

**CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING**

December 18, 2018

BOARD MEMBERS PRESENT: Sara Grigsby, Jack Garrison, Jeff Hargens, Bob Gaughan and Kevin Wilhelm.

BOARD MEMBERS ABSENT:

STAFF PRESENT: District Manager Jeff Busto and District Clerk Gail Griffith

AUDIENCE MEMBERS David Jacob, Gordon Fulks and Mike Griffith

Bob Gaughan called the meeting to order at 6:31 p.m.

APPROVAL OF THE AGENDA

Jack Garrison made a motion to approve the Agenda as printed. Jeff Hargens seconded, all were in favor, motion carried. (5 yes votes: S Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)

APPROVAL OF THE MINUTES

President Bob Gaughan asked if there were any corrections to the November 20, 2018 Regular Board Meeting minutes. Jeff Hargens made a motion the minutes of the November 20, 2018 regular Board meeting be approved as printed. Kevin Wilhelm seconded, all were in favor, motion carried. (5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)

President Bob Gaughan asked if there were any corrections to the December 6, 2018 Special Board Meeting minutes. Jeff Hargens stated the minutes should be changed where it says “Bob Gaughan called the meeting to order...” Bob Gaughan should be changed to Jeff Hargens. Jeff Hargens made a motion the minutes of the December 6, 2018 special Board meeting be approved as amended. Sara Grigsby seconded, all were in favor, motion carried. (5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)

TREASURERS REPORT OCTOBER 2018 AND NOVEMBER 2018

Sara Grigsby addressed the Board. She noted in the last Report of Accounts it shows the District Manager line item at 66% of use and this month it has been corrected to 45.35% used. She also noted that the Materials and Services “Mains Repairs and Maintenance” line item is at 325% over. That is a large percentage over the budgeted amount over. Jeff Hargens agreed that is way over, but the whole group of Materials and Services is only over a small amount. It will need to be watched.

Jack Garrison asked that the Board receive an amended copy of last month’s Chart of Accounts. The District Clerk will email the amended copy to all Board Members.

Sara Grigsby made a motion the October 2018 Treasurers Report be approved with an amended summary of accounts to correct the District Manager line item percentage used. Jeff Hargens seconded, all were in favor, motion carried. (5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)

Sara Grigsby made a motion to approve the Treasurers Report for November 2018 as presented. Kevin Wilhelm seconded, all were in favor, motion carried. (5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)

UPDATE ON METER REPLACEMENT

District Manager Jeff Busto stated the plan is to replace all of the 1” and 5/8-3/4” meters in January and February 2019. The 2” meters may also be replaced at that time. We do have all of the meters in house now including the large size meters. Jeff Busto said he is negotiating with the contractor about installing the larger 3”, 4” and 6” meters. We are working with Master Meter to set up their in house training. The system must be installed prior to completing the training. Training will be sometime toward the end of February. We are planning that the meters will be installed by the end of February for our next billing cycle. It should take about 2.5 to 3 weeks. Our part of the job will be to vacuum out the dirt and insulation ahead of the contractor. This is contingent upon weather conditions. Short Discussion.

Gordon Fulks asked how the billing works if the meters are changed out does a customer only get charged for the old meter read or the new meter read. Jeff Busto explained the meters are read as they are pulled out and that is included with any usage on the new meter prior to being read for billing. Jeff Hargens asked if the meters would be read when they are shut off for replacement. Jeff Busto said the contractor will record the reading.

WELL PROGRESS REPORT

District Manager Jeff Busto reported he had a meeting with the engineering company representatives. Chris Augustine, who gave presentations at earlier Board meetings, has changed employers. He was with Aspect and has moved to SCS Engineers. Information regarding this change was included in Board packets. The District Clerk noted the agreement with Aspect Consulting was not signed. There will need to be a new motion to amend the September 2018 motion and change from Aspect Consulting to SCS Engineers. Jeff Busto continued that the meeting went well. Everyone agreed that the logistics of the Deverell and Larch Mountain Road site are good. There is three phase power overhead, the ten inch water main is on the same side of the road as the proposed well and there are upstream and downstream PRV stations. The engineers believe the PH will be in the high 7's to low 8's which would make it easy to blend the water. Jeff Hargens owns the piece of land and is willing to look into giving a 50x50' corner of the land if it does not cause an encumbrance on the land. Further discussion.

Jeff Hargens said Beaverton has a large amount of recovery wells and are planning to drill more. They take their excess water and put it into their recovery area. It is the wave of the future.

Sara Grigsby made a motion to amend the September 18, 2018 motion that rather than Aspect Consulting the District enter into an agreement with SCS Engineers per the quote of November 14, 2018. Jeff Hargens seconded, four yes votes, one no vote, motion carried. *(4 yes votes: S.Grigsby, Bob Gaughan, K.Wilhelm, & J.Hargens 1 no vote: J.Garrison)* Jack Garrison explained he is voting no because the timing of this effort is not correct with regard to our ability in the next five to eight years to fund this project.

UPDATE ON VEHICLE REPLACEMENT

District Manager Jeff Busto stated he has not been able to pursue the sale of the vehicles yet. He has had a lot of irons in the fire and is hoping to get this going in the New Year. Jack Garrison asked if we are done purchasing items for the new vehicle. Jeff Busto said yes we are done.

PROPERTY, LIABILITY, CASUALTY INSURANCE RENEWAL 2019

The Board received the information in their Board packets from both SDIS and Glatfelter. Jack Garrison said he is concerned that the Board has not had time to review the two policy proposals. He expressed he is concerned that the Board needs more time. The District Clerk stated that the renewal can be done with SDIS and the Board can cancel it at any time. Short discussion of longevity credit and Best practices credit. Jack Garrison asked that there be a line by line comparison on how items are insured by SDIS and Glatfelter. Jeff Hargens said he would like our Insurance Agent to explain the two proposals. The District Clerk will ask Agent Steve Silva for a more comprehensive comparison of the two policies. The Board will complete a more in depth review at the January meeting.

AUDIT REPORT FISCAL YEAR 2018-2019

The Board received the audit by email. Jeff Hargens said he relies on the auditor to do their job and discuss any possible fraud with the President. The Auditor and President of the Board have not spoken yet. Jeff Hargens said he usually reviews the letter and make sure the Auditor doesn't note any problems and we are in compliance with the State. Jack Garrison expressed his concern about the PERS unfunded liability. If Board members email questions to the District Clerk about the Audit she will forward those to the Auditor for clarification.

MEDICAL INSURANCE RENEWAL CONTRIBUTION

The Board received information in their Board packets. Jack Garrison said he thought the Board went through this last year and took care of it. The District Clerk responded that the Board reviewed the information March of 2018 but made no decisions. The thought was that the Health Insurance system might change before the renewal came up in December. Currently the Water District pays \$325.00 per month of the health insurance premium for all employees who work forty hours per week and half that amount for employees who work over twenty hours up to forty hours. The new Health Insurance participation agreement, with Regence, requires that the employer pay at least 50% of the employee premium for the lowest cost plan chosen. The employer must pay the same for all employees covered by insurance. If the Board does not want to cover anyone who works less than forty hours full time then there needs to be a motion stating that only those employees working forty hours or more will be eligible for health insurance coverage. The current plan, chosen by the employees, premium for employees is \$580.15. Fifty percent of that is \$290.07. Those employees who work more than 20 hours per week but less than 40 hours per week receive \$162.50 per month contribution from the District for insurance premiums. The difference is \$127.57 per month.

Jeff Hargens asked if the Board changed their current policy to cover any employees who work over 30 hours per week with the \$325.00 contribution. This would eliminate the two rates.

Jack Garrison asked if once we put in the new meter reading system would that reduce the hours for office staff. Jeff Busto responded the new meter reading system will reduce the time for the field crew to read meters but he could not say what difference in time it will make for the office staff.

Jeff Hargens made a motion to make a resolution to change the hourly requirement for full health insurance benefits to those employees who work thirty hours or more per week and no health insurance benefit for those who work less than thirty hours per week. Kevin Wilhelm seconded, all were in favor, motion carried. *(5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)*

REVIEW CONTRACTOR WORK AND DISTRICT IN-HOUSE WORK ON REPAIR PROJECTS

This item was included in a portion of the District Managers Report.

Jack Garrison addressed the District Manager. In 2016 when you became Interim Manager we moved two employees up to the number 2 and the number 1 positions. We had a third position that remained unfilled for a long period of time and there was a number of questions by Board Members if we were going to hire somebody. When Hans left we had a second number two position unfilled. We have also spent a small amount of money on temporary help. Jack continued that he is concerned when he read the Manager's Report that we don't have the in house resources and that we don't have the skilled labor to do the jobs we have been doing in the past. We haven't hired new people and what skills are the current personnel lacking that we had before when we did the jobs. The information suggests that our workers are not trained to meet OSHA or OHA requirements.

Jeff Busto replied the issue is we have one certified operator and another employee who has been here long enough that he should be getting certified. The other thing is we switched over from doing capital improvement to doing maintenance. The training that is needed for repairing main breaks is something that you learn when you are doing capital improvement jobs. Jeff continued that he would not be comfortable to put together a crew to repair a main break even though we have the equipment and the training on paper. Water main breaks are extremely time sensitive. We don't have time to use it as a training situation. Sara Grigsby asked if this is a short term strategy or is outsourcing a long term strategy. Jeff Busto said he didn't think it would be long term. Jeff Hargens said what is earth shattering is the \$60,000 for hiring Lovett to do the work. He asked if we do any of the repairs in house. Jeff Busto responded that we do. Jeff Hargens said he thinks the Board wants to bring the costs of the outside contractor to the attention of the Manager. Jeff Hargens continued that when there are small breaks and we can do the work we should and if there is a big problem then bring in a contractor. That is what we need to improve on.

Jeff Busto said right now it is an employee's market. The amount that is being paid for unskilled workers is extremely high. We have difficulty finding people to hire.

Jack Garrison said if we have concern about our employees possibly being able to do something like run a back-hoe how about seeing if we can find a heavy equipment operator and we could guarantee “X” number of hours per month and if we have a need for them to come in on an emergency they do.

Jack Garrison asked Jeff Busto why we hired Lovett to put in a new service rather than do it ourselves. Jeff Busto responded no contractor was available to do the bore. We used Lovett to do the bore and complete the job.

Jack Garrison asked if we actively have a solicitation out to hire someone. Jeff Busto said he has information out to other municipalities but nothing formal. Kevin Wilhelm said an internship with someone at the local high school might be a good idea. Jeff Busto said the City of Portland just posted a job for a waterworks person with zero experience starting at \$8.00 per hour more than a Utility Worker II gets here.

Jack Garrison raised a “ what if” question. If the two current employees decided to leave after the first of the year, what is our go forward strategy to keep the district going. Jeff Busto said if we get in “a pickle” we have David Jacob to help us out. David Jacob noted that he just had to call LOVETT to help him when his crew was unavailable. They fixed two leaks in four hours. The District Clerk noted that Boring has just two people the Manager and one other with the office staff. Jeff Hargens said you don’t have PERS costs when you hire jobs out. If we add another person our PERS is going to go up. It may make sense to hire jobs out. Jack Garrison said you would have to look at more than salary for a comparison.

AUTOMATIC FLOW VALVE

The District Manager reported he received quotes from two companies for the valve and both were over \$20,000. David Jacob came up with an option to add air solenoids to the current valve that might work. This would allow the valve to be throttled using the existing structure. There is a 75% chance this fix would allow adjustments to be made remotely. It would cost around \$7,500 to try this fix for the valve. We could do a test for a few hundred dollars to see if the possible fix would work. Kevin Wilhelm asked if you can get the valve to throttle will the telemetry and everything else still work. David Jacob responded yes it will work. Jack Garrison suggested we have a proposed phase I, phase II approach where phase I is spending some money to prove the concept and if that is good and it works phase II would be to implement the fix. Discussion. Sara Grigsby made a motion that Jeff Busto and David Jacob do the phase I proof of concept on the automatic flow valve project. Kevin Wilhelm asked if this could be done for less than \$500. David Jacob said it could. Jeff Hargens seconded, all were in favor, motion carried. *(5 yes votes: S.Grigsby, Bob Gaughan, J.Garrison, K.Wilhelm, & J.Hargens 0 no votes)*

CLA-VALVES UPDATE ON WORK AND EXPECTED COMPLETION DATE

The District Manager reported we have the supplies in house and should be able to do a maintenance program on the small cla-valves in house. We have been working on finding valves. Jack Garrison asked if we have contracted out for five cla-valve stations how many cla-valves are left that need to be inspected or serviced and are we doing that in house. Jeff Busto said he is trained to take care of the cla-valves and others will be going to school. There are approximately 50-60 cla-valves to service. We have all of the tools and equipment to work on the small valves.

PUSH DOWN CORBETT HILL ROAD

District Manager reported there is an area that was done without permits. It is in a slide area. We need to fix the line below and are running into some problems with the County. Jeff Busto continued that he has met several times with the County. The waterline crosses property lines. Jeff Hargens said we have the right to replace our water mains or service lines. The Board came to a consensus that Jeff Hargens would work with Jeff Busto and meet with the County so the job can move forward.

LAB SAMPLE UPDATE

This was addressed in the Manager’s Report.

HURLBURT ROAD PROJECT- update on expected completion

The District Manager reported this is not currently causing any problems in the District it is just a loose end. He continued that we hope to have it completed sometime in the Spring depending upon weather. There are also a couple of service lines on Mershon that will be done at the same time.

TURNKEY COSTS OF PRV STATIONS

The cost of a standard 6" PRV station including vault, parts and pieces for Rickert Road is \$35,000.00.

MANAGERS REPORT

This was covered during the meeting.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None

SUGGESTIONS FUTURE AGENDA ITEMS**REVIEW ACTION ITEMS FOR NEXT MONTH****BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER****ADJOURNMENT OF THE MEETING**

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