

**CORBETT WATER DISTRICT  
SPECIAL WATER BOARD MEETING**

The meeting was called to order at 7:30 p.m. by Chairman Bob Colclesser. Board members present were Jeff Grover, Jim Mastne and Henry Schwartz with Joe Riehl arriving later. Also present were Peter Mersereau, legal counsel, Superintendent Randy Stark, District Clerk Carol Quinn and four visitors.

The purpose of the special meeting was to obtain public input on the question of Corbett Water District purchasing the Forest Service complex on Woodard Road for the purpose of moving the office and shop to that location. Since the site and buildings are larger than the Water District would require, Mr. Mersereau was asked for legal advice concerning whether the District could purchase the property and lease the extra space as an additional source of revenue. This additional revenue might cover the cost of repayment of a loan to purchase the parcel.

Mr. Mersereau informed the Board that it appears that the District can buy the site. It has the authority to do so. The purpose of the Water District is to provide water service to its customers. It cannot begin acquiring properties for the purpose of becoming a landlord and leasing agent. If, however, it has some extra space on its premises, it can lease it out. It is not uncommon to have funds from such a lease used to reduce the debt flow. If the lease payments generate more money than the debt service, the excess can go to the general fund. The proper way to proceed would be to initiate a resolution that presents the need for the purchase, vote on it and if it passes begin negotiations to buy it. In order to sell the current space, the District would declare it surplus property and sell it. The District should compare whether it is better to lease or sell – whichever would generate the most income. If leasing, the District must decide whether to employ a property management firm to handle the business. This usually depends on the size and number of properties to be managed. In such a case, the lease payments need to be enough to include the cost. The point is to come out ahead and generate revenue, not go in the hole. The District must keep zoning in mind so as not to include business that would not be allowed in such zoning. The current zoning is Rural Residential with a Community Service Designation. Financing the purchase could be accomplished through several means; a long-term contract with the Forest Service if they were agreeable, bonds, perhaps buy the whole complex and declare some buildings as surplus and sell that portion, flex-lease loan, etc. The District, however, is not in the business of buying and selling real estate for profit.

There was comment that if the reason for purchasing the property is for projected growth in the District, it probably wouldn't be necessary. The zoning in the area severely restricts building. However, if the reason for purchasing the property is because the current facility is too small and remodeling costs might be prohibitive, the District needs to investigate if this is a feasible and sensible decision. The Forest Service is negotiating with the Corbett School District at this time for a price of \$395,000, but the school district has no funds. However, the appraisal has expired and a new one will be required before they discuss it with other parties. This property includes 3.6 acres with shop, office and a house that has been converted to other uses at this time. If the Water District does pursue this purchase, it would need to present a supplemental budget, but it would not use any funds assigned to the storage facility. It might require postponement of the Hurlburt Road project.

Mr. Windust was adamantly against the Water District purchasing the Forest Service land. He suggested that if the District redesigned its current lot and better utilized its current buildings, there would be ample space for any needs it might have. He also suggested that if it did become necessary to acquire additional property, the District should purchase a portion of the adjoining property from Shirley Pounder Foster. If she did not want to sell, the District could initiate condemnation proceedings to acquire it. He indicated that the people he had talked to were against the purchase as well. He suggested the District contact a designer named Sam Bacon who could redesign the office, shop, and parking space to better utilize it.

Mrs. Svesko lives adjacent to the Forest Service property. She has been in the area for six months. She has no objection to the Water District purchasing the property. She did request that the District be cautious to whom they leased space. She mentioned that she would prefer that space not be leased to a restaurant as this could generate a lot of traffic, noise, and late hours.

Mary Mack and her roommate both supported whatever decision the District would make to best provide its needs. They live near the current office/shop facility and consider the Water District good neighbors. They felt the District should analyze its needs, options, and choose the most cost effective plan.

Mr. Berney who lives across the road from the Forest Service facility telephoned the water office today to voice his opinion concerning whether the Water District should consider purchasing it. He had no objection to such a purchase. He preferred that the District not consider a restaurant for the space for the same reasons as Mrs. Svesko. Renting for office, home, RV or other storage was fine with him.

The restaurant option has been mentioned because supposedly at one time Horst Mager was considering the property for one or else a cooking school, but this has not been confirmed nor do we know if this would be allowed.

Mr. Riehl advised that all the people he has talked to have been opposed to such a purchase. He felt the District should confine itself to the water business not property management. He thought the parking and back lot space could be better utilized. Mr. Colclessor said four out of the five people he talked with about the purchase are opposed. Mr. Schwartz informed the Board that he believes the District needs some additional space and that those he has discussed the purchase with have been in favor of pursuing the purchase. Mr. Mastne explained that he did not think the District needed the property for future growth, but that it might be the best opportunity to meet the needs of the District. Mr. Grover commented that he thought the District needs to be concerned with current needs and also plan for future needs.

Mr. Mastne moved to proceed with the gathering of preliminary information relevant to the purchase of the Forest Service property. The motion died for lack of a second.

Mr. Grover moved to table the Forest Service purchase issue and look into expanding the current facilities, possibly raising the roof of the office and shop to give more room. Mr. Mastne seconded. The motion passed with Mr. Schwartz voting no.

The meeting was adjourned at 9:15 p.m.