

# CORBETT WATER DISTRICT

## ~~DRAFT~~ APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, October 18, 2005

Corbett, Oregon

Attachments: Manager's Report and Graph

**Commissioners Present:** Malcolm Freund, Robert Gaughan, Lee Wyatt, Bob Colclesser, and Marion Kirkham.

Also present from Lee Engineering, Inc. was Brian Lee. From Clackamas Construction were Vern ~~====~~ Gardner and Bobbie ~~====~~ Mohler.

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

**Audience Members Present:** Janet Helus, Dave Mysinger, Dan Marsh and Barbara Strasbaugh.

Chairman Freund called the meeting to order at 7:00 p.m. at the Corbett Fire Hall.

### Review / Approve Agenda.

Commissioner Colclesser moved to approve the agenda. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

### Approval of the Minutes.

Chairman Freund moved the discussion to the August 16<sup>th</sup>, 2005 regular meeting minutes. Commissioner Wyatt said that in light of Community member Janet Helus's request for an adjustment to these minutes, she would like for these minutes to be held over until the next regular meeting, which would allow her to go back and listen to the August 16<sup>th</sup> recordings.

Chairman Freund gave Commissioner Wyatt a few items he would like changed in the minutes. He also asked Frank to clarify if the investment plan discussed in August had been a 401B or a 403B. Frank confirmed that the investment plan was a 403B.

Commissioner Wyatt moved to hold the August 16<sup>th</sup>, 2005 regular meeting minutes. Motion seconded by Commissioner Colclesser. Motion passed unanimously.

Chairman Freund corrected the spelling of his name in the September 1<sup>st</sup>, 2005 workshop minutes.

Commissioner Colclesser moved to accept the September 1<sup>st</sup>, 2005 workshop minutes as amended. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Chairman Freund gave Commissioner Wyatt a few items he would like changed in the September 20<sup>th</sup> 2005 minutes. Commissioner Wyatt asked Frank to clarify a piping skew question. Frank said it was a two degree skew and not a two percent skew.

Commissioner Wyatt moved to approve the September 20<sup>th</sup>, 2005 minutes as amended. Motion seconded by Commissioner Gaughan. Motion passed unanimously

The September 20<sup>th</sup>, 2005 insurance workshop minutes were not presented in the Board packets so they will be held over to the next regular meeting allowing the Board time to review the minutes.

Commissioner Colclessor moved to accept the October 4<sup>th</sup>, 2005 workshop minutes as presented. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

### **Financial Report.**

Jamie Simms explained that the amount under 'Fire Hydrant' still needed to be transferred to 'Mains.' 'Beginning Working Capital' is still zero, but the Auditors should have an amount early in November. Responding to a request from a commissioner at a previous meeting, Jamie reported she is not able to show the split allocations to categories because the software trick has not been figured out.

Customer account 1780 had been shutoff for nonpayment. When the crew went to shutoff the water they discovered the house was vacant. The house was sold and the new owner took possession earlier this week. The water is still off and efforts are being made to collect from the previous owners.

Customer account 5870 had been scheduled for shutoff but was not because the renter had not been paying the water bill, but was being paid by a gentlemen who has his livestock on the property. The owner of the livestock was contacted and he thought he had already paid the bill. He will pay the bill later this week. Chairman Freund reaffirmed that this gentlemen has other accounts with the Water District.

Customer account 6775 had been scheduled for shutoff but was not because the bill was being sent to the wrong address. This property had been sold almost ten years ago after the house on the property had burnt down. Recently a new home has been constructed and the water turned back on. Staff has sent the current resident a bill/new customer form and are currently waiting on hearing back from the new owners.

Customer account 9365 had been issued a shutoff, a five day disconnect posting and a 24 hour notice because it is a commercial account. The customer paid \$500 and promised to pay more in the near future. This customer has an excessively high bill due to a large leak that went on for four months.

### **District Manager Work Report.**

The District Manager reviewed the following information with the Board:

*Operations Data:* The new 35kw generator has been set on the pad at the Treatment Plant. The generator still needs to be bolted down. The propane tank needs to be installed by a third party per code requirements. Frank is looking at finding a company to install a new propane tank and be responsible for it's servicing, eliminating the Corbett Water District's responsibility of the tank.

*Reservoirs:* The outflow meter for Reservoir No. 6 has been recalibrated and it is now being used to gauge how much flow goes to the community. Water flow has dropped significantly, last month the flow was around 800 or 900 gallons per minute (gpm) and currently the flow is closer to 380gpm. During the day the Reservoir is drawn down but at night the tank fills back up, this allows for the Treatment Plant to be consistently run at one speed.

Frank spoke about the high level of tannins from the leaves that fall from the trees. These tannins affect the hydrochloric acid every year. The last several high rains increased the tannins and dropped the chlorine levels. There had been no violations because of these conditions. For disinfectant bi-products Frank likes to see the chlorine residual between 1.06 – 1.10 milligrams per liter (mpl) and currently it is 1.2mpl to preempt the rains raising the tannins in the water.

The Mershon Reservoir demand has changed. Do to high pressure and a 9-15minute shutoff the tank is overflowing occasionally. The crew is working out several equations for keeping the tank from overflowing, but it's difficult when the Community demand also keeps changing. The valve is super sensitive and so is requiring additional work by staff.

*Treatment Plant:* The Treatment Plant is running exceptionally well. Several plant shut-downs occurred to facilitate phases in the Treatment Plant Upgrades. No violations occurred.

*Treatment Plant Upgrade Phase II:* The new water tank passed the leak test. The construction crews are working quickly to finish up before the weather changes for the worse. Commissioner Wyatt asked about the "wet spots" listed in Lee Engineering's report. Brian Lee said that ~~in a 24-hour period,~~ over a 72-hour test, the tank leaked half of the allotted amount of 610 gallons that it could leak and still pass the test (1/10<sup>th</sup> of 1% of the volume). He said there were three minor wet spots on the East and West walls that, based on those he had talked to, over time calcium would build up and plug the holes. Commissioner Wyatt asked about future leak testing. Brian Lee said there was a one year warranty on the tank. Frank commented that the tank was tested without backfill, indicating that tank lacks all the structural support that it would have with soil backfill to help support the tank walls. Frank said he would be interested in future testing of the tank, as well.

Commissioner Wyatt asked Brian Lee how much a leak test cost. He estimated that it would be between \$750 and \$1,000. She then asked if the test was covered under warranty. Brian will have to check the specifications. He suggested that a check for leaks could be included at the walk-through done by the engineer and contractor after a year.

Commissioner Wyatt moved take advantage of any warranty coverage for another check for leaks, 30 days prior to the warranty expiring. Motion seconded by Commissioner Kirkham. Commissioner Freund said it was a small cost to protect the District's investment. Motion passed unanimously.

*Distribution System:* The crew has spent a lot of time repairing customer service lines. The crew has dealt with failed saddles and copper lines but still no main line breaks.

Several new water service connections have been completed and more are expected in the near future. New installs will be suspended as the weather turns bad because it is unsafe to do installs in that situation. There are two new homes going in and others in the permit process.

Frank reminded everybody to slow down in all work zone areas. Commissioner Wyatt asked what Frank meant by "slow." Frank replied that he would prefer traffic speed was five miles per hour (mph) when equipment (backhoe, trucks) are in a lane. If the crew and the equipment are off the road and only on the shoulder traffic could pass at 20mph. Typically in work zones Frank found that traffic travels 35-40mph and that is "very, very dangerous." The current Oregon Standard is set at 20mph, unless otherwise posted. In order to help slow traffic down Frank is using extra signage and if that doesn't work he plans on asking for a Sheriff to patrol the construction zone. Frank also plans on ordering a 5mph sign.

This year the District did Lead and Copper [Sampling](#) as part of the Monitoring Program and the results were excellent. Frank showed a graph with the results ~~w~~ ([Note:](#) attached). One customer however did exceed the action level. This customer is being retested as well as five other homes near his location. This house had been remodeled so one water sample will come from the older section while a second sample will come from the newer section of the home. Commissioner Freund asked about customer cooperation. Frank said he had sent letters ahead of time explaining how the sampling benefited the

customer. Only one person refused to partake in the water sampling and Frank simply found another sampling source.

Once again the disinfectant byproduct is down this year even though this is the time when Frank would expect to see a peak. This is a very good thing to see. The success is attributed to the flushing and various controls placed at the Treatment Plant.

Multnomah County recently sent the Water District a bill for repairing a slide that occurred on Knieriem road. The County is trying to say the Water District caused the leak when we had a main break on Knieriem. Frank states the main break did not cause the slide. He is trying to work this out with the County and finds them willing.

The leak on Corbett Hill road has been repaired, however due to the way the pipe was originally installed (Note: See prior minutes referencing the slip joint). Frank believes this area will have to be yarded out and replaced in the future when the weather is more favorable. The leak is on a blind curve.

The continuing leak on Mershon road has been repaired and has not re-leaked, so Frank considers this problem fixed. There is a continuing problem with overflow from the tank, but that problem has its source at the pressure reducing valve. The fluctuating customer usage complicates solving this one.

Woodard Road has had a ~~leak in the 2" main. leak and a pain to repair involving splicing pipe into it.~~ Frank believes that in the near future 300' of pipe will have to be replaced. There is damage to the pipe from tree roots. The crew will make these repairs once the weather is good and the District has the funds.

Rickert Road is a customer service leak that is baffling as to why it happened. The first problem was that the County placed a culvert over the top of the water main requiring the District to remove 5 feet of the culvert to get to the pipes. The copper pipe shows it was eaten through from the inside. ~~Frank The only thought Frank has right now is that the major power line has caused electrolysis feedback or EMS, charging the copper pipe. Something electrical has definitely gone through it. This was a strange one.~~

*Projects:* The Christensen water line replacement project is still on hold. Frank is waiting for good weather and funding. Rickert Road is also on hold.

Projects in planning: Loudon at Larch PRV retrofit; Loudon at Stevens PRV upgrade; Loudon and Johnson PRV upgrade, Woodard Road to Sidel leak repair; Crown Point to Hurlburt pipe replacement.

Commissioner Colclessor asked Frank about the South Fork. Frank said the South Fork was doing good but there is not enough flow to ~~divert~~ pull water from it ~~yet~~. The crew is spending time removing the leaves from the North Fork where water is being ~~diverted~~ drawn from. Stainless steel screens are in the process of being made ~~by Frank~~.

Commissioner Wyatt asked about the projects on hold and its relation to cash flow of funds. Frank explained that the District has cash on hand but the money was earmarked for the Water Treatment Plant Upgrades and the Loan Repayment. He said that cash flow is more an issue this year because of the Water Treatment Plant Upgrades but that it appears to be a common problem for the District. ~~that in the~~ first part of the budget year, funding is strapped because of cash flow caused in part ~~because of~~ by the two-month billing cycle and the property taxes ~~funds~~ not being received yet. ~~Jaime clarified when the two stages of funds come to the District from property taxes.~~ For this reason, Frank expects to fund projects with tax revenue in February. ~~While~~ the major projects are on hold until March weather wise and cash

flow wise. Until then, Frank expects to do the smaller projects that tend to get neglected and ~~the~~ preparation work for the major projects. Smaller projects include rebuilding clay valves, and finding missing valves, getting engineering and land use issues cleared.

Commissioner Wyatt asked Frank if he had \$50,000 now what type of project(s) he would do by January 1<sup>st</sup>. Frank said he would work on the Nielson line replacement and, if the preliminary land use issues were resolved (which are expected to take at least a couple of months), he could lay about 1,300 to 1,400' of pipe on Christensen road. The Christensen land use permits from Multnomah County should be done within a month and a half. Frank said that some permits are easily approved while others can take awhile; he said it was a hit or miss situation.

*Manager Comments:* Frank read from his Report and commented that customer water lines require maintenance just like a house. As of January 1<sup>st</sup>, 2005, the law prohibits District staff from working on the customer's side of the water line. The District suggests but does not recommend service providers when the customer requests.

Leak detection services are offered by the District staff on a first come first serve bases, when staff allows. This leak detection service is not a guarantee that staff will find all water leaks. According to Corbett Water District Ordinance the District resumes no responsibility because the District did not install private water lines to individual homes. Yard hydrants, sprinkler systems and running over meter boxes with lawn mowers are a majority of the issues customers are experiencing on their side of the [meterline](#).

Frank spoke about trying to help one customer repeatedly. This customer started construction work on their home about the same time the service line broke on our side of the meter, so staff made the necessary repairs. When construction was being done on the home a nail went through a water pipe causing a lot of damage. Frank said that they had tried blaming the damages on the District because of the repair work done on the service line. The customer has a pressure regulator installed on their side of the meter, so any work done by the staff would not have affected the pressure on the customer's water line. Currently the customer has several leaks in their line but staff stopped going to this customer's home when the customer started to walk off with District tools. Frank has explained to the home owner the rules and why staff would not be returning back to assist.

The [Audit](#) has been completed by Pauly Rogers and it came out excellent. The auditors were pleased with the files and books. Jaime was thanked for her hard work.

### **Correspondence.**

Chairman Freund said the list of correspondence included: three letters from the auditor, Janet Hillock with the Oregon Economic Community Development Department offering another loan, and Phil Beverly the District's Treatment DRC. Commissioner Freund's take on the loan offer is that the District would be better served to save its own money instead.

Chairman Freund said that Gary Simone volunteered to cut the roses at the District Office. The Garden Club has also offered their help to the District. The flag donated by the Driver's to the District had been mounted. Commissioner Wyatt commented that she liked the spiket at the end of the flag pole.

### **Lee Engineering / [Stellar Jay](#)/ Clackamas Construction.**

Brian Lee indicated the only outstanding issues was change order No. 19 for \$15,600 ~~forthe~~ re-sandblasting of Reservoir No. 4. The extra sandblasting was required due to improper [installation of steel](#) ~~location of the mill scale~~ when it was built. ([Note: Mill scale side should have been placed on the outside of the reservoir.](#)) He said he would be calling the District's attorney, Richard Weill for an

opinion, but wanted to know if the Board had thoughts on how to handle this issue. He outlined three options:

1. Deal with the change order separate from all other issues.
2. Deal with the final change order and release the amount retained.
3. Option 2, but deduct \$21,000 for liquidated damages because the contractor went over deadline.

Commissioner Wyatt suggested any characterizations made by Mr. Lee were not appropriate and that this decision should be received through the District's Attorney, Richard Weill and not the Board.

Brian Lee said the South Fork intake work had been completed. Fish and Wildlife will be onsite tomorrow to discuss the fish ladder. Mr. Lee took credit for making the calls and e-mails that had allowed the District to continue with the project. Russ Lawrence believed there to be a good chance that the fish ladder would not have to be fixed because 300' down stream there is a culvert that prevents the fish passing through. .

Commissioner Wyatt questioned the amount over budget. Brian Lee said the budget was \$20,000 and the current billed amount was \$32,000. The difference was characterized by Mr. Lee as being caused by unanticipated projects like the South Fork repair (\$8,000-\$10,000) and Christenson line replacement (\$4,000). He agreed with Commissioner Wyatt that these costs could have been characterized as new projects which could have let the Board better track the District's spending on the projects contracted for under General Services Account. Mr. Lee said the General Services contract was a catch all account based not on specific items but a list of expected items: leaks, Mershon tank, and problems with the system. When Commissioner Wyatt asked for expected projects not already reflected in the General Services Account, Mr. Lee listed only the Yoshida Line, which Mr. Lee agreed was not suppose to be funded with any District monies. He agreed with Commissioner Wyatt that without the "unanticipated" new projects that could have had their own budget and billing, the District would have been under budget instead of over budget for the General Services Account.

The Board and Brian Lee had a discussion on how Lee Engineering bills the District. Mr. Lee explained that time was inputted as hours worked and not entered in as a specific project details. Mr. Lee said he kept a daily journal and that he could go back and calculate exactly what work had been done and the time involved for each project. Mr. Lee would provide a breakdown going forward so that the District can calculate out the costs of various projects. Mr. Lee indicated at least half of their current clients preferred the detailed billing. Frank and the Board both expressed the importance of having such subcategories included in the current billing categories. Mr. Lee also indicated that the merger of Lee Engineering has changed the accounting system that should allow the creation of sub-accounts without much difficulty.

Commissioner Wyatt asked Brian if he knew what was holding up Frank taking his Treatment I exam in November. Frank provided the background: a community member in the District had filed a complaint [alleging/alleging](#) Frank and the crew had poisoned the water when the million gallon tank was brought on line the first time. Phil Beverly of Lee Engineering has provided a letter in support of Frank's taking the exam. Commissioner Wyatt pointed out that it costs the District money so long as Frank can not take and pass the exam so that he can take back those DRC duties the District is currently paying Lee Engineering to do. She asked and Mr. Lee agreed to follow up with Mr. Beverly's letter and clearing Frank to take the exam.

Mr. Lee then moved to 3397, the hydraulic model, which has been put on hold per Frank's request. Relate to this issue, though, is the recent find of 101 original mylar maps done in the 1990's by Compass

Engineering of all the water lines in the District. These had been in drawers at Lee Engineering and were not known to exist by Mr. Lee. Mr. Lee has given a complete set of copies to Frank. Commissioner Wyatt questioned if this would save the District money. Mr. Lee replied yes, because less site work would have to be conducted. The mylar drawings portray a starting point for where the pipes actually lay and which size pipes are actually there. This is all separate from the GPS system to be used by the District.

Mr. Lee then discussed Project 3320. He listed all the tasks completed. The filter tank has passed the leak test. He said that it took eleven weeks for the tank to pass. Commissioner Wyatt questioned the source for going over-budget by approximately \$38,000. Mr. Lee provided the following history: the contractor finished pouring the walls the first week of July 2005 and the first testing of the tank was August 2005. It then took the contractor eleven weeks to fix the leaks and other work went on during the time the tank was not and could not pass the leak test. Mr. Lee indicated that the following people rotated coming out to the tank several times a week and worked on the mater in the office during the eleven-week time frame: himself, a structural engineer and a site inspector. Mr. Lee estimated the cost to the District for Lee Engineering's additional administrative and engineering during the eleven week time frame to be \$25,000 - \$30,000. Mr. Lee agreed that without the leak problem, the District would have only been approximately \$8,000 over budget on engineering expenses with only a month or so left in the project, which would have been considered "pretty good." Commissioner Wyatt asked Vern of Clackamas Construction if they charged any additional fees for not being able to pass the leak test. Vern replied no, it was an issue with his subcontractor. Commissioner Wyatt questioned Vern if it was fair for Clackamas to pay for the additional engineering and administrative fees associated with the tank failing the leak tests. Vern referred the Board to the owner of the company. Vern indicated it would be helpful to know what costs were specifically incurred because of the leak test failure. Commissioner Wyatt stated it would be helpful for everyone to know the detail authentication for Lee Engineering's additional administrative and engineering fees. Vern indicated he would be willing to come back after looking at those numbers and answer these questions for the Board. Mr. Lee indicated he will be able to provide the requested detail and to provide that in a packet to Clackamas Construction and the Board.

Brian informed the Board that Clackamas Construction was currently asking for four change orders. The first was a \$3,730 change order for a change in software. This software would increase the 150 tag count to 1,500 tag. The tag count is for allowing for more data points that would allow the District to have more flexibility in instrumentation. To set up the data base properly, this upgrade is needed now. Brian said the \$3,730 was the lowest bid and the highest went up to a little less than \$7,000.

Brian explained that the motor starters for the original pumps in the Treatment Plant needed to be replaced because of corrosion that is really bad. Frank said this was actually more of an electrical code issue because where the pumps are located will create a possible problem at inspection. It could be rejected failed by the inspector or let go. The cost for the new motor starterss is \$8,916. Clackamas Construction is requesting eighteen additional days with this change order.

The third change order is for an outlet and an antenna for a wireless access point. Mr. Lee has agreed to split the costs of providing the wireless access point. The cost would be for the electrician to put in an electrical box at \$400. Clackamas Construction is requesting four additional days with this change order.

Clackamas is also asking for six additional days extension of the contract for the time the tank could not be filled. The tank was not able to be filled because water flow was low due to leaves plugging the North Fork intake screens. There had not been enough flow from the South Fork intake to provide the community with water and fill the tank at the same time. Mr. Lee felt that that an extension of time of four days could be associated with this problem. The problem occurred over September 30<sup>th</sup> to October

5<sup>th</sup>. Commissioner Colclessler questioned when the new screens would be installed. Frank replied at the end of the week.

Brian Lee said the substantial completion date was November 27<sup>th</sup> and the final completion date was currently set at January 25<sup>th</sup>, 2006.

A Clackamas Construction representative provided some support for that request involving 12 days from one subcontractor and 4 to 6 more days from another contractor. The representative acknowledged to Commissioner Freund that the rest of the project goes on. Commissioner Wyatt suggested that the replacement of three motor [starters](#) be exempted from the definition of substantial completion. Mr. Lee agreed that he did not consider the replacement to prevent substantial completion.

Mr. Lee brought up the need to solve corrosion of system components. That issue is being put off to see if Frank's abilities to even-off the chlorine continues to bring improvements in this area.

Commissioner Wyatt asked why the motor starters were not included in the original bid. Frank explained this was a function of wanting to keep the costs of the project down and the code issue that arises because the wiring has been or will be modified. The cost of doing the work now would be less than having to solve the issue if the inspection is held up because of the motor [starter locations](#).

Commissioner Colclessler asked how much the District was over-budget on change orders. Frank indicated the District is right on target up until now.

Commissioner Gaughan expressed concern about the extra money and asked for Frank's opinion of the delays and how much is reasonable. Frank indicated 6 days extension for the filling of the tank would be reasonable. Frank was not able to give answers for the additional extension requests. Frank spoke about the cost involved in purchasing the [motor starters](#) and installing them in the correct place. He felt that it was a wash to repair versus simply replace them. If the District were to purchase the [pumps](#) [motor starters](#), they would cost \$900 each and would still have to be moved and rewired with each motor [starter](#) having 12 sets of wires. Chairman Freund questioned the need for an 18 days extension- for the motor starters.

Chairman Freund suggested the Board agree to the purchase of the motor starters, wireless outlet and software but only six days extension for the filling of the tank.

Commissioner Wyatt asked for the final disbursement date.. Brian Lee said retainage would be released thirty days after substantial completion, so final disbursement of the retainage would be in February 2006. Jaime added that the property taxes [funds](#) expected to be received in February would be in the range of \$108,000.

Commissioner Colclessler moved to approve the following change orders: software for \$3,773, starter for \$8,916, wireless outlet and antenna for \$403, and six days for the filling of the tank. Motion seconded by Commissioner Kirkham. Voting for the motion were Commissioners Freund, Gaughan, Colclessler and Kirkham. Voting against the motion was Commissioner Wyatt. Motion passed.

The new projected substantial completion date is December 5<sup>th</sup>, 2005.

### **Corbett Water District Ordinance 1996.2**

Chairman Freund read the following Ordinance to the Board: "WHEREAS THE CORBETT WATER DISTRICT DOES ORDAIN AN AMENDMENT TO THE "DISTRICT RULES AND REGULATIONS"



SECTION 6 (SIX) "PAYMENT OF SERVICES" OF ORDINANCE 1996.2. **Section 6. Payment for services** New Item: (6a) Returned Checks: "A fee shall be charged for checks returned for insufficient funds as established by 30.701 of the Oregon Revised Statute."

Chairman Freund explained that this was a first reading and a second reading would occur at the next regular meeting where it would be read and adopted and would go into place thirty days thereafter.

#### **Auditor Update.**

Frank said the audit went well. The Auditors were surprised and pleased to see all the current controls in place, however they did recommend that a second set of eyes overview the general journal entries. The draft documents should be complete in about thirty days, which is before the next regular Board meeting.

#### **Cost of Living Adjustment (COLA).**

Frank said that every year there is a consideration for Cost of Living Adjustments to pay (COLA). In the budget he had budgeted for a 3.1% COLA based on Portland, but he was only asking for a 2.3%. Commissioner Wyatt asked if COLA was required by Law. Frank replied yes, it is required by law if there was not a resolution that the COLA was not going to be offered. But in the District's case, the resolution on COLA says that increases are at the Board's discretion. He confirmed this with Barb Bloom. (Note: She is the employment attorney for the District). Frank indicated he looked at COLA as a way to keep employees happy by-y keeping wages comparable to others. Frank estimated the cost of training a new employee to be \$7,200. COLA, under the budget, is set for \$3,074.41. No COLA was issued in the prior budget year when the Board did not know where it was headed financially at that point. He suggested that the COLA be given this year because it would cost \$7,200 to re-train an employee if an employee were to leave. Frank noted that COLA would not be given to the District Manager because of the terms of the contract with the District Manager; that would have to be something done separately. Commissioner Wyatt noted that the District was anticipating increasing Frank's pay in the event his exams were passed. Frank acknowledged that money was tight this year.

Commissioner Wyatt moved that the District can not award COLA this year due to the need to save cash from this point forward. Motion seconded by Commissioner Freund.

Commissioner Wyatt trusted that the employees will understand the kind of year the District is having. Commissioner Freund said he is concerned that if the District threw out more in COLA then will end up without enough money and would have to lay someone off. Frank agreed that the Board's position to not be able to award COLA was easily explained.

Commissioner Freund also asked about the wage and step scale's step criteria. Frank said it was complete and would be at the next regular Board meeting for the Board to review and approve.

Getting back to the COLA issue, Commissioner Colclessler did not care for using percentages because those that make more money get a higher pay increase. He wanted to consider a dollar amount because that was fairer. He noted that he remembered hearing that the Social Security COLA to take effect January 2006 was 4.5%. He acknowledged that the cost of living was going up, but the District did not have the money to give COLA given the other obligations discussed at this meeting. But if it is considered, he wants the percentages gone.

Commissioner Kirkham did not think Corbett employees should be compared to Portland employees. Commissioner Wyatt pointed out that the COLA recommended for the Corbett employees was not the Portland rate. She stated she did feel the 2.3% rate was appropriate but it could not be done this year.

Commissioner Wyatt questioned how the Board could consider a COLA pay increase given the platform they ran on for election and given the current cost over-runs. She said the Board needed to be consistent.

Commissioner Gaughan asked about annual employee reviews and raises. Frank said that it was a mandatory time for the employee reviews and would occur next month.

Chairman Freund hoped that the Board could reconsider it later. Commissioner Wyatt worried that the rest of the year was not going to look any better and does not want the employees ~~to should not~~ get the wrong impression that COLA will be looked at again this year. She encouraged the employees to do what she has always said: you need to do what you need to do for your families. But the District has its obligations to its customers first, not to its employees first.

Commissioner Freund called for a vote on the Motion that there be no COLA at all this fiscal year. Motion passed unanimously with no abstentions. Commissioner Colclessler asked Frank to tell the employees that the Board appreciates the outstanding job that they are doing and we are sorry we can not give them any more money but that we are running tight this year.

#### **Update From the Contract Inventory Board Committee.**

Barbara Strasbaugh said the Committee has made it through the Reservoir files. The original plan to create an inventory of what the District had and then compare it to the Lee Engineering file was considered, at this point, too time consuming. Instead, she will be going to Lee Engineering to fill in the gaps in the District files. There was some discussion on how far back Barbara should delve into Lee Engineering files. Frank indicated that papers would not be needed before 1991, but going forward from Reservoir No. 6 and refurbishing of Reservoir 4. Commissioner Freund indicated that the majority of missing documents for the District focuses on Reservoir No. 6 and refurbishing of Reservoir 4. Barbara will copy Lee Engineering's complete file.

Barbara indicated that Mr. Lee noted that there are field notes that would be in Lee Engineering's file that would not normally be provided to a client.

Commissioner Freund noted that he had previously been asked to go to Richard Weill's office to get a copy of the Districts documents there as well.

#### **Public Comment on Items Not Listed on the Agenda.**

Community member Dan Marsh questioned the difference between a 150 tag and a 1500 tag. Frank said that tags are the numbers of inputs, he also gave the following examples: at the Treatment Plant it takes 2 tags to run each pump motor, 6 tags to run the chlorine analyzer, and there are four turbidity meters that each requires 15 tags.

Dan also spoke about the accuracy of Lee Engineering's leak test. After speaking to Brian Lee, Dan discovered that the leak test had an accuracy within plus or minus 250 gallons, and the total amount that it could leak and still pass was 600 gallons. The actual amount leaking could be between 5 gallons and 600 gallons. Commissioner Wyatt asked if the Board should have done anything else other than what they did. Dan said that the check on the leaks later could be done by Frank as easily as Brian Lee. Frank indicated Mr. Lee would have the accuracy equipment that he does not have. The accuracy calibration of Mr. Lee's equipment was questioned, but not known by Frank, but could be expected to be within .06060/1000<sup>th</sup>. Frank talked about setting up a program in the computer to check the leakage over time. Commissioner Colclessler reminded the Board that eventually two of the tank's sides will be bounded by other tank walls.

Commissioner Wyatt admonished that given all the past problems with the leaks at the tank, this issue should be watched closely because the warranty only goes for a year.

Commissioner Freund indicated there would not be an Executive Session.

**Items for Board Consideration.**

Chairman Freund suggested that the office keep a manual on file on how to run the office. He wanted to see a list on what was needed to accomplish the needed tasks in the office.

Commissioner Wyatt wanted a cash flow analysis. She would have liked more information during the budget process to understand the cash flow of the District. She wondered if there was a way to fund projects now. Frank said he had looked at every possibility short of a grant or a loan and the larger projects would not have cash dedicated to them until taxes were paid to the District in March. Commissioner Wyatt said she did not have an accurate understanding of the cash flow of the District during the budget process. She does not recall seeing as part of the Budget Committee of what the anticipated cash flow is per month given the realities of the District. Commissioner Colclessler said that the District has always gone hand to mouth.

(Note: at about 12:28:00, the recording on the CD went blank and came back on at 12:28:42.)

Commissioner Wyatt moved to adjourn. Motion seconded by Commissioner Gaughan. Meeting adjourned at 10:25 p.m.