

Minutes

Corbett Water District Regular Monthly Water Board Meeting

December 14, 1999

The meeting was called to order at 7:30 p.m. by Chairman Jeff Grover. All Board members, Ed Kalberg, Jim Mastne, Sandra Redfern and Henry Schwartz, were present. Also present were Superintendent Randy Stark and District Clerk Carol Quinn. There were two visitors in attendance.

Mr. Kalberg moved the minutes be approved as read. Ms. Redfern seconded. Passed unanimously.

Mr. Stark presented information regarding financial options available for capital outlay projects. Currently our revenue comes from water sale rates and a property tax levy. This tax levy is based on a permanent tax rate and cannot be changed. A local option tax levy can be available. It can be voted to run for one to ten years for capital projects. As long as it stays within the \$10.00 ceiling per \$1000 of Real Market Value for taxes when combined with other levies from other taxing districts as required by Measure 5, the whole amount can be collected. However, if the collective levies total more than \$10.00 the property taxes go into "compression" to comply with the \$10.00 limit. Multnomah County is planning a local option levy measure for public safety in the November 2000 election. Local option levies are subject to the double majority test except in November elections in even numbered years.

There are several types of bonds. The most common are General Obligation (GO) and Revenue Bonds. GO Bonds are outside the Measure 5 limitation but are subject to the double majority test except in November elections of even numbered years. Revenue Bonds are limited liability obligations secured by a specific revenue pledge and/or security interest in certain property. They do not require voter approval. They have higher interest rates. In general using bonds to finance capital projects is complex and needs an attorney certified by the state to author a bond issue. There is a limitation on Corbett Water District's bonding authority, which is 10% of the Real Market Value, or about \$22 million.

Mr. Stark also presented information and a chart explaining the interest charges on various loan amounts. He also presented some cost estimates and goals for the capital improvement projects in the district for the next 12 years. At this time, the district has more projects than money.

Following Mr. Stark's presentation, the Board discussed how to proceed with plans. They decided they need a process. The budget will be affected and the Budget Committee will have to consider the options and plans as well. For any levy or bond measure to pass, the general public must be in favor and support the plan and the projects. The Board agreed that Mr. Stark should prepare a survey to be sent to District customers requesting their input in how to proceed. The Board will review this survey at the next regular Board meeting. Response to the survey will give the Board some direction. Before any measure was placed on the ballot, the Board could hold a special meeting /hearing for public input. Realistically the soonest that anything could be prepared for the ballot would probably be in the November election. If a levy should pass at that election, the funds would not be available until the following year.

At 9:15 p.m. pursuant to ORS 192.66 (1) (h) Chairman Grover called the Board into Executive Session for the purpose of litigation/consultation from legal counsel.

At 9:25 p.m. Chairman Grover reconvened the regular Board meeting.

Mr. Stark announced the GSPC has made preliminary findings of violations of the Oregon Government Standards and Practices Act by Sandra Redfern, Board member, and Jim Leckron, Budget Committee member. The OGSPC has proposed a compromise and settlement including the payment of a civil penalty in the sum of \$250.00 each. Ms. Redfern declared a "conflict of interest" and will not participate in any discussion of this matter. Mr. Stark read a Resolution #1999.12a prepared by the District's lawyer stating the Board concludes that no violation of the law occurred and if any technical violation might have occurred it was inadvertent, accidental and without any intent to benefit a public official or any relative of a public official. At all times relevant to the matters at hand, the public officials involved were acting within the course and scope of their duties as elected or appointed public officials on a volunteer basis without monetary compensation. The pendency of the OGSPC matters has been a continuing distraction to the Corbett Water District Board and staff and it is in the best interest of the District to pay the civil penalties on behalf of Ms. Redfern and Mr. Leckron. Mr. Stark personally recommended the Board adopt the resolution.

Mr. Kalberg moved the Board adopt the Resolution. Mr. Schwartz seconded. Mr. Kalberg, Mr. Schwartz and Mr. Grover voted in favor of adopting the Resolution. Mr. Mastne abstained from voting. Ms. Redfern did not vote because of a "conflict of interest."

The Board received copies of the 1998-1999 Audit report prepared by Kern & Thompson. The report showed the budget procedures were followed in accordance with provisions of the Local Budget Law as to preparation, adoption, execution and control. Mr. Kalberg advised the Board he had reviewed the audit report and as a CPA was pleased to see the District had demonstrated fiscal responsibility in the expenditures of its funds leaving a balance in the Personal Services and other accounts. Mr. Mastne moved the District accept and approve the Audit Report. Mr. Schwartz seconded. Passed unanimously.

Under Audience Comments, Mr. Kimbley expressed his opinion that the District needs to redo its system improvement priorities.

Mr. Freund asked about meters malfunctioning. He wondered why he used more water when he was gone.

There was some discussion of the bills.

Mr. Mastne moved the meeting be adjourned. Mr. Schwartz seconded. The meeting was adjourned at 10:00 p.m.