

Minutes

CORBETT WATER DISTRICT
REGULAR MONTHLY WATER BOARD MEETING

NOVEMBER 10, 1998

The meeting was called to order at 7:30 p.m. by Chairman Bob Colclessor. Board members present were Jeff Grover, Jim Mastne and Henry Schwartz. Also present were Sandra Russell from Flexlease and all staff members, Jan Leckron, Marc Caldwell, Torey Redfern, Supt. Randy Stark and Dist. Clerk Carol Quinn.

The minutes of the last meeting were read and approved as printed.

Mr. Mastne moved that the bills be paid. Mr. Grover seconded. Passed unanimously.

Sandra Russell spoke to the Board regarding the Flexlease loan program available through the SDAO for financing various projects. She explained how the program worked and presented a paperwork example showing costs, payments, interest and repayment schedules for a \$400,000 building loan to be repaid over five years. She said that on the purchase of a building, the buyers and sellers would agree on a price and an earnest money agreement would be placed in escrow. It would take approximately 30 days for the loan to close. Using flexlease does not require voter approval. Corbett Water Dist. would own the property but Flexlease files a lien on the property. The rate of default is zero. It is critical that payments are made on time. The District cannot default. The rates are locked in at the time of the loan. The District could only lease out space to municipalities under the Flexlease program. To borrow money for an above-ground reservoir from Flexlease, the District would follow procedures for a straight lease as opposed to a lien on real property. Ms. Russell answered questions and advised the Board that she would prepare an exact debt schedule when the District has the specific figures needed for the loan should the Board decide to proceed with this program as a financing choice.

The Board was advised that the LGIP savings account needs a signature to approve a change in the transfer of funds to and from the bank to the LGIP account. Chairman Colclessor signed the approval.

Information from PERS requesting the District select Option 1, 2, or 3 date at which it will increase its contribution rate as required. Carol Quinn asked the District's auditor for his recommendation. He recommended selecting Option 1 beginning July 1, 1999, at the 12.73% rate. Mr. Grover moved that the Board approve this Option 1 as recommended. Mr. Mastne seconded. Passed unanimously.

The Audit Report prepared by Kern, Lewis & Thompson for the fiscal year ending June 30, 1998, was submitted to the Board for its review and approval. There was some discussion of various findings. Mr. Grover moved that the Board accept the audit report. Mr. Schwartz seconded. Passed unanimously.

The Board was advised that there will be three positions on the Board up for election in 1999. Mr. Schwartz's and Mr. Riehl's four-year terms will expire June 30, 1999. Mr. Grover's two-year replacement term will also expire then. The election will be held in March. Carol Quinn sent the election information regarding candidate filing requirements to those Board members whose terms are expiring. Additional information should be coming from the Elections Division.

The Board discussed the newsletter that Supt. Randy Stark submitted for review. Mr. Colclessner commented that he thought it was very informative and contained helpful information for customers. Mr. Grover said he liked having the times of the Board meetings posted.

Mr. Stark notified the Board that beginning next year Consumer Confidence Reports would have to be sent to customers.

There was discussion of the Work Report prepared by Supt. Stark. The Board asked for an update on the reservoir construction plan. At this time there has been no additional work done on the reservoir. We have not heard from Compass Engineering and the Board has not made any decision about what kind of reservoir it wants to build. There can be no site preparation or excavation done until the District knows what type and size of reservoir will be built. Mr. Stark advised the Board that since the death of Tom Tye, Compass has not responded promptly to requests for information or work. The same was true of Lee Engineering in requesting the structural review of the District office and shop for purposes of remodeling and of Sam Bacon in requesting his opinion of redesigning the office and shop space for more efficient use. However, after several calls, those reports were received and the information sent to each Board member for review as requested. The Board suggested that Supt. Stark contact other engineering firms to see if they might be more responsive to District needs. There was a brief discussion of the type of reservoir the District should build. Mr. Colclessner thought that a million gallon reinforced concrete tank for \$335,000 as quoted in Bruce Goldson's letter from Compass Corp. on August 7, 1998, seemed the best option. Mr. Mastne moved that Supt. Stark contact Compass Corp. regarding proceeding with the construction plans for a 1,000,000 reinforced concrete tank. Mr. Grover seconded. Passed unanimously.

At 9:35 p.m. Board Chairman Bob Colclessner called for the Board to meet in Executive Session for the purpose of discussing whether Randy Stark should be hired to the permanent position of District Superintendent following his six-month probation. The Board requested that each member of the staff meet individually with the Board to be interviewed regarding this decision.

At 12:00 a.m. the regular Board meeting was reconvened. Mr. Mastne moved that Randy Stark be appointed permanent Superintendent of Corbett Water District with a pay increase to \$3,094.00 a month. Mr. Schwartz seconded. Passed unanimously. There was a brief discussion concerning the promotions of Mr. Caldwell and Mr. Redfern. Mr. Stark advised the Board that they have been doing the job even though the Water Treatment Plant Operator position happened to be vacant at this time. Mr. Grover moved that Marc Caldwell be promoted to Water Treatment Plant Operator and Torey Redfern be promoted to Utility Worker II with each receiving a 5 per cent raise. Mr. Schwartz seconded the motion. Passed unanimously.

The meeting was adjourned at 12:10 a.m.