

**REGULAR BOARD MEETING
CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
October 17, 2017**

PRESENT **BOARD MEMBERS PRESENT:** Jeff Hargens, Sara Grigsby, Kevin Wilhelm and Bob Gaughan
BOARD MEMBERS ABSENT: Jack Garrison
STAFF PRESENT: District Manager Jeff Busto, Assistant Clerk Lynda Ronell and District Clerk Gail Griffith
AUDIENCE MEMBERS David Jacobs, Bob Colclessor, Malcolm Freund, Melanie Wynne and Pat Jeung

President Jeff Hargens called the meeting to order at 6:33 p.m.

APPROVAL OF THE AGENDA

Jeff Hargens asked if anyone had any changes or additions to the Agenda. Jeff Hargens made a motion to approve the Agenda as presented. Kevin Wilhelm seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, S.Grigsby & B.Gaughan 0 no votes)

MINUTES

President Hargens asked if there were any corrections to the September 21, 2017 regular Board meeting minutes. There were no corrections. Jeff Hargens suggested the minutes should be condensed more. It was agreed the minutes were good but could be shortened. Jeff Hargens made a motion the minutes of the September 21, 2017 regular Board meeting be approved as printed. Bob Gaughan seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)

LEAK ADJUSTMENTS

Account #2525-01: Customer was not present. There was an accident and a car hit the standpipe and caused the leak related to the August 2017 billing. Jeff Hargens made a motion that August billing of 302 for account 2525-01 be adjusted to the six month average of 64 units. Kevin Wilhelm seconded. Discussion. Sara Grigsby asked for clarification that the adjustment is just for the August billing and he would need to have the line replaced in the future since he had three leaks prior to the August bill. Jeff Hargens said yes that would be the next step according to policy. Discussion of outstanding balance. Jeff Hargens called for the vote; all were in favor motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes) **(continued below)**

Account#8600-00: Customer Melanie Wynne said she had her water line repaired the day she knew there was a leak and made an impassioned plea to the Board to reduce her September 2017 water bill. Jeff Hargens thanked Ms. Wynne for fixing the leak so quickly. Jeff Hargens made a motion to adjust account #8600-00 August 31, 2017 bill of 168 units to the average of 13 units. Bob Gaughan seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)

Account #2525-01(continued from above+): The customer arrived at this point in the meeting. (6:47 p.m.) Jeff Hargens stated the Board had already discussed the account but would back up and go over it again. The customer stated the recent high bill was due to an accident. Kevin Wilhelm asked if the customer filed an insurance claim on the accident. He had not. The customer confirmed the leak had been fixed. Jeff Hargens advised the customer that the Water District policy is to allow three adjustments and this will be the third adjustment. Once a customer receives three adjustments they need to replace their entire line before any more adjustments would be made. The customer said the entire line was replaced from the street to the home after the leak in December of 2016. Jeff Hargens explained to the customer the action taken earlier in the meeting related to his recent leak. Discussion of prior leak adjustment for the December 2016 leak. Jeff Hargens said the District has credited a large amount of money back and at this point we have followed policy and should stay with that. The customer asked if the Board could adjust the December 2016 bill to the average and he would file an insurance claim on the August 2017 bill. Short discussion. Jeff Hargens made a motion that the earlier motion regarding account #2525-01 be rescinded and account #2525-01 December 27, 2016 billing of 483 be reduced to the six

month average of 5 units and the February 28, 2017 billing of 177 be reduced to the six month average of 5 units. Kevin Wilhelm seconded, there were three yes votes and one no vote, motion carried. (3 yes votes: J.Hargens, K.Wilhelm, B.Gaughan 1 no vote S.Grigsby)

LEAK ADJUSTMENTS continued..

Account #8860-00: Customer was not in attendance. The Board reviewed the leak adjustment request. Discussion of office adjustment. Jeff Hargens made a motion account number 8860-00 June 30 2017 bill of 40 units and their August 31, 2017 of 58 units be reduced to the six month average of 18 units. Kevin Wilhelm seconded, all were in favor motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)

TREASURERS REPORT

Sara Grigsby passed out a copy of the Treasurer Report to everyone in attendance at the meeting.

Sara Grigsby went over her report. Sara is continuing her orientation of Treasurer duties. Sara Grigsby stated she hopes with the new report of accounts the review of the bills will be easier. Sara Grigsby mentioned that she had been getting questions from her neighbors regarding water conservation and if there were any water conservation incentives.

The District Clerk mentioned the new reports the Board had received in their packets. She went over some of the reports showing revenue and expenses and explained some information on the reports. Sara Grigsby stated there is more information in the reports then what we had been receiving. The Board then reviewed the summary of expenses for July and August compared to Budget line items.

Kevin Wilhelm made a motion to approve the Treasurer's Report as presented. Bob Gaughan seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)

VARIABLE BASE RATE

(note: President Hargens is one of the out of district customers)

The Board reviewed the information in their packets regarding the variable base rates. Jeff Hargens stated there is a great variation in the effect it would have on the five customers between the tax rate or by doubling the water rate. It appears it could be costly to annex them into the District and other Districts charge a different rate such as twice the water rate. The state has said it is illegal to charge them a fee based on what their taxes would be if they were inside the District boundaries. It is a matter of trying to get to a point where the District is not hurt and it is fair. Discussion continued. Assistant District Clerk Lynda Ronell explained how to read the chart that was in the Board packet.

District Manager Jeff Busto mentioned that Rooster Rock State Park and Vista House are also outside the District. Their meters are in the District but the parks are outside. Jeff Hargens said some of the five people affected have been on the Corbett Water system for years and the cost for twice the water usage for some is better and others it could be a financial burden. The District Clerk asked if it was possible to set up agreements with people who are outside the District that if you have a ¾" line your base rate will be \$5 or \$10 more per billing cycle than the current base rate for customers in the District. It would be based on the base rate which is based on meter size. This would be equal across the board for everyone outside the District. The District Clerk said the base rate is what is charged to cover infrastructure so charging a greater base rate for those outside the district would help cover their part of the infrastructure. David Jacobs said that Rockwood charged double of everything water usage and base rates for those outside their District. Discussion of how other Districts charge. Discussion of using an agreement with those currently outside the District and anyone who is outside the District that wants water service which would include their option of annexing into the District or paying twice the base rate or \$10.00 more or whatever is decided. This would be equitable across the Board. The District Clerk suggested the Board may want to consider grandfathering some customers in. Some of these accounts may go back fifty or sixty years and the Water District has been providing water the whole time. Gail Griffith thought it doesn't seem right to now say we are going to charge you more. Bob Gaughan said we can't go back. Discussion of main lines crossing over people's property. Sara Grigsby asked if the proposal is that the current five customers get grandfathered in but going forward we would have a written agreement and charge anyone based on a higher base rate to cover infrastructure. Assistant Clerk Lynda Ronell suggested that an agreement could be written with those that are grandfathered in that if they sold the property then the new owner would pay according to current policy for outside the District. Discussion regarding the first two customers on the list being very upset if the District started charging twice the water rate and everyone agreed they would be justified. Discussion of how to make the charges equitable. The Board agreed that if the tax type rate cannot be used and twice the water rate is unfair to some customers and demanding they annex in seems unreasonable then there needs to be another solution.

VARIABLE BASE RATE continued:

The District Clerk suggested the five current out of District customers be grandfathered in at a rate of \$5 above the current base rate and when or if they sell their property the new owners would need an agreement at whatever the Board had established for future out of District customers.

District Manager Jeff Busto asked how we would deal with governmental entities that are out of the District.

The District Clerk noted that Rooster Rock State Park and Vista House were not included with the current five out of District Customers.

Jeff Hargens suggested that the first two out of District customers on the list should pay \$7.50 more every billing cycle and the other out of District customers would pay \$45.00 more every billing cycle. It would be grandfathered in for these and then anyone new coming in would pay twice the base rate. Sara Grigsby asked how it would be explained to the customers. Jeff Hargens said the only way we can explain it is by saying we cannot charge them the variable amount by the tax rate so therefore we decided to change it and they have the option of paying to annex in to the District. We could further explain that this is a grandfathered in rate and anyone from now on would be charged twice the base rate. Sara Grigsby questioned how could we tell one person being grandfathered in they will pay \$45 more and another would only pay \$7.50 more. Sara Grigsby said we need some structure that we can explain for how we made our decision. More discussion. Sara Grigsby asked if there was a way for the staff to come back with a proposal for the Board. Further Discussion. More discussion of boundary changes. Kevin Wilhelm suggested we look more into the possibility of annexation. Jeff Hargens and Bob Gaughan agreed. SDAO may be able to help with what is entailed in annexation. Jeff Busto agreed that investigating the situation further is a good idea. The office staff will look into annexation more in depth and other options including written agreements.

ORDINANCE 2017.10.01 CROSS CONNECTION (second reading)

This is the final reading. Jeff Hargens made a motion to adopt Ordinance 2017.10.01 Cross Connection as presented. Kevin Wilhelm seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes) Board Members signed the ordinance.

SOUTHFORK INTAKE

District Manager Jeff Busto reported he, Jeff Hargens and the State Forester took a trip up to the south fork intake. They surveyed the situation and what alleged damages had occurred. The Forester contacted Frank Lumber and they did a walk through and they did remediation on the areas we had pointed out as a concern. Jeff Hargens and Jeff Busto will look at the area again this week and survey the work that has been done and make sure there isn't anything else that needs to be addressed to prevent the logging operation from inflicting turbidity or water quality issues. There has been some blow down in to the creek from the riparian zone. The District has a good relationship with Frank Lumber. It was also noted that the State maps did not have the Corbett Watershed included. The maps have been corrected.

AGED RECEIVABLES

The Board received the Aged Receivables report in their Board packets and an update of the report, current through today, was distributed to the Board. Jeff Busto said it had been suggested that we were \$16,000 in arrears but it is not that high. Assistant Clerk Lynda Ronell pointed out that any bill 91 to 120 days out is only one billing cycle over due. The Board reviewed the summary with the explanations. The accounts over 360 days are bankruptcies. The Board requested the aged receivables report be included in the Board packet every three months. Sara Grigsby mentioned she would be interested in knowing what percent of our total billings is included in the aged receivables. Some customers in the aged receivables are always slow to pay, but, they pay their late fees and it costs them more in the long run.

WATER USAGE DEMOGRAPHICS REPORT

District Manager Jeff Busto said the report has not been compiled. Tabled until next month.

AERIAL INSPECTION OF GORDON CREEK WATERSHED

District Manager Jeff Busto reported to the Board there was some burn damage to the Gordon Creek Watershed, we think. He continued that we are seeing an effect that he cannot explain if there was no fire damage. The only way to check for fire damage in the watershed is by air, using a drone or a helicopter or airplane. We cannot fly a drone over the watershed so a helicopter is our best option. The cost of a helicopter will be \$800. This would include a video of the watershed that we would have for our use later. President Hargens asked what problems Jeff Busto has noticed that would suggest burn damage. Jeff Busto said that even when we are not having rain events we are having turbidity, ph and alkalinity issues. That suggests that we were affected. It could be something like a rock slide. Jeff Busto continued that if we can document that we have damage to the watershed from the fire there is federal grant money being dispersed now. City of Portland has offered to help us with the grant process. Jeff Busto asked the Board for approval to hire a helicopter to fly over the Watershed to see if there is fire damage in the area. Sara Grigsby made a motion the District Manager hire a helicopter to fly over the Watershed to see if there is any fire damage and provide us a videotape of the area at a cost of up to \$1,000.00. Kevin Wilhelm seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)

MANAGER'S REPORT

The October Manager's report was included in the Board packets and a copy is filed with the minutes. District Manager Jeff Busto read from the report.

Manager Busto asked the Board to be aware that some customer's may complain because they receive a high water bill for using water to protect their property during the fire.

Short discussion of requests for reports and information from the staff. Sara Grigsby said she thinks that trust and transparency are important. She continued that the changes the staff is making right now are making things more transparent and she hopes that this will diffuse that distrust. She wants the progress to continue forward. Discussion of the aged receivable and it was agreed the report was helpful for the Board. Jeff Busto said he thinks that checks and balances are important and we are transparent. He said he does not have any problem with anyone asking questions, however, he does not deal well with non-constructive criticism.

PUBLIC COMMENTS ON ITEMS NOT LISTED IN AGENDA

David Jacobs suggested the Aged Receivables report should be done every four months so it is not during the middle of a billing cycle. Short discussion. The Board agreed the staff should provide the Aged receivables on a three or four month cycle, whichever fits their schedule the best.

FUTURE AGENDA ITEMS

- Helicopter ride report
- Water Usage by demographics.
- Variable Base Rate
- Southfork Intake
- Feasability Study

Kevin Wilhelm asked if we would be looking in to the well situation. Jeff Hargens agreed it would be something we should look at again. Bob Gaughan said it may be more important than looking at storage.

ACTION ITEMS FOR NEXT MONTH

Included in "Future Agenda Items" section

BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER

None

ADJOURNMENT

Jeff Hargens made a motion the meeting be adjourned at 8:50 p.m. Bob Gaughan seconded, all were in favor, motion carried. (4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & S.Grigsby 0 no votes)