

# CORBETT WATER DISTRICT

## APPROVED MINUTES

Regular Board Meeting

Tuesday, December 16, 2003

Corbett, Oregon

**Commissioners Present:** Chairman Gordon Fulks, Vice-Chairman Doug Geller, 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:** Torey Redfern, Barb Adams, Bob and Donna Colclessner, Marion Kirkham, Ed Kalberg, Gene Hubbard and Sue Fry.

### **Discussion of November 4<sup>th</sup> and November 18<sup>th</sup> Minutes.**

After much discussion on word choice and grammatical errors it was decided that the minutes would be sent to the secretary before they are presented to the Board for approval. The minutes were moved ahead to the January meeting.

### **Financial Report.**

Chairman Fulks stated that the main purpose of the financial statements were to see if the district was within the current budget. Ms. Simms commented on the year-end adjusting journal entries that were made in accordance with the auditor.

The Vendor Quick Report shows the details of expenditures for Davis Excavation and Platinum Plus for business, allowing the Commissioners to see what items are being purchased when it shows "split" under category on the List by Vendor sheet.

### **Monthly Work Report.**

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

- The right controller was installed on the backhoe.
- A 10 x 6 tap was done on the 10" main at the crossing of the Historic Highway and 366<sup>th</sup>.
- Torey Redfern built a pipe rack for the utility truck, at an estimated cost of \$150.00, with an estimated savings of \$350.00.
- The crew set up the new fuel tank and had it filled with off road diesel.
- The crew installed an exhaust fan in the new shop.
- The crew did a road push on Evans road, allowing for the abandon of two leaking service lines.
- Thirteen customers on Rohrbach have been hooked up to the new line.
- The crew disconnected the 34 year-old 6" line on the north side of the Historic Highway.

## **Calendar.**

- Gene Hubbard and Marc Caldwell have been working on the permit application for 366<sup>th</sup>. The permit application will cost \$344.00. The plan is to have the actual permit in three to six months.
- The crew will continue switchovers along the Historic Highway. Torey Redfern estimated that there's about a dozen switchovers left to do. The goal is to have all switchovers done by spring time.

Chairman Fulks stated the need for a budget calendar to be made and sent to the Tax Supervising and Conservation Commission (TSCC) as soon as possible.

## **Review of Option Packages for Total Employee Compensation and Selection of Goal for Cost Containment.**

Chairman Fulks wanted to look at everything as a total package; in the end it's the total cost that matters to the district. He handed out an article about inflation rates being at a 38 year low, with a current inflation rate of 1.1%. Chairman Fulks explained how a \$100.00 raise to an employee costs the District a loaded amount of \$125.00. The loaded amount is about 25%; including PERS, Social Security and Workman's Comp.

Chairman Fulks explained the Annual Employee Compensation worksheet to the Board. In mid 2003 the District spent \$176,372.53 on compensation for Marc Caldwell, Torey Redfern and Gene Hubbard. If things were to continue as is, the total compensation for the year would be \$190,370.79, an increase of 7.9%. If the district switches the health insurance to HealthNet and allows for a bonus, the total compensation would be \$182,502.79, an increase of 3.5%. If the district switches to HealthNet, gives a bonus and a 2% merit increase the total compensation would be \$185,437.81, an increase of 5.1%.

Chairman Fulks wanted the Board to consider how much inflation was reasonable over a calendar year. HealthNet would have a set yearly insurance premium starting every January. Commissioner Freund explained how HealthNet would benefit the district. HealthNet would save the District an estimated \$10,000 a year, allowing that money to be used elsewhere. The deductible doesn't apply when going to a regular doctor's appointment. The deductible is meant to be used for catastrophic events. Chairman Fulks and Commissioner Freund believed the PPO plan from HealthNet would allow the employees to keep their current doctors.

## **Review of Health Insurance Options for 2004 and Selection of Carrier and Policy.**

Chairman Fulks wanted to balance the needs of the employees and the needs of the community; he would like to find a healthcare coverage that is fair. Commissioner Geller stated that the district would still be paying 100% of the health insurance premium.

Commissioner Geller made a motion to switch the insurance carrier to HealthNet, PPO. Voting for the motion were Commissioners Fulks, Geller, and Freund. Voting against the motion were Commissioners Blanc and Wilson.

## **Consideration of Possible Bonus and Salary Increases for Staff.**

Chairman Fulks stated the change in health insurance would allow the Board to consider a bonus and/or a salary increase to the staff. There has already been a 2% COLA raise, and the current inflation rate is 1.1%. Commissioner Wilson stated that inflation and COLA were not the same thing. COLA is based on a consumer price index, while inflation is not.

Commissioner Wilson stated that in the past the Superintendent or Manager had been given the discretion for merit raises based on the employees performance. Chairman Fulks and Commissioner Geller believe the Board is the Superintendent for now. It's up to the Board to decide how much money there will be available to be spent on merit raises.

Commissioner Freund stated that the low inflation rate does not support big increases. He would like for the crew to take some time off on rainy days when they can't work efficiently, as a type of bonus. Chairman Fulks and Commissioner Freund liked this idea because it would not raise any additional costs to the District.

Commissioner Geller made a motion to increase the base salary by 1% and the bonuses shown in option B, a \$1,000 for Marc Caldwell and \$500 each for Torey Redfern and Gene Hubbard. Voting for the motion were Commissioners Fulks, Geller, and Freund. Voting against the motion were Commissioners Blanc and Wilson.

Chairman Fulks wanted to set the effective date for the salary increases. The 1% merit raise for Torey Redfern and Gene Hubbard would be effective as of November 1<sup>st</sup>. The 1% merit raise for Marc Caldwell would be effective as of July 1<sup>st</sup>, the day he took over as Interim Manager.

Commissioner Geller made a motion to make the 1% raises effective as of November 1<sup>st</sup> for Torey Redfern and Gene Hubbard, while Marc Caldwell's would be effective as of July 1<sup>st</sup>. The motion passed unanimously.

#### **Consideration of Holiday Pay for District Clerk.**

Chairman Fulks stated that probationary employees accrue vacation but are not allowed any holiday pay for the six months during probation. He wanted to know what normal business practice was. Barb Adams believed holiday pay for probationary employees was standard. Commissioner Geller stated what the City of Portland does: if a pay period is two weeks (which is 80 hours) and one has at least 80 hours completed, then any holiday after that period one gets paid. But if one is hired the week after July 4<sup>th</sup>, then holiday pay for July 4<sup>th</sup> is not paid.

Commissioner Freund made a motion to give holiday pay to the Clerk on a one time exception. The motion passed unanimously.

#### **Resolution Repealing Automatic Salary Increases.**

Chairman Fulks read Resolution 2003.12.01 to the Board. This Resolution is repealing Resolution 2002.11.01 titled Changing the Method of Performance Appraisal for the Position of Superintendent. Chairman Fulks believed the original documentation was better than the revised addition.

Commissioner Geller did not like the wording in Resolution 2002.11.01. The Resolution obligated the District to make COLA and merit raises every year, regardless of the financial position of the district.

Commissioner Freund made a motion to adopt Resolution 2003.12.01, repealing Resolution 2002.11.01. Voting for the motion were Commissioners Fulks, Geller, Freund and Blanc. Voting against the motion was Commissioner Wilson.

### **Resolution Limiting Overtime Compensation to Appropriate Situations.**

Chairman Fulks believed the overtime in the past had been taken between two people on a routine basis for routine work. He believed it should be used for labor needed after hours for emergency situations.

Chairman Fulks read the Resolution to the Board. Commissioner Blanc believed the State Labor Division directed overtime issues. Chairman Fulks wanted to limit the overtime for emergency situation. He believed this resolution was needed because he had heard, but not verified, that in the past the superintendent had spent long hours at the District accruing overtime because the Board would not increase his salary.

Commissioner Wilson wanted to know what happens when Marc Caldwell and Jamie Simms take comp time for meetings. Chairman Fulks stated that when Jamie Simms leaves early for comp time the office is closed, but it has not been an inconvenience with the new bi-monthly billing. However, it does mean that the budget will be receiving less attention. Commissioner Freund pointed out that there was an answering machine at the district.

Commissioner Geller stated that the Resolution did not say that overtime would not happen; it's just stating the obvious. Chairman Fulks stated that the manger would have to use his best judgment for when overtime was necessary. If the managers' judgment is reasonable, the Board would support the decision.

Commissioner Freund made a motion to adopt Resolution 2003.12.02, Appropriate use of Overtime. The motion passed unanimously.

### **Discussion of Draft Job Descriptions for Manager and Clerk and Establishment of Process for Selecting Permanent Manager.**

Commissioner Geller created draft job descriptions for the District Manager and Clerk. He took the previous job functions for both and modified them. Commissioner Geller would like to establish a timeline for hiring a permanent manager. There are two ways to look at filling the managers position:

1. The Board would assume that they were going to make Marc Caldwell the permanent manager. The Board would have another meeting with Marc Caldwell and lay out some goals and the training he would need.
2. The Board could decide to advertise for the position and accept applications, for which Marc Caldwell could apply.

Commissioner Geller did not want to see Marc Caldwell as the Interim Manager for more then a year and it has already been six months. Commissioner Freund would like for the Board to fill the position in three months time, with an absolute deadline of six months.

Commissioner Wilson would like to appoint a committee to suggest which option was best for the district. He would like to see Barb Adams and Ed Kalberg on the committee because both of them have been through this process with the District and know where the District stands. He would also like for SDAO to be involved. Commissioner Geller recommend Dale Anderson as a committee member.

Commissioner Wilson read the motion to the Board. Chairman Fulks believed this motion covered more areas than what was being discussed. Commissioner Freund made a motion to table Commissioner Wilson's motion. Commissioners voting for the motion were Fulks, Geller and Freund. Voting against the motion was Commissioner Wilson. Commissioner Blanc abstained from the vote.

**Discussion of Staffing Requirements for Front Office and Integration of Backup Employee.**

Chairman Fulks would like a backup front office employee to fill in for vacation, illness and any other needs. Chairman Fulks recommended that Jamie Simms stays at 30 hours a week and bring in Z Marsh for 6 hours a week starting after Christmas when the billing cycle begins. This will enable Z Marsh to come up to speed.

Commissioner Freund made a motion to hire Z Marsh for 6 hours a week. Voting for the motion were Commissioners Fulks, Geller, Freund and Wilson. Voting against the motion was Commissioner Blanc.

**Discussion of Budget Process and Assignment of Responsibilities.**

Chairman Fulks explained to the Board that the District needs to send Tax Supervising Conservation Commission (TSCC) an approved calendar in January. Chairman Fulks stated that the Budget Officer is the person who is responsible for the budget being done on time. In the past Randy Stark, the Superintendent, had been the budget officer. Now that Randy Stark is no longer with the District the selection process needs to be reconsidered. Chairman Fulks recommended that the new budget officer be Jamie Simms. She would be compiling the budget under Marc Caldwell's supervision.

Commissioner Freund made a motion to select the Office Manager, Jamie Simms, as the budget officer. The motion passed unanimously.

**Discussion of Pipeline Replacement Program and Board Expectations.**

Chairman Fulks believed there was enough money this fiscal year to complete three pipeline replacements. Marc Caldwell proved today that the crew could get Rohrbach done in a reasonable fashion. Resolutions will be needed in the future to transfer money from personal services into capital improvement - pipeline replacement projects.

**Discussion and Evaluation of Draft Audit for Last Year.**

Chairman Fulks and Commissioner Freund plan on meeting with the auditor Friday to go through the draft audit report. He would also like for the former Chairman Ed Kalberg to come to the meeting. The auditor needs to be finished with the audit at the end of December.

**New Reservoir Project Updates and Required Action.**

Chairman Fulks stated the need to have the signature forms sent to the Oregon Economic and Community Development Department (OECDD). To receive funds from OECDD it will require two signatures.

Chairman Fulks spoke to Lee Engineering, and they informed him that the contractor was making noises about there being too much dirt where the New Reservoir will be constructed. The contractor wanted a change order to move an additional 1,000 or 2,000 yards of dirt. Lee Engineering will see what kind of negotiations could be done with the contractor. Another option would be to have the crew go out and move some of the dirt themselves.

The districts current loan repayment pool accrues interest at about 1.3% and the OECDD loan accrues at an interest rate of 4%. Chairman Fulks would like to use the excess money in the loan repayment fund to pay for the contractors directly, thus avoiding the current need for a loan disbursement. Former Chairman Ed Kalberg believed that the district could borrow the money from OECDD and then turn around and make a loan payment from the repayment pool. Chairman Fulks would like to inquire at TSCC to see if either of these two plans would work.

### **Discussion of Treatment Plant Upgrades and Establishment of Workshops with Lee Engineering.**

Lee Engineering would like to meet with the Board on the 6<sup>th</sup> of January to discuss the treatment plant upgrades. Marc Caldwell, Chairman Fulks and Commissioner Freund are planning on going to Lee Engineering before hand to talk about some of the details with Brian Lee, P.E..

### **Assignment of Managerial Duties and Responsibilities to Board Chairman.**

Chairman Fulks stated that he preferred not to be delegated the managerial duties. Commissioner Wilson would like to see a Board vote on the delegation of administrative duties to the Board Chairman for three months. This would give Chairman Fulks Board approval for what he has currently been doing at the District office. Commissioner Blanc believed this would give the authority to the Chairman instead of just having things being done without Board approval.

Commissioners Geller and Freund both see this as describing the current situation. Commissioner Freund would like to see Chairman Fulks available, on an on-call basis if a situation arises and he's needed, as opposed to spending a lot of time at the District. Chairman Fulks would like for the responsibility to be on paid staff and not on him.

Commissioner Wilson made a motion to delegate temporary administrative duties to the Board Chairman. Voting for the motion were Commissioners Wilson and Blanc. Voting against the motion were Commissioners Fulks, Geller, and Freund.

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

Meeting adjourned at 9:50 pm.