

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, November 21, 2006
Corbett, Oregon

Commissioners Present: Bob Gaughan, Marion Kirkham, Robert Colclessor, Jeff Hargens, and Malcolm Freund.

Also present was District Clerk Jamie Simms.

Audience Members Present: Dave Mysinger, and Brian Lee from PACE Engineers.

Chairman Gaughan called the meeting to order at 7:02 p.m. at the Corbett Fire Hall.

Review / Approve Agenda.

Chairman Gaughan signed the settlement agreement between the Corbett Water District and Stellar J Corporation with the Board's approval.

Chairman Gaughan added the PACE Engineers contract agreement to the agenda.

Commissioner Colclessor moved to approve the agenda as amended. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Leak Adjustments.

Commissioner Colclessor moved to delay this item until later in the meeting, so the discussion with Brian Lee from PACE Engineer's could be moved further up the agenda.

Approval of the Minutes.

Commissioners Colclessor re-wrote the first paragraph under insurance in the October 17, 2006 minutes for clarification.

Commissioner Colclessor moved to approve the October 17, 2006 minutes as corrected. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Secretary / Treasurer Report.

There was none.

Financial Report.

Jamie reviewed with the Board the Budget vs. Actual, Transaction List by Vendor, and Purchase Orders.

The third loan repayment check was issued for \$156,280 per the approved budget amount.

Commissioner Freund asked several questions concerning the purchase order summary and the transaction list by vendor report. Commissioner Freund would like to see the Transaction List by Vendor report to include the purchase order number in the memo section. Commissioner Freund wants to be able

to see the direct connection between the two documents. Jamie will make this adjustment on future documentation.

The District is now tracking labor hours per the field crews work tasks performed. Commissioner Freund asked about the affect of backing Frank's overtime out of the dollar value and its affect on each individual line item. Jamie said she knew this was an issue and was looking for a way to solve the matter. Brian Lee suggested continuing tracking all of Frank's hours, but once he reached overtime to calculate the dollar value as zero. The Board seemed to like Brian's idea and Jamie will try Brian's suggestion for the labor tracking for November.

There was also a tally sheet that showed an itemized list of expenditures that were paid with the \$600,000 loan reimbursement funds. This tally will be documented and presented to the Board on a monthly basis until the funds are expended.

Commissioner Colclessler would like to see the total cash balance in the District's accounts on a monthly basis, including the interest rate on the LGIP. Jamie will provide this information as a part of the Board packets every month.

Jamie spoke about the recent theft that had occurred at the District shop. Two men cut through the back fence at the shop and stole several thousand dollars worth of tools and equipment. The stolen items identified so far include the Metrotech locator (\$3,000), chain saw (\$750), socket sets, bolt cutters, gas can, and miscellaneous tools. The thieves also tempted to siphon gas from one of the vehicles; however they failed to siphon the gas but caused damage to the vehicle and ruined the diesel in the tanks (\$300). A police report has been filed and the security video tape was submitted to the police as evidence. Utility Worker Zac Bertz is working on printing a photocopy of the suspects. This incident took place around 1:00 am last Sunday (Nov. 5th). A claim has been submitted to the District's insurance company and a \$500 deductible will be incurred. Once the items have been replaced and the insurance company issues a check, the Board will have to approve a Resolution to use those funds per TSCC budget regulation law.

Manager's Report.

See Manager's report.

Commissioner Colclessler read aloud from Frank's report the following:

I wish to convey to the Board my total disagreement of their decision regarding Mr. Liebler's request for the District to pay for HIS decision to hire a third party leak detection service. Mr. Liebler's residence has been a continual source of leak issues even before I was hired. The second issue is that the Board's decision blatantly violates sections 8, 9, 11, 12 of Ordinance 1996.2 meter reading error or not and now opens an avenue for legal challenges of Ordinance 1996.2 as a result.

Commissioner Colclessler then referred back to Ordinance 1996.2, specifically the sections Frank's report mentioned. He then referred back to the original invoice from the Leak Detection service that Mr. Liebler had hired to find his leak. Commissioners Colclessler and Freund both spoke about Ordinance 1996.2 and they found that the Board's decision to authorize a credit to Mr. Liebler was not in violation of Ordinance 1996.2.

Chairman Gaughan was also disappointed when he read Frank's comments concerning the Boards decision. But, Chairman Gaughan was very appreciative of the work Frank put into the District vehicles and the money he saved the District.

The way Commissioner Hargens read Frank's comments was that Frank was upset the Board gave customers credits on their accounts while he was trying to save the District money. Commissioner Hargens believed Frank's comments had put down the Board's judgment and how they had ruled. He believed Frank's comments were not appropriate. Commissioner Colclessler said according to the SDAO training tape created by Andy Jordan the Board was a judging body that was to be equitable. Commissioner Freund said the Board was not making policy but following the policies.

Commissioner Colclessler would like to see page seven of the Rules and Regulations referring to leak adjustment to be included with the Leak adjustment form. Brian Lee suggested that a line item be placed on the leak adjustment form the customer fills out stating what Ordinance their leak adjustment request applied to. The Board in general agreed that if this was done it would simplify the matter. Jamie will make these adjustments to the form and begin this process immediately.

There also was a bid proposal for an Arborist for the Christensen project. Commissioner Hargens said the Arborist was required because there were six trees next to the drip line where the new water line will be installed. The Arborist would have to be onsite to make sure the trees are not damaged and have to file the proper paper work. Commissioner Hargens said having an Arborist on site was becoming the standard.

There was some discussion from the Board that they would like to see at least two other bids for an Arborist, either written or verbal. Commissioner Hargens felt the present bid not to exceed \$1,600 was probably reasonable.

Correspondence.

Leslie Radke with West Coast Bank supplied the Board with an accounting analysis.

PACE Engineers.

Brian Lee with PACE Engineers spoke about a standard form of agreement which would stand as the District's General Services Agreement with PACE Engineers. Individual task orders would then be issued as projects arise. Brian recommended that the District have their Attorney Andy Jordan review the document.

Brian Lee said the general services agreement was not a commitment by the owner to engineer any specific task orders. The general services agreement would also help the District maintain the plan review exemption. Commissioner Hargens said the general services agreement would allow for Frank to call the engineer and get a task estimate started for Board approval. This would allow for individual smaller budgets per task rather than one large budget for multiple tasks. Commissioner Hargens said this task approach setup was commonly used.

Commissioner Hargens asked what the time period was for the general services agreement. Brian said the agreement presented to the Board was for two years but it was open for negotiation.

Commissioner Hargens asked if the District currently had an agreement with PACE Engineers. Brian Lee said yes, the District has not revoked the current general services agreement. The service agreement under review tonight would replace the existing agreement.

Brian Lee had three current task orders to discuss with the Board: Loudon reservoir, South Fork, and North Fork.

Loudon Reservoir: Recoating project.

This project would consist of sandblasting the interior and exterior of the Reservoir to remove the paint. Once the paint has been removed the Reservoir will then be recoated and Cathodic protection would be added. Brian said because the tank had lead based primer paint on the outside and possibly on the inside the entire tank would have to be sandblasted inside of a tent to contain all of the material removed from the reservoir.

There was some discussion of lump sum payment versus being billed for time and materials. There was also some discussion of the work done to Reservoir No. 4 and the scope of the work to be done on the Loudon Reservoir.

Commissioner Colclessor questioned if the prior work on Reservoir No.4 could be used on the Loudon Reservoir's scope of work. Brian replied yes, and that was why the original bid amount had been more than the current bid amount for engineering. Brian has projected the engineering for this project to be \$35,690 and construction cost to be around \$300,000.

Commissioner Hargens asked about the structural integrity of the Loudon Reservoir. Brian has reviewed a tape of the inside of the tank and he did not see any structural damage with the minor exception of one spot on the roof where it showed heavy delaminating of the coating system. There will be a provision in the construction document that will include a line item for structure repairs.

Commissioner Hargens asked if the tank walls had been tested for their thickness. Brian said no, he had watched a video taken by a diver within the Reservoir. Commissioner Colclessor questioned if Reservoir No. 4 had been tested. Brian said yes, because once the crew got inside the tank they notice a lot more rust at the bottom of the tank. MEI Charlton came out and did a structural integrity test and determined only minor changes had to be made at the bottom of the tank. Commissioner Hargens asked if it would be a good idea to perform the structural integrity test now. Brian suggested not performing this test because it would take draining the tank, and hiring a company to come out and perform the test. From what Brian can see the Loudon Reservoir is no where near as bad as Reservoir No. 4 had been.

Brian was unsure what was used to coat the inside of the Loudon Reservoir but it has started to delaminate. The Reservoir is also showing minor rust bubbles on the walls and floors which are to be expected of its age, but the delamination was a real concern. Frank had recently told Brian that entire sheets of the coating were coming off on the inside of the tank.

South Fork: Intake Repair.

The creek is overflowing the banks and with the recent heavy rains there has been some damage to the dam. The dam probably would not break apart but it could shift down stream. The vein that was installed in front of the dam is doing a good job of keeping the erosion to a minimum, but because of the sheer volume of the water the vein is being bypassed.

Russ Lawrence is looking at removing the dam and using the existing bypass to be the new location to draw water from the creek. The dam would be removed and smaller pools would be created in its place so the fish would have a chance to swim upstream. Brian believes this would possibly allow the District to use the South Fork in the Summer time, when it's not normally operational.

Commissioner Hargens asked about the time line for the permit. Commissioner Colclessor said the repairs would have to be completed during the window for construction in the creek between July and August. Brian will have to start working on applying for the permit by the first of the year.

The Board has a signed agreement with the Department of Fish & Wildlife to provide a fish ladder, or remove the dam within ten years (one year has passed, since that agreement was signed.)

Brian has projected the engineering for this project to be \$22,900. District staff would make the repairs, and provide the necessary equipment and materials to perform the project.

North Fork: Intake Modification.

Brian has projected the engineering for this project to be \$10,500. A metal screen would be constructed in a way that it could easily be removed and cleaned. District staff would make the repairs, and provide the necessary equipment and materials to complete the project.

It's the Engineer's responsibility to assist CWD staff in its construction and installation of the screen and to insure that the screen meets the fish passage requirements. Anytime you have an intake structure that pulls water out of a creek that contains fish you must design the screens so no fish could be trapped against the screens and die.

Jamie will copy the general service agreement and attached documents and forward them to each Board member and the District's Attorney Andy Jordan for review. Once Andy Jordan gives his opinion on the document a special meeting will be scheduled for Board discussion and possible approval.

Chairman Gaughan thanked Brian Lee and PACE Engineers for the basket of apples that Brian gave to the Board.

The Board had no further questions for Brian Lee and he was therefore excused for the remainder of the meeting.

Board Approval For Treatment Plant Fence.

Staff has removed the existing fence and prepped the new area for the installation of the new fence.

Chairman Gaughan commented that of the three bids Superior Fence was the lowest bidder. The bids ranged from \$28,000 to \$31,000. Commissioner Hargens knows who Superior Fence is and he said they do good quality work but they were slow in getting a project started. Superior Fence is the same folks who installed the current fence around filter pond No.2. Commissioner Hargens felt all of the bids were competitive, but that Superior had provided greater details.

Commissioner Hargens moved to accept the bid from Superior Fence as proposed. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Freund asked when the bids expired. The bid for Superior Fence expired on December 2.

Recorder For Board Meetings.

Commissioner Freund checked with Fry's and found that a Sony recorder could be purchased for \$63 and software program could be purchased for about \$150. Commissioner Freund said personally he would not be happy with any system until he could see one in operation.

Commissioner Freund said Frank had previously stated that Troutdale used this type of digital / transcription system for their meetings. Commissioner Freund visited the City of Troutdale office and was told they did not use this type of system. The city recorder told Commissioner Freund that they used a tape recorder to which she listened to and then she typed the meeting minutes herself and there were no written minutes for the court proceedings.

Jamie will check with other Counties / Cities / Districts to see how they compose their Board / Council meeting minutes.

Personnel Manual Review Committee Update.

The last meeting had to be cancelled and the committee is scheduled to meet on December 5th at the Corbett Fire Hall at 6:30 pm.

Public Comment on Items Not Listed on the Agenda.

Dave Mysinger had previously stopped by the District office to complement Frank and the crew for the good job they did getting the Treatment Plant back online from the bad weather. He said he was really pleased with the job Frank has done, however he believed that Frank's comments at the prior Board meeting had offended the customers, but he felt that issue should be between Frank and the Board. The Board thanked Dave for his input.

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There was some discussion about leak adjustments in general. Commissioner Freund asked if new customers received a copy of the rules and regulations. Jamie said yes, Z Marsh created a new customer packet that contained the rules of the District, billing setup, children games, and general information.

Leak Adjustments.

McCoy No. 5740

The McCoy's recently moved into the District and their first water bill had been extremely high due to a water leak. Frank approved of a 50% reduction to their water bill because the customer was new to the District had not established a history with the District. The McCoy's are asking for a further adjustment on their water bill because the leak continued into the second billing before they had the necessary repairs made.

Commissioner Kirkham asked if the water had been shutoff to the property when the prior owner had moved out and before the new owners moved in. Jamie said no, the District was notified ahead of time that the McCoy's were going to be moving in before the prior tenant had moved out and a final bill had been issued. Commissioner Kirkham asked if Gene Hubbard, the prior owner, had a high final water bill. Jamie said yes, but Gene had attributed the high water bill to watering his newly seeded lawn with a timer for several weeks while he was out of town.

Commissioner Freund said because the McCoy's have no history with the District he proposed that the 50% reduction rule be used again. Commissioner Hargens questioned if it was possible to table this matter until the customer had established a history with the District. Commissioner Freund read from the rules where no water bill could be adjusted to less than their prior six month average usage. Commissioner Colclessler said the McCoy's had been happy with the prior 50% adjustment.

Commissioner Hargens moved to adjust account number 5740, the McCoy's, with a 50% leak adjustment in the amount of \$77.70 on their last bill. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Wunch Customer No. 6705

Commissioner Hargens asked what the balance due was for the Wunch's. Jamie said the Wunch's had been paying their water bill all along, including the leakage amount giving the Wunch's an account

balance of zero. It took the Wunch's six month to find and fix all of their leaks. Frank authorized a leak adjustment to the Wunch's account in September but now, over two months later, they are asking for the Board to grant them a further leak adjustment for their other high water bills from June and August. Commissioner Hargens said the bills under consideration amounted to about \$1,000. Chairman Freund said that since it took the customer six months to make the repairs he didn't feel that a full adjustment should be granted. Commissioner Colclessler wanted to consider giving a 50% reduction. Commissioner Hargens said the Wunch's had already received a leak adjustment and he felt the 50% reduction should only apply to the leakage amount.

Commissioner Freund asked why last month the Oxfords, who had a leak over six months, had not received a leak adjustment from the District. He questioned why the Oxford's and the Wunch's had not been treated the same. Jamie said the Oxfords had submitted their documentation for the leak adjustment to the District the same time they submitted a letter to the Board for a leak adjustment. The leak was verified a few days prior to that meeting so the leak adjustment was held off until the Board reviewed the information only one leak adjustment could be given. The Wunch's however, had submitted their documentation to the District several months prior to writing a letter to the Board for further consideration on their water leak and it wasn't until after they had received a 'normal' water bill following the leak repair that they asked for further consideration on their water bill from the Board.

Commissioner Hargens questioned why the Wunch's had not called someone and made an effort to fix the leak sooner. Commissioner Kirkham commented that sometimes you just couldn't find the leak. Commissioner Colclessler referred back to the Wunch's letter when they stated they finally found the leak in a frost-free hydrant.

Commissioner Hargens would like to deduct the Wunch's normal use from their water bill to calculate the leakage amount. He would then like to authorize a 50% reduction on the leakage amount only. This would punish them some for not fixing their leak in a timely matter.

Commissioner Colclessler moved to adjust account number 6705, the Wunch's, with a leak adjustment in the amount of \$319.38. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Benfield Customer No. 2005

Ms. Benfield submitted a letter to the Board concerning a missing check she had issued to the District. Ms. Benfield said she dropped her May check off in person at the District office and that the District Clerk placed her check in between the folders located on a bookshelf. Jamie said she has never placed a check in that area before. All checks are placed in the cash box, or if the cash box is in the safe District staff places checks in the District clerk's desk drawer. The District Clerk and the Assistant District Clerk Z Marsh looked through the bookshelf, file cabinets and pulled out the drawers of the desk to make sure nothing fell behind and cannot find the check in question. Ms. Benfield's check has not cleared the bank, but she is asking that the Board either credit her for her check in the full amount or to reimburse her the \$30 it will take to place a stop order payment on the check issued in May.

Commissioner Hargens would like for Ms. Benfield to pay the District the \$42.25 amount due and to forget the other check and if the check does clear the bank the District would credit her account. He questioned why someone would spend \$30 to cancel a \$42.25 check.

Commissioner Freund asked where the District was in the process of depositing checks with I-Deposit. Jamie said the District was using I-deposit at that time, but the checks from that time period have already been shredded.

Commissioner Hargens moved to waive the \$5 late fee for account number 2005 Benfield, but the District is not willing to reimburse Ms. Benfield to cancel her check. If the check in question does appear in the future it will be credited to her account or returned to her. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Pohl Customer No. 2985

The Pohl's have had several leaks over several months. The Pohl's have fixed several leaks but they could not get their meter to stop moving so they ended up having to replace their entire water line. All leaks have been fixed and the meter has been verified stopped by District staff.

There was some discussion amongst the Board on how to adjust this bill because the leak had occurred for eleven months. Commissioner Hargens calculated that averaging all the bills back to the average usage would result in a credit of \$266.45. Chairman Freund ultimately referred back to the rules stating that the six month average rule and the 50% reduction rule and he did not think averaging all the bills would be correct. He felt the last three bills for the prior six months should be adjusted by 50%, in accordance to the rules and regulations of the District.

Commissioner Colclessler moved to adjust account number 2985, the Pohl's, with a 50% six month leak adjustment in the amount of \$324.85. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Unfinished Items for Board Consideration.

The workshop for the Health Insurance discussion has been scheduled for December 5th at 8:30 am.

Commissioner Freund spoke about the SDAO newsletter having a \$3,000 grant for safety and security. Commissioner Freund had asked SDAO if the fence at the TP would be eligible for grant funds because it had already entered into the bid phase. SDAO said it was acceptable as long as the application and data was turned in by the deadline but the decisions would not be made until the end of the year. Once the job is finished they would like to see a picture of the work completed. Jamie will complete the application and submit it to SDAO immediately.

Commissioner Colclessler moved for Frank and Jamie to fill out the SDAO grant application with the proper information and pictures when completed. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Commissioner Freund asked about the audit. Jamie spoke with the auditor yesterday and a draft copy should be available to the Board shortly. The audit is due to the state by December 31st. Chairman Freund said it made sense to have the auditors come to a Board meeting the same evening they go to a School Board meeting.

Commissioner Freund would like copies of the minutes approved at the last meeting. Jamie will have the copies ready for pickup tomorrow morning.

Commissioner Freund moved for each Board member to submit their completed evaluation form of Frank to Commissioner Colclessler the Secretary / Treasurer. Commissioner Colclessler will then compile the evaluations into one document and submit it to SDAO for review. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Freund moved for the draft minutes to be available to each Board member within one week after the meeting. Motion seconded by Commissioner Kirkham. Motion passed unanimously.

Commissioner Freund asked where refunds to the District were shown in the financials. Jamie said refunds were shown on a separate invoice as a deduction to the payments due or as miscellaneous income. Commissioner Freund questioned the return of the handheld meter reading tools. Jamie did not believe those had been returned because it had been too late. Commissioner Freund believed that Frank had returned the handheld units. Further investigation into this matter is needed.

Commissioner Colclessor moved to adjourn. Motion seconded by Commissioner Hargens. Motion passed unanimously. Meeting adjourned at 10:10 p.m.