

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Monthly Meeting

Tuesday, November 18, 2003

Corbett, Oregon

Commissioners Present: Chairman Gordon Fulks, Secretary-Treasurer Malcolm Freund, Steve Wilson and Ken Blanc.

Also present were District Interim Manager Marc Caldwell and Office Manager Jamie Simms.

Audience Members Present: Barb Adams, Bob Colclessor, Torey Redfern, Gene Hubbard, Marion Kirkham, David Mysinger, Jan Leckron and Kathy Werner.

Discussion of October Minutes.

Commissioner Freund made a motion to approve the October minutes. The motion passed unanimously.

Financial Report.

Chairman Fulks explained how the change in water sales reflected the transferring of July 2003 water sales into June 2003 for budget accounting. The money received in July was from June usage. Chairman Fulks explained how the Cost Above and Below worksheet shows the variances from the current budget.

Chairman Fulks distributed a water history sheet containing usage and billed amounts for the past three years. He believed income to be down a little this period due to a rate reduction and consumption decreasing. Chairman Fulks pointed out how the District took in more money in July and August than the amounts billed in those months. He believed this to be the effect of Commissioner Freund making phone calls on past due bills.

Chairman Fulks received an email from former Chairman Ed Kalberg who pointed out that no money was being set aside for the reserve fund. He also stated that the operating contingency fund was under the wrong category.

Chairman Fulks would like a shadow budget or a revised current budget to provide the Board with a better indication of the Districts financial position. Commissioner Wilson stated the unused money could be carried forward into the next budget year. He also stated that changing the budget would require a Board action. Barb Adams wanted a budget forecast to be done, so the District would stay within the budgeted allotment.

Chairman Fulks commented on the New Reservoir spending. The District has spent a lot so far and has not requested any loan funds. The District needs to spend about 17% for a down payment on the loan and has already done so. Engineering costs have been higher than expected due to the change from a Concrete Reservoir to a Steel Reservoir.

Commissioner Blanc would like to know the particulars of the items purchased in the Transaction List by Vendor report when it shows “split” under the category. For example, under the platinum plus credit cards there is a lot of money going out and it does not say what the money is being spent on. Chairman Fulks stated three ways to purchase items: staff business credit cards, personal credit cards and checks from the District.

Monthly Work Report.

Mr. Caldwell briefed the Board on work projects performed in October & November 2003.

- 10/22/03 – The crew completed laying pipe on Rohrbach.
- 11/5/03 – The Rohrbach pipe was flushed and tested.
- 11/6/03 – The crew collected samples for the bacteriological test, everything passed.
- 11/12/03 – The crew completed the tie in to the 10” line.
- The fire hydrant on Bell was replaced (it was struck by a truck).
- Marc Caldwell and Gene Hubbard gave a tour at the Treatment Plant for school kids. The kids thanked them with cookies, letters and pictures they drew.
- The crew bored a line under the Highway at 366th Avenue.

Mr. Caldwell estimated the costs for Rohrbach to be the following:

- 241 total man hours to lay the new pipe. This does not include service connections.
- A + A Drilling: 6” to 10” hot tap \$1,190.00
- Active Paving: Patched asphalt at the 6” tap \$163.33
- Rental: Bobcat, compactor and pump \$1,660.00
- Parts: Pipe and fittings \$18,678.99
- Rock: 238 cubic yards \$4,760.00
- Engineering \$1,429.25
- For a total estimated cost of \$27,881.57

Mr. Caldwell stated the hydrant on 366th needs an extension or a new hydrant that is longer. Commissioner Freund wanted to know about sharing the fire hydrant costs with the Fire Department. Mr. Caldwell believed that in the past the Fire Department had budgeted for one fire hydrant and the District has billed them.

Calendar.

Mr. Caldwell has obtained all the permits needed to work on the Scenic Highway, but not for 366th.

Chairman Fulks would like to start the budget process early this year. There will be a few changes to the format of the budget (line items), and the District staff is new. He would like for Mr. Caldwell and Ms. Simms to start the budget process by January, giving everybody a little more time to work on the Budget.

Headworks Project.

Chairman Fulks spoke to our attorney about the contract. The attorney thought Lee Engineering and Stellar J knew what they are doing. Chairman Fulks signed the contract with Stellar J, and Commissioner Freund witnessed the signing. Stellar J has 180 days to build the New Reservoir and another 60 days to repaint Reservoir # 4.

Resolution on Safety.

Chairman Fulks discussed the need for a Resolution on safety, establishing who is responsible for the District employee's safety. This month the crew responded to a main break on Loudon road that was a safety concern. The crew was working near a 7,000 volt electrical power line. This Resolution would give Mr. Caldwell the option to say it's too risky to be working and to call a temporary delay, even if that means a few people have to go without water for a while. Torey Redfern spoke with utilities locating company and found out they have an emergency responder.

Commissioner Freund made a motion to approve Resolution 2003.11.01 Safety is Job # 1. The motion passed unanimously.

Resolution on Bank Accounts.

Chairman Fulks stated that State Law requires permission from the Board to open a new bank account. The Resolution is set up to provide authorization to have accounts at US Bank and MBank, with a transition in January 2004 to only MBank. All of the same signature requirements will remain in place.

Commissioner Blanc would like the last sentence, "If any new account is opened, the Board must be notified promptly" to be stricken from the Resolution. Commissioner Blanc does not see the District in an emergency situation. Commissioner Wilson would like for any new accounts to be approved by the Board.

Commissioner Wilson made a motion to approve Resolution 2003.11.02 Authorized Bank Accounts striking the last sentence. The motion passed unanimously.

Options for Employee Health Insurance in 2004.

Chairman Fulks stated the health insurance for Mr. Caldwell, Mr. Redfern and Mr. Hubbard is \$30,000 a year. Switching from option 1 to option 4 would decrease the costs for the District from \$30,000 to \$18,000. Certain co-pays and the deductible would go up considerably. Chairman Fulks believed the employee's are getting compensated with more money in their pockets. He believed Special District Association of Oregon (SDAO) insurance was not based on age. Now that the District is younger, age based insurance might be the better way to go.

Mr. Redfern stated he pays a co-pay plus a bill from the doctor for 20%. Chairman Fulks believed the 80% - 20% went into affect for surgery, not regular doctor appointments.

Mr. Caldwell informed the Board that in July the health insurance was costing the District over \$4,000 a month and now it's only costing about \$2,400 a month. This averages out to \$22,000 a year in savings with the decrease in personnel. Chairman Fulks agreed that health insurance for the year was expected to be \$50,000, and it's only going to be \$30,000.

Mr. Caldwell checked with Corbett School District and they offer insurance to anyone who works over 4 hours. The employee has a choice between Blue Cross and Kaiser. All employees are offered life insurance.

Commissioner Wilson suggested the need for a proposal to change the health care coverage. He would also like a summary of current salary and costs for the crew, in order to see where the crew actually stands. Chairman Fulks would like to bring someone in before a meeting to discuss the advantages and disadvantages of both option one and option four.

Comments Not on the Agenda.

Commissioner Blanc wanted to know why the Board has not been approving the agenda. Chairman Fulks stated that changes to the agenda were for emergencies only.

Commissioner Blanc wanted to know if Mr. Caldwell had reviewed the staff. Mr. Caldwell stated that a 5% raise (the max merit raise) would be within the spending of the current budget.

Bob Colclessor wanted to know where the employees stood on the Wage and Step Scale sheet. Mr. Caldwell informed him that Mr. Hubbard has been with the District for 4 years and he falls into the middle category, Mr. Redfern and Mr. Caldwell have both been employed at the District for over 10 years and are not at the max. Commissioner Wilson would like for the next meeting a copy of the job descriptions and a pay scale.

Commissioner Wilson talked to SDAO and they have suggested now that our feet are on the ground, SDAO can come out and do a review, for free, with no more than two board members and a few community members. Commissioner Wilson would like this to be on the next agenda as a Board action item. Chairman Fulks decided that Commissioner Wilson had 90 minutes on the November 4th meeting to discuss this topic. Chairman Fulks believed this to be a good time to go back to item E on the agenda (Process and Performance).

Process and Performance – A Brief Tutorial.

Chairman Fulks explained how SDAO guidelines are a process and not a performance. He also pointed out that SDAO says before a Board meeting the Pledge of Allegiance should be spoken, nothing in the law states this must be done.

Chairman Fulks believed reasonable process was necessary but was not a sufficient objective for Commissioners. The District and Board need to follow the Attorney General's opinions and Oregon State Law. Chairman Fulks explained how the SDAO sometimes reiterates just the law. In many other cases it provides guidelines, some of which are appropriate and some inappropriate.

Chairman Fulks said that when a small District is in trouble the Board can come in and take over as management, as necessary.

Commissioner Blanc excused himself from the meeting at 9:17 pm when Chairman Fulks stated that his briefing on Process and Performance was not open for discussion.

Commissioner Wilson made a motion to adjourn. The motion passed unanimously.

Meeting adjourned at 9:25pm.