

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting 6:00 p.m.

Tuesday, October 19, 2004
Corbett, Oregon

Commissioners Present: Bob Colclessor, Malcolm Freund, Ken Blanc, Lee Wyatt and Robert Gaughan.

Also present were SDAO Attorney Andrew Jordan, District Manager Frank Sterzinar and District Clerk Jamie Simms.

Audience Members Present: About 15 people were present.

Chairman Colclessor called the meeting to order at 6:00 p.m. at the Corbett Fire Hall.

Chairman Colclessor moved the Review and Approval of the Agenda until after the executive session to benefit the audience.

Executive (Closed) Session (Pursuant to ORS 192.660 (1) (h)).

To consult with attorney regarding legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed. Present: Chairman Colclessor, Vice-Chairman Wyatt, Secretary-Treasurer Freund, Commissioners Blanc and Gaughan, Attorney Andrew Jordan and District Manager Frank Sterzinar. The executive session was recorded and filed at the District office.

The meeting was opened back up to the public. There was no discussion of the executive session.

Review / Approve Agenda.

Chairman Colclessor said there would be an Executive Session held on Thursday, October 21st at 1 PM at the Corbett Water District office.

Commissioner Freund added the District's master insurance policy as item 11a.

Commissioner Freund moved to approve the agenda with the above changes. Commissioner Wyatt seconded the motion. Motion passed unanimously.

Approval of the Minutes.

Commissioner Gaughan moved to approve the September 10th minutes. Motion seconded by Commissioner Freund. Voting for the motion were Commissioners Colclessor, Wyatt, Freund and Gaughan. Commissioner Blanc abstained because he had not attended the meeting.

Commissioner Blanc moved to accept the September 16th minutes. Motion seconded by Commissioner Gaughan. Motion passed unanimously.

Commissioner Blanc moved to accept the September 20th minutes. Motion seconded by Commissioner Freund. Motion passed unanimously.

Financial Report.

The District Clerk stated the financials included a list of all approved purchase orders and 'Transaction List by Vendor' reports. There was also a discussion of the 'Budget vs. Actual'.

Utility Crew / District Manager Work Report.

For a full report see attachment.

Frank Sterzinar said that once the altitude valve was installed on Larch Mtn. road the pressure could increase from 50 PSI to 150 PSI. Thirty days prior to installation, a letter will be sent to those customers affected. The letter will suggest customers install a Pressure Reducing Valve (PRV). The District can sell PRV's for \$40 but the customer would be responsible for installation because of plumbing codes.

Frank Sterzinar said that the crew had done an excellent job replacing the pipe on 366th. Commissioner Freund said that he had heard from a couple of folks who live on 366th who said they had been happy with the performance of the crew.

Change Proposal for Bi-Monthly Billing.

Frank Sterzinar said that he had received a lot of complaints, comments and suggestions about bi-monthly billing. Bi-monthly billing created large water bills and folks are having a difficult time budgeting. He proposed that customers receive an estimated bill one month and an actual the following month. This would allow the crew to read the meters every other month and still produce a monthly bill for customers. This plan would include a 45-day grace period, a 10-day late notice and then a shutoff letter.

Commissioner Blanc moved to approve estimated billing. Motion seconded by Commissioner Freund. Frank Sterzinar said that he would like for estimated billing to begin January 2005 allowing time for a newsletter to be sent out. The first estimated bill will be received the first of February for January usage. Motion passed unanimously.

Brian James commented that postage would be increasing January 1st and he thought it best to wait until the next budget year to make this decision.

Sharon Wand commented that this would increase postage and printing cost. She said that it was between customer convenience and District cost. It was discussed that new software would allow for some folks to be billed monthly and others bi-monthly. David Mysinger suggested to charge a small fee to those customers who want to be billed bi-monthly.

Sharon Wand asked if the District took credit cards as a form of payment. The District is not currently set up to take credit cards. Barbara Strasbaugh said that it would cost the District money to offer payment by credit card. She also suggested that \$2 be the fee for those who wish to be billed monthly.

Utility Billing Software Upgrade.

Frank Sterzinar said that the current billing system was antiquated. Frank went over the features and cost of several billing systems. American Business Software (ABS) was the most compatible with the District needs including compatibility with QuickBooks. He said ABS was located in Albany Oregon, the program was easy to use, and it cost \$3,949.

Commissioner Wyatt asked what a new version of the ABS system would cost. Frank Sterzinar said it would be \$595 and the next version would be available in 2007.

Commissioner Blanc asked how this would change reading meters. Frank Sterzinar replied that it would eliminate using paper and allow the crew to make comments on individual bills. He said it would save time spent reading meters and printing bills. Commissioner Wyatt estimated that this would save approximately \$600 a year. Commissioner Freund said that the software would save on intangible items too; for example, no data entry errors.

Commissioner Wyatt asked if QuickBooks could be contacted to find out what utility billing software they were compatible with. Frank said that he had been speaking directly with the utility billing companies.

Commissioner Freund said that he had previously researched other Water Districts to find out what they used for billing. He found the average price between \$8,000 and \$10,000.

Frank Sterzinar said that the current billing system was an unstable DOS system. He would like to have the new system soon in order to test it over the winter. He said the old and the new system would run parallel for three months.

Dan Marsh asked if there would be a need for additional hardware to operate the new software. Frank replied no, the District already had the required components.

Commissioner Wyatt questioned where the money would come from to pay for the new billing software. Marc Caldwell suggested to pay half this budget year and the balance next budget year. After much discussion Ed Kalberg suggested that the Board reclassify the miscellaneous income that was paid back to the District into computers as a negative amount and to use that money to pay for the software. He said that this could be done because this miscellaneous income was a reversal of a previous year expense. He also mentioned that there was a \$60,000 contingency fund. He felt the new computer program was long overdue.

Commissioner Freund moved to reclassify the \$5,394.25 from miscellaneous revenue to account 610 – computers. Motion seconded by Commissioner Blanc. Motion passed unanimously.

Commissioner Gaughan moved to purchase the ABS utility billing software for \$3,949. Motion seconded by Commissioner Freund. Motion passed unanimously.

Sterzinar Continues as DRC for Outside District.

Frank Sterzinar said that the Board had previously placed a time limit for him to serve as the DRC for his previous place of employment. He asked the Board for a continuation period of six months.

Commissioner Blanc asked if this would take away from the Corbett Water District. Frank Sterzinar said he would go there on the weekend and not on District time. He said that the Corbett Water District would take precedence. Being the DRC for his previous water District will also help him obtain his needed certification twice as fast.

Commissioner Freund moved to extend Sterzinar's DRC time for six months. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

District Credit Cards.

Frank Sterzinar said that there had been an unauthorized use of a discontinued District credit card. He said that the specifics were unknown; the information could not be obtained until MBNA updated their contact information. Torey Redfern, past CWD employee, said that if it was his old card, he would be willing to help, if need be.

Frank Sterzinar said that he was looking into dropping the MBNA credit cards and acquiring one credit card with two signatures. The Districts current bank, MBank, offers debit cards but not credit cards.

Brian James asked what the red flag had been. Frank Sterzinar said that there had been an illegal charge on a cancelled credit card.

Tom Layton asked if it was a question of a disputable charge or a case of identity theft. Commissioner Wyatt said that in her legal experience if it had been a real problem it would be a priority issue for the bank. She said that it had never been questioned or considered that a former employee had used the credit card.

Commissioner Freund moved to discontinue the MBNA credit cards and to authorize the District Manager to choose a new credit card company. Motion seconded by Commissioner Wyatt. Motion passed unanimously.

Update From the Contract Inventory Review Committee.

Barbara Strasbaugh had been elected as the committee guide for the Contract Inventory Board Committee (CIBC). The first meeting was held on October 5th 2004. She said that Commissioners Wyatt and Freund had been present, along with herself and Bob Hattan. The committee will be familiarizing themselves with Lee Engineering contracts, the Districts master plan and the Model Rules for public contracts.

Barbara Strasbaugh said that the next meeting of the CIBC would be held on November 2nd.

Update From the Policy & Procedures Review Committee.

Brian James said that the Policies and Procedures Board Committee (PPBC) had started to set up guidelines. Currently the committee is looking at what other Water District's were doing. He said the next committee meeting would be on October 26th.

District Master Insurance Policy.

Commissioner Freund moved to change the insurance broker to Todd Yost who works for LaPorte and Associates. Motion seconded by Commissioner Wyatt.

Commissioner Freund said that the insurance would include the Districts Master Insurance Policy (MIP) which would be all insurable items excluding employees. He said that several items were under/over insured and that the new Reservoir had no insurance. He also said that the current MIP had several errors including the insurance of 3 filter ponds *and* 3 buildings, of which there is only 1 building.

Frank Sterzinar said that SDAO could determine the market value of District property, for free.

Dick Wand asked if the paint overspray could be covered by insurance.

Commissioner Freund said that the MIP would stay within SDAO, but a different broker would be used. Motion passed unanimously.

Public Input NOT on the Agenda.

Areta Schmidt said that Reservoir #4, the tank near her home, looked good repainted and she asked that the Board share the cost of laying new gravel down, where it had been disturbed. The Board came to an understanding that the driveway should be restored. Frank Sterzinar said that he also thought that the pull out into the road should be fixed for safety reasons.

Areta Schmidt also asked if there would be a way to be included in the underground electric service. Frank Sterzinar thought that it would be possible to extend her electric service from the transformer that would be installed near Reservoir No. 4.

Brian James asked what would happen with the backup DRC position with the resignation of Water Treatment Operator Marc Caldwell. He also asked about Frank Sterzinar's employment contract to obtain the level of certification that was required. Brian also commented if Marc Caldwell asked for his employment issue to be discussed in public; instead of executive session, it should be discussed within a public meeting.

Commissioner Freund moved to adjourn. Motion seconded by Chairman Colclessner. Motion passed unanimously.

Meeting adjourned at 9:13 p.m.