said this was a classic example, whether it's working with a contractor on a change order or working on engineering services you need to get it in writing before you start. Commissioner Kirkham said this had cost the District \$27,000. David said the unfortunate thing for construction was the pressure of time. David said that projects have to keep moving because that was how the contractor makes money. To stop a project and to get certain things in writing was always difficult and sometimes weather issues come into consideration, where you do proceed with the work, although it is a violation of the rule and you are running a risk whenever you do it. David agreed that PACE needs to tighten up their ship just like he thought the District needed to adopt a policy and enforce it.

Commissioner Colclessor asked when that agreement first came up? He felt it was back in 2002 with a prior Board. David replied yes.

Chairman Gaughan had reviewed several past invoices and has felt there was a lot of secretarial fees. He said it felt as if the District was being charged for the creation of the invoices. David said no, they do not charge for accounting services. Jim Schaver said there was secretarial fees for the operator of record services for the reports associated with that. He said it may seem like a lot, but as manager of the office he is constantly harping on the secretarial staff to make sure they are putting their time on billable time. He said they don't over-bill things, if anything they under-bill. He said if the Board would like he could go back and look at specific dates and clear it up even further.

Commissioner Kirkham asked about an adjustment for surveying on Christensen road that had gone beyond the project distance. David will have to go back and check to see what exactly was done on the survey. Commissioner Kirkham asked Frank if he had gone to the job site with an employee from Lee Engineering? Frank was at the job site with Tom Hatchel. David said Tom had done his work after the survey of the center line was completed. Frank and Brian Lee both said Tom was there before the surveying had been done. David asked Brian if he walked the job with Jim Green before he started? Brian said he did not walk the job with Jim Green. David said he would look into it. Frank said the only thing he could think of is maybe he had to go past to get to the point like he did on the highway. David said he did not know, he will have to check with Jim Green to see why he surveyed beyond the projects length by approximately 500'.

Chairman Gaughan asked how much engineering billing was paid for not crossing off the \$99 in the contract because the courts said the Engineers were at fault. Chairman Gaughan gave an example as to what David had previously said about scope of projects and project fees for what would have happened if we were going to be billed \$250,000 in engineering and then something like this happened and we end up paying \$412,000 for engineering. David said that if the agreement was lump sum and they had agreed to the scope of work then that number would be fixed. If you look at the nature of the project and it's more appropriate to have a Time and Material number then State Law has a maximum fee not-to-exceed. In either case there would be a limit to how much the District would pay.

Commissioner Kirkham questioned billing on percentage of construction cost. David said percentage of construction cost was only a relative thing that asks if it was within the normal range. The District, as the owner, has to decide how to structure the agreement. If you want a lump sum then the only way he is going to stay in business is on some jobs he's going to make money and on others he will lose money. Or you can chose for Time and Materials and the District would be paying for exactly the services you receive. David said there were advantages and disadvantages to both options for both the Engineering firm and the District.

Commissioner Colclessler said the District would have been better off with the over-excavation if there had boiler plate language in the contract. That contract went to the District's attorney before it was signed, but he missed that. David said the Law was like engineering just because an attorney is an expert in one particular area of Law doesn't mean he knows everything about the Law and he has to say the same thing about them, he's not an attorney, he doesn't know the Law. He simply can't do everything and he doesn't represent himself to the Board that he can.

The Board thanked the folks from PACE for answering their questions. David said he would like to see the communication improve with the District.

The Board and Frank had no further questions for the folks from PACE. At this time the folks from PACE left the Board meeting.

Approval of the Minutes.

Chairman Freund spoke with Janet Hillock and the Board needs to send approved minutes for the public hearing on August 15th and the August 31st minutes in order to satisfy the requirements for the loan.

Commissioner Colclessler moved to table the July 18th minutes. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Colclessler moved to approve the August 15th minutes from the opening of the meeting going to the public hearing that we approve that portion, through page 4 when it goes back to the regular meeting. Chairman Gaughan asked if there was a problem with the rest of the minutes. Commissioner Colclessler would like for the other Board members to have time to review the minutes and he also wanted Jamie to elaborate on a couple of sections. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Colclessler moved to approve the August 31st minutes. Motion seconded by Commissioner Kirkham. Motion passed unanimous.

Commissioner Colclessler said there was a question of adding to the Agenda. He asked Jamie to check with the Attorney Generals handbook or SDAO and give that information to the Board.

Secretary / Treasurer Report.

Commissioner Colclessler would like the Board to authorize staff to give any and all information, documentations, or tapes requested by SDAO. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Chairman Gaughan did not see any issue with this request, but he didn't understand where this was going.

Financial Report.

Jamie reviewed with the Board the Budget vs. Actual, Transaction List by Vendor, and Purchase Orders. The auditors have conducted their audit and they will report to the Board their findings within the next month.

Manager's Report.

See Managers report.

Frank reported that there is a 49.165% water loss. Frank has fixed everything he can fix. He cannot stop anymore Reservoirs from overflowing because there are none overflowing. This 49.165% water loss

represents the water loss from Christensen and Nielson roads which are averaging 400 gpm. Nothing can be done at this time about Nielson because of the potential for a slide. This eventually will be fixed by abandoning this old line and running a new line to the end of Nielson and tying into the Historic Highway. The meters will also be moved to the public right-of-way.

Chairman Gaughan asked if when the meter was moved and a road push became needed who would have to do the work? Frank said the District would be responsible for the work as it would become a customer service line.

Chairman Gaughan asked Frank to further explain about his need to employ an additional field worker. Frank has done an assessment of the District and has found that 20,000 linear feet of pipe need to be replaced within the district. For example Smith road has had several leaks that staff has attempted to stop but the line needs to be replaced. Commissioner Kirkham asked what it would take to put in a 20' section of pipe? Frank said at this time he would have to put in over 800' of pipe to fix all of the leaks. Commissioner Kirkham has seen this same spot leaking multiple times, he would like to see that section of pipe replaced. Frank is working on replacing that section and there is 25 repair bands on that section at \$160 a piece.

Frank spoke about sending to the County a standard set of procedures to speed the permitting process along. He spoke with Tom Mac and he has agreed to send this to the head folks at the Multnomah County Commissioners office, which would eliminate the NSA.

Chairman Gaughan said that if the District did hire on another Utility Worker, in a perfect world once all the line replacements were completed and there were no more leaks then the only employee needed would be the Manager. Frank said that would be 20 years away before that occurred. Chairman Gaughan asked if we hired another employee with the understanding that they might lose their job in a couple years. Frank said he would be looking at hiring somebody as a regular-part time position. A temporary worker and regular-part time employee would both have to be paid unemployment. Commissioner Colclessler said the District would have to pay the unemployment. Frank spoke about spending the District's time and money into training a temporary employee only to have him turn around and train a new temporary employee. Frank wants to consider this item for future consideration.

Commissioner Colclessler said once the loan proceeds were in hand, Frank would have to hire a temporary employee to help with the waterline replacement. Frank said staff would have to lay new pipe and continue to operate the system on a daily basis.

Frank spoke about a leak adjustment request from the Corbett School District. The School uses a lot of water and they have had an ongoing leak until recently. Chairman Gaughan asked Frank what the School would like the Board to do? Frank said they want to know if the Board is going to do anything about their leak adjustment. The rules say six month average, but this is not a standard situation, because it has been leaking for several months. The School has paid for the District's labor for replacing their line. Commissioner Kirkham asked if the School was different than anybody else in the District? Frank replied no. Chairman Gaughan asked what their typical bill would be now that the leak was fixed? Frank said their current bill was huge because they were watering their lawns. Commissioner Colclessler moved to table this item until there was a full Board present. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Colclessler would like Frank to calculate how much water the School had leaked.

Frank spoke about Mr. Muck on Knieriem road, he has a very long line which currently has a large leak.

They currently haven't fixed the line because it is inaccessible, so in order to fix this line they are going to move the meter to their driveway and run an all new water line. Frank is having issues obtaining a permit to move the meter. Mr. Muck is worried about how much he will have to pay. They have been paying their average bill since the leak began, although no attempt has been made to find and repair their leak. Under the current rules the District can terminate their water service because the leak has not been repaired. However, the problem is they don't have access to the line and can't make the repairs. Mr. Muck is living on a fixed income and Frank feels it would not be proper to shutoff their water. Commissioner Kirkham asked how long this had been happening? Frank replied 6 months. Commissioner Kirkham asked why he didn't hear about this before? Frank has mentioned the Muck's several times. Chairman Gaughan said he had known about it for awhile and he's even been down to their house to see what was happening. Chairman Gaughan spoke about some of the difficulties the Muck's are personally having. He would like to see that once this has been fixed that the entire leakage was removed from the Muck's water bill. Frank hopes to have the permits by next month. Commissioner Colclessler asked if it was possible to install a valve at the meter so it could be turned off at night? Frank said there already was a valve at the meter, but he didn't know if Mr. Muck was physically capable of turning the water off and on. Frank is working with Mr. Muck's son-in-law Andy Raske to resolve the problems.

Frank spoke about not approving Ms. Pariseau's leak adjustment because by looking at the work orders there did not appear to be a leak. Ms. Pariseau's explanation to Frank was that her live in roommate kept turning on the rear faucet. Commissioners Freund and Colclessler helped Ms. Pariseau with her water issues and there was a leak in a valve that feed the outside water system. Frank said Ms. Pariseau had not told him about the leaking valve. With that being said, Frank will authorize the 6 month average to her bill in the amount of \$197.10.

Frank spoke about when meters were read it was noted that Mr. Liebler's meter was moving. Staff verified the meter was moving and then notified him that his meter was moving. It turns out that Mr. Liebler was using water at the time the meter was read. Mr. Liebler hired American Leak Detection, who charged him \$625. There are several meters in one box and when the meters were read Mr. Liebler and his neighbors meter were read backwards so he received a higher bill and his neighbor received a smaller bill. Essentially, the meter readers made a mistake when reading the meters and his bill will be adjusted.

Mr. Liebler came to the District with this bill from American Leak Detection and said that he actually did not have a leak and he wants the District to pay the bill from the American Leak Detection company. Commissioner Colclessler asked if Mr. Liebler had been told the District won't pay anything unless it was authorized prior? Frank gave the Board a copy of the Rules and Regulations. In those rules it states the District assumes no responsibility for the customer's line, damage to the premises, etc. Essentially the District is indemnified. If the Board agreed to pay this they would be going against Ordinance 1996.2. Frank and Zac had previously spent an entire day at Mr. Liebler's property looking / finding a prior leak. Staff did not tell him to hire American Leak Detection . If he wanted to find a leak he could have looked for it himself. Frank is against paying this bill at this time for 2 reasons:

- 1 – It is against District Ordinance;
- 2 – Nobody told him to hire a leak detection service.

Commissioner Colclessler said the next step would be if Mr. Liebler wished to come and talk to the Board in person at the next meeting.

Correspondence.

None.

I-Deposit.

Jamie said that at a prior meeting Commissioner Freund had asked for an account analysis for I-Deposit. Jamie spoke with Leslie Radke with West Coast Bank and she said because the District is not using the West Coast Bank account as its primary checking source she could not give us an account analysis. Funds were going into the account but they were being transferred to MBank where the checks were being processed. Jamie is working on finding out if there was a way to maintain a minimum balance in the account to counter act the fees, although this may be difficult because interest rates very.

Staff did meet with Leslie Radke but the West Coast Bank system was down and so we were unable to go over the I-Deposits with her. She did answer several questions from staff and Commissioner Colclessler.

Jamie spoke about the difficulties of having an issue of depositing more than \$25,000 in a given day. The system is set up only to allow \$25,000 to be deposited in a single day. Jamie called customer service but because she is not an authorized user it had to go through Frank, although Frank didn't have the required passwords.

Commissioner Colclessler moved to table I-Depositing. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Personnel Manual Review Committee Update.

Jamie said the first meeting was scheduled for Tuesday the 25th of September at 6:30 pm at the Fire Hall.

Commissioner Freund will be gone for the meeting, Chairman Gaughan will fill in for Commissioner Freund at the committee meeting.

Public Comment on Items Not Listed on the Agenda.

Dave Mysinger commented that with his meetings held with Lonnie Roberts that Tom Mac was the gentlemen to deal with. Commissioner Colclessler said Lonnie was the one that had to do the big work. Dave said Tom and his other assistants were the ones that did all the ground work.

Unfinished Items for Board Consideration.

The Board had previously asked for information concerning the emergency pager call outs. Frank provided for the Board a thick document that contained all of the Treatment Plant pages since the first of the year. A lot of these Treatment Plant pages were corrected by Frank through the computer. Commissioner Colclessler asked what was causing so many issues and how could it be solved. Frank said the issues were inherent of the system and there was nothing he could do to prevent them from occurring because of State law he can't change the settings. These alarms were mostly for the chlorine pumps and the turbidity meter. When there is a turbidity meter page staff cannot fix the problem from a computer because they have to see the meter to detect how to make the necessary corrections. Frank is seeking help from an Engineer through the DHS to see if he can give Frank some advice on how to decrease the number of emergency turbidity pages.

The changes Frank has made to the chlorine has stopped the pumps from gassing up. Commissioner Colclessler commented that he had told staff to resolve the issue and a month later the issue had been resolved and he thinks the same thing needs to happen with the Turbidity meter because it made no sense to him for staff to have keep running to the Treatment Plant. Commissioner Colclessler would like for Frank to choose the problematic emergency call outs and sit down with an engineer so the problems could be resolved.

Chairman Gaughan wanted to discuss looking into a new recorder for the Board meetings. Frank said the court systems have now gone to a digital typography recorder. This machine and software would record every Commissioners comment and it would type onto the computer so the transcript for the meeting would be available immediately for review. Commissioner Colclessler questioned if there was a place where a device like this could be reviewed and tested. Frank said the City of Troutdale used this type of system and he will talk to the folks over there. Frank asked if the Board wanted to continue to receive verbatim minutes? Commissioner Colclessler liked the verbatim minutes because the Commissioners could go through them and see how much time was being wasted. He said that folks needed to stop beating topics to death; he would like to discuss a topic and move on.

Commissioner Colclessler said he had spoken with Commissioner Freund who was at a retire convention and he told him that at that meeting you didn't talk unless you had been recognized from the Board Chairman, whether you were a Board member or in the audience.

Frank wanted to make sure that the NEMCA folks were aware of the ICS training. In a disaster of any kind and you want to receive FEMA funds for it you have to have taken this ICS training or you would not be able to receive FEMA funds. Frank and Kevin Moran both received the ICS training for the District.

Frank spoke about joining the Home Land Securities consortium for water utilities. These folks meet in Portland and as a group they write a large grant as one body and ask for funds.

With there being no other business Chairman Gaughan moved to adjourn. Meeting adjourned at 9:35 p.m.