

**REGULAR BOARD MEETING
CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
November 21, 2017**

PRESENT **BOARD MEMBERS PRESENT:** Jeff Hargens, Jack Garrison, Kevin Wilhelm and Bob Gaughan. Sara Grigsby arrived at 7:10 p.m. noted in body of minutes.
BOARD MEMBERS ABSENT:
STAFF PRESENT: District Manager Jeff Busto, Assistant Clerk Lynda Ronell and District Clerk Gail Griffith
AUDIENCE MEMBERS Steve Silva of Wilson Heirgood Insurance, Gabe Kerslake, Richard Kerslake and Bob Colclessor

President Jeff Hargens called the meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Jeff Hargens asked if anyone had any changes or additions to the Agenda. Jack Garrison made a motion to accept the Agenda as presented. Kevin Wilhelm seconded, all were in favor, motion carried. *(4 yes votes: J.Hargens, K.Wilhelm, J.Garrison & B.Gaughan 0 no votes)*

MINUTES

President Hargens asked if there were any corrections to the October 17, 2017 regular Board meeting minutes. Kevin Wilhelm had one correction. Top of page 3 the fifth line right after “*..Vista House were no..*” should be changed to “*..Vista House were not..*” Kevin Wilhelm made a motion the minutes of the October 17, 2017 regular Board meeting be approved as amended. Bob Gaughan seconded, all were in favor, motion carried. *(4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & J.Garrison 0 no votes)*

LEAK ADJUSTMENTS

Account #4870-00: The Board reviewed the information that was in their Board packet. Discussion with property owner. Jeff Hargens said it appears the average use is 18 units since the repair of the water line. Jeff Hargens made a motion to adjust account #4870-00 February 28, 2017 bill of 723 units to 18 units which is the six month average after the leak. Kevin Wilhelm seconded, all were in favor, motion carried. *(4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & J.Garrison 0 no votes)*

Account #5055-00: The Board reviewed the information that was in their Board packet. Discussion with property owner. President Hargens said he agreed with the District Manager’s recommendation for adjusting the August 31 and October 30, 2017 bills. Jeff Busto noted the Water District did put in a heavier box. Jeff Hargens made a motion to adjust account number 5055-00 August 31 and October 30, 2017 meter readings to the six month prior average of 27 units. Kevin Wilhelm seconded, all were in favor, motion carried. *(4 yes votes: J.Hargens, K.Wilhelm, B.Gaughan & J.Garrison 0 no votes)*

INSURANCE RENEWAL

Steve Silva of Wilson Heirgood Insurance introduced himself to the Board and passed out information regarding the District Property and Liability Insurance renewal. Mr. Silva thanked Jeff Busto for taking him on a tour of the District reservoirs, treatment plant and other facilities. Mr. Silva went over the information provided.

RE: liability insurance - Steve Silva stated that as long as the Board and District act within the course and scope of your duties then Special Districts is going to protect and indemnify the District. He continued through the information in the booklet. He pointed out the \$25,000 potential deductible for any terminations that are made in the District without contacting SDAO prior to the termination.

RE: Property - Discussion of possible change of values of some property. It is good to move up to replacement value of property but it may be better to increase value of most important assets first.

INSURANCE RENEWAL CONTINUED..

Jack Garrison asked what changing the District deductibles would do for lowering insurance costs? Steve Silva said he has not done a deductible quote but can prepare a request for that information from Special Districts. He did recommend raising the deductible on the equipment. It is currently only \$250 and should be raised possibly up to \$1,000 and would save the District in premiums. Jeff Hargens said he agreed that deductibles should be increased. Discussion of values of equipment and structures and risk factors.

Jack Garrison asked if quotes had been obtained from other carriers? Steve Silva said he had not pursued quotes from other carriers. He further noted that Special Districts does a fantastic job. Jack Garrison said their risk factor is based on higher risk entities like fire and ambulance and we are not in that category. Steve Silva said he could market it with a couple different carriers and see what they come up with.

Discussion of claim history. Discussion of what the District could afford for higher deductibles.

Steve Silva will get a quote of what the District would save if the deductibles were raised as follows:

- \$2,500 and \$5,000 property
- \$1,000 collision /\$1,000 comprehensive on vehicles
- \$2,500 on equipment

Discussion of vehicle coverage. The list of vehicles is current. The miscellaneous equipment was not inventoried.

(Sara Grigsby arrived at this point in the meeting 7:10 p.m.)

Jack Garrison asked what the value of a piece of equipment was to be included in the miscellaneous equipment? Jeff Busto responded it is a rough tally of anything of substantial value that if there was a loss we would want to make a claim on. Jack Garrison said if the deductible is raised to \$2,500 there wouldn't be much sense in insuring anything with a replacement value of less than \$2,500. We will need to reduce the amount of coverage on the miscellaneous if we raise the deductible.

Discussion of the value of the backhoe and the gator.

Sara Grigsby asked what the difference between stated amount and stated value? Steve Silva will get the definitions.

Jack Garrison asked for the definition of hired auto physical damage. Steve Silva stated if you commandeer a vehicle or an employee or Board member drives their own vehicle on District Business they are covered. Steve further noted that Special Districts is working on updating their coverage documents and when he has looked in those documents they haven't had a good definition. He will check on the update.

Crime coverage which deals with forgery and alteration meets the \$25,000 minimum per ORS. Steve Silva asked the Board if they are comfortable with the minimum. Wilson Heirgood recommendation is \$100,000 of coverage. The current coverage costs \$247 annually to increase coverage to \$50,000 the premium would go to \$347 and if it was raised to \$100,000 it would go to \$466. These are estimated using 2017 rates. There is \$100,000 coverage for credit monitoring under the liability policy. Jack Garrison interjected the District has five or six people that are bonded that we are paying for right now. Steve Silva said the crime policy with Special Districts covers all employees, all Board Members and any volunteers and meets all of the state requirements. The other policy isn't necessary. Jack Garrison agreed that if this covers what we need we may not need to renew the bond. Steve Silva said to raise the crime coverage to \$50,000 the premium would go to \$247 and if it was raised to \$100,000 it would go to \$466.

Lastly Workers Compensation, the District experience modifier is .85 which is pretty good. The industry average is 1.0. The premium is around \$5,000 per year. Jack Garrison asked if we could market outside Special Districts for the Workers Compensation. Steve Silva said yes we can market it elsewhere although we have found that Special Districts has lower rates. Jack Garrison said we have to consider the Special Districts yearly dues in the cost of our insurance.

INSURANCE RENEWAL CONTINUED....

Review of requested information from Steve Silva: Quotes on property at \$2,500 and \$1,000, Equipment at \$2,500 and auto at \$1,000 and \$1,000.

Steve Silva suggested the District let the coverage renew and then when adjusted values are available the policy can be amended. He will try to get SDAO to give an extension on processing. In mid January Steve Silva will send the District some applications to complete to shop other carriers in the market. We will target April at the latest for review of Workers Compensation which renews July 1, 2018.

Address "stated amount" versus "stated value" and review the coverage on the bobcat and what was paid and what it was insured for. Get information on hired auto.

Steve will review the current bond the District has on employees and Board. Once he reviews the bond the Board can decide if they want to continue with that bond.

Renewal will be done as is and then changes will be submitted later. Deductibles should be able to be changed for the new policy year.

Jeff Hargens made a motion Steve Silva, Agent of Record, have the John Deere Backhoe value be reduced to \$40,000 from \$68,000 and new quotes be obtained for higher deductibles as discussed tonight. Kevin Wilhelm seconded, all were in favor, motion carried. *(5yes votes: J.Hargens, K.Wilhelm, J.Garrison, S.Grigsby & B.Gaughan 0 no votes)*

The other values will be reviewed when the new policy is issued in 2018.

TREASURERS REPORT

Sara Grigsby had no written Treasurers Report. Sara Grigsby reported she met with the District Clerk and went over the updated reports and reviewed all bills and credit card charges. She had nothing else to report.

Jack Garrison asked the District Clerk if in the future the Board could see a report of the percentage used by budget line item. He is concerned that we are through a third of the Budget year and the Board needs to be able to review where we are in the budgeted expenditures. Gail Griffith responded she would have a report through November available in December.

(Bob Colclessor left at this point in the meeting)

Sara Grigsby made a motion to accept the financial reports through October 31, 2017 as presented. Bob Gaughan seconded, all were in favor, motion carried. *(5yes votes: J.Hargens, K.Wilhelm, J.Garrison, S.Grigsby & B.Gaughan 0 no votes)*

VARIABLE BASE RATE

Nothing to report tonight. This item will be postponed.

SOUTHFORK INTAKE update

District Manager Jeff Busto will cover this in his manager report.

WATER USAGE DEMOGRAPHICS REPORT

District Manager Jeff Busto said the report has not been completed. Tabled until next month. Jack asked for a review of what will be encompassed in the report. The District Clerk said we will have a list of the size of meters in the District and then do a look back of one year of usage for the District based on type of user such as commercial and residential. Jeff Hargens asked why we are doing this report. Sara Grigsby said it came up during the summer when there was a concern about water use. This report should provide us with information on the amount of water used by the different types of customers and be helpful in case of a drought.

FEASIBILITY STUDY

Nothing to report at this time. Table until next month.

AUDIT PROGRESS REPORT

The District Clerk reported the Auditor has received all information requested and has been out to the office to review documents. The Audit should be included in the December Board packet for Board review and be able to be submitted to the Department of Revenue by December 31, 2017 as required by the State. The Audit will be sent out electronically to the Board.

MANAGER'S REPORT

The November Manager's report was included in the Board packets and a copy is filed with the minutes. District Manager Jeff Busto read from the report.

Discussion of how filter ponds are cleaned. Jeff Busto explained we got a small backhoe, which is checked to make sure there are no leaks of any kind in it. We drive it down in to the pond. We rent 4'x8' mats that we lay down on the ramp for the backhoe and the dump truck to drive down. The backhoe loads the dump truck and we can clean a pond in a matter of hours rather than days. Jeff Hargens recommended that besides checking for leaks it would be good to put diapers on the backhoe that tie underneath so if there were a hydraulic line break it would keep it from going into the water source. Jack Garrison asked when Filter Pond 2 would be cleaned. Jeff Busto responded he hoped sometime this winter. Jeff Hargens expressed concern that if there were a leak in the equipment it could ruin the pond. Kevin Wilhelm asked how much material was taken out of the pond. Jeff Busto responded about eight yards. Kevin Wilhelm suggested we could rent a big vac truck to do the work in a day and would be safer. Jeff Busto said we could rent a hoe that has vegetable based hydraulic fluid in it. Jeff Hargens commented it might be good to get rid of the rubber tired backhoe and get our own rubber track hoe.

Jeff Busto continued reading from his report. During the discussion of the flight over the fire area he noted a grant has been applied for to cover any costs we incurred due to the fire. There was no fire burn damage but we got a tremendous amount of ash fall and debris in the watershed.

In regards to logging Jeff Busto said he is working on getting the rules changed on the riparian boundary area requirements for municipal watershed areas. Jack Garrison commented that we should be able to comment on any permit for logging before it is issued. Further discussion. Jeff Hargens suggested we should fence our intakes. The Northfork and Southfork have no fencing. This is wide open in the wilderness and if it was fenced and had some type of camera monitoring this would help protect the area from vandalism which could destroy our water. Jeff Busto will be contacting Frank Lumber and BLM about getting the authorization to install the fencing on their land.

Bob Gaughan expressed his concern that we need to consider an alternative water source.

Jack Garrison asked about the status of the school backflow device. Jeff Busto said they are not using it. When it is removed it will be sent to BMI and they will be our third party entity to look at it and determine whether it is a legal device. Discussion about the testing of the device. It has been tested the last five years. Jeff Busto will continue to work with the school. There will be a new device installed. The Water District will pull the old device and drop in the new device. The school will be in charge of connecting it.

PUBLIC COMMENTS ON ITEMS NOT LISTED IN AGENDA

No comments/ No one present

FUTURE AGENDA ITEMS

ACTION ITEMS FOR NEXT MONTH

BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER

None

ADJOURNMENT

Jeff Hargens made a motion the meeting be adjourned at 8:35 p.m. Sara Grigsby seconded, all were in favor, motion carried. (5 yes votes: J.Hargens, K.Wilhelm, B.Gaughan, J.Garrison & S.Grigsby 0 no votes)