

CORBETT WATER DISTRICT

APPROVED MINUTES

Regular Meeting: 7:00 P.M.

Tuesday, December 19, 2006
Corbett, Oregon

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

Also present were District Manager Frank Sterzinar and District Clerk Jamie Simms.

Audience Members Present: Barb Adams, Donna Colclessor, Gordon Fulks, 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 added Resolution 2006.12.01 to the PACE Engineering discussion.

Commissioner Colclessor moved to approve the agenda. Motion seconded by Commissioner Freund. Motion passed unanimously.

PACE Engineering Contract.

Chairman Gaughan read Resolution 2006.12.01 'Delegating Authority to Sign Contract' to the Board.

Andy Jordan wrote Resolution 2006.12.01. The intent of this Resolution would be to eliminate the need for the Board to hold a special meeting to discuss the concerns legal council has regarding the General Engineering Contract with PACE Engineers and the Water District. This Resolution would authorize Frank to sign the contract once the District's Legal Council, Andy Jordan, and Frank have agreed to the full content of the contract.

Commissioner Hargens asked what contract issue had yet to be satisfied. Frank said there was still an issue over the uninsured owner claims amount. Brian Lee said this issue had been resolved earlier today with the District's Legal Council Andy Jordan.

Chairman Gaughan asked about the affect this would have on other Engineering task order bids. Frank said bids could still be received from other Engineering Firms. Brian Lee said the General Services Agreement did not obligate the District, but it would satisfy the plan exemption agreement with the Health Department. Commissioner Hargens summarized that by agreeing to this Resolution the Board would still have the option to hire an outside firm to engineer a specific task.

Commissioner Kirkham said he would sign the agreement with a full Board vote.

Commissioner Freund moved to approve Resolution 2006.12.01 'Delegating Authority to Sign Contract'. Motion seconded by Commissioner Colclessler. Voting for the motion were Commissioners Gaughan, Freund, Colclessler, and Hargens. Voting against the motion was Commissioner Kirkham. Motion passed.

Commissioner Hargens would like for the PACE Engineering task orders to be on the January Agenda.

Approval of the Minutes.

Commissioners Colclessler and Freund changed a few minor things in the November 21st minutes.

Commissioner Colclessler moved to approve the November 21, 2006 minutes as corrected. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Freund moved to accept the December 5, 2006 workshop minutes as presented. Motion seconded by Commissioner Colclessler.

Secretary / Treasurer Report.

Commissioners Colclessler and Gaughan previously met with Luanne Ritchie with SDAO and she would like for the organizational chart and mission statement to be framed and placed in the District Office. The document will be framed and placed in the Clerk's office.

Commissioner Colclessler signed a purchase order for \$1,800 for a concrete saw. He questioned if any Board members wanted a maximum dollar value placed on a signature purchase order. Commissioner Hargens felt if there was ever an issue over a purchase order it could be brought up at that time. (The Board on a monthly basis reviews the purchase orders approved for the month).

Frank stated that currently the District has to hire outside services to cut concrete at a minimum charge of \$150. The project for Christensen requires several asphalt cuts and this saw would allow staff to perform those cuts instead of hiring outside help. The normal list price for the concrete saw was \$2,650 but Frank was able to get a discount for the saw at \$1,200 and the blade for \$300. The blade should hold up well as long as it is not used on ductile iron. The current diamond blade saw has lasted the District two and a half years. There was some discussion of the specifics and working's of the concrete saw.

Commissioner Colclessler has sent the review documents of the District Manager to SDAO for review. The District Manager's review will take place once SDAO has responded. Chairman Gaughan would like to be present for Frank's review and he will be out of town January 9th through January 24th. He also has received a letter from Frank asking for his review to be in public session.

Commissioner Colclessler would like for Board members to tour the District' facilities in accordance with the Board's policy manual. The Board will take this tour on a Saturday or a Thursday or Friday afternoon.

Chairman Gaughan asked about the status of the new filter pond. Frank said the pond was still offline because the Nephelometric Turbidity Units (NTU) level keeps fluctuating. District staff continues to work with Phil Beverly to resolve the issue.

Financial Report.

Jamie reviewed with the Board the Budget vs. Actual, Transaction List by Vendor, and Purchase Orders. The transaction list by vendor sheet now includes in the memo section references to the corresponding purchase order number.

Commissioner Hargens asked about the rental of the forklift. Frank said a forklift was rented to unload the pipe for the Christensen water line replacement project. There was some technical discussion of the capabilities of the District's current Backhoe.

A small Bobcat has been rented to assist the project at the Christensen job site. The Bobcat is used to backfill the ditch and sweep the street, while the Backhoe is digging the trench. Commissioner Gaughan asked about the cost to purchase a Bobcat. Frank estimated the cost of a used Bobcat to be \$20,000. Commissioner Hargens said if the District was planning on continuing to do their own projects it made sense to look into purchasing the equipment instead of renting; he viewed this issue the same as the concrete saw. Commissioner Hargens thought it would also be wise to demo a small rubber trackhoe. Frank said a small excavator would help on the Christensen project because of the slope of the work area.

Commissioner Freund asked about PO # 229 Acronis trje image 10.0. Frank said this was an auto backup software for the Treatment Plant computer.

Commissioner Hargens asked about documentation for the stolen items. Jamie has sent the documentation to the insurance company, totaling just under \$4,000. Once the insurance company issues their findings all of the documentation and insurance expenditure Resolution will be presented to the Board in January.

Gordon Fulks asked about installing a hidden camera at the District office. Frank said unless someone was looking closely they would not know there was a camera between the gas tanks. Commissioner Colclessler asked about theft deterrent devices for the vehicles. Frank said the vehicles were locked up tight and no tools are left in the trucks any more.

Commissioner Freund asked if the utility trucks had been unlocked during the time of the robbery. Frank replied yes, but there was nothing in the cab of the trucks, the equipment boxes hold the tools.

Barb Adams asked what someone would do with a locator. Frank said it could only be used to locate utilities underground. The stolen locator was engraved with Corbett Water District as was the carrying case.

Commissioner Freund said recently the State regulated fee for returned checks had increased. He wanted to make sure the returned check fee also was adjusted at the District to reflect this increase.

There was some discussion of the labor tracking sheets for the field crew employees. Commissioner Freund thought it might also be helpful to have a labor tracking sheet for the front office employees.

Chairman Gaughan moved the discussion to the board meeting recorder. Jamie investigated how other folks record their meetings and produce minutes. She found that most record their meetings onto a tape and then the Clerk produced the minutes based on their notes and the recording.

Commissioner Colclessler moved to purchase a decent recorder for Board meetings. Motion seconded by Commissioner Freund. Motion passed unanimously.

The Board received a copy of the June 30, 2006 audit. The Board and staff would like to have some time to review the document for questions, errors, and omissions. The audit is due to the State December 31st, unless the District files for an extension.

Commissioner Freund asked about the Auditors coming to the District to meet with the Board. Jamie spoke with Eric Cubberly and he said they were not planning on coming out to Corbett to review the audits with the Corbett Water District or the Corbett School District, but he will check to see if it could be arranged.

Commissioner Hargens moved to file an extension for the June 30, 2006 audit. Motion seconded by Commissioner Colclessler. Motion passed unanimously.

Manager's Report.

Treatment Plant

Frank explained to the Board, that because of heavy rains causing high NTU levels last month the Treatment Plant went into automatic shutdown. With the help of the Corbett Fire Department, District staff were able to make the necessary repairs quickly and the Treatment Plant was turned back on the next day. The chlorine residual level at the Treatment Plant has been increased to insure all water quality remains within the proper limits.

Gordon Fulks asked about the computer software's involvement for the automatic Treatment Plant shutdown. Frank said the Treatment Plant could not 100% automatically shutdown. The computer software shuts off the chlorinator but the water would still be flowing through the plant untreated, so staff has to manually turn off some equipment so the water stops pumping into the Clearwell. The sensitivity and hydraulic issues have both been dealt with accordingly, and should not be an issue again.

The heavy rains also caused damage to the South Fork intake. Frank and Brian Lee are working on a way to take corrective actions before anymore damage is done.

The recent windstorm knocked out the power at the Treatment Plant for five days. The new generator was able to operate the Treatment Plant during the power outage.

The crew has replaced several pieces of new equipment at the Treatment Plant in order to complete the prior upgrades to the Treatment Plant.

Commissioner Colclessler asked about the generator shed. Frank said the shed was made of small blocks for the perimeter and metal walls; no wood can be used for fire reasons.

Commissioner Freund suggested that the old fence that was removed from the Treatment Plant be used to fix the fence at the District Office where vandals had cut through the fence.

The new filter pond needs to have the leak test done before early March when the one year warranty will expire.

Christensen Road Project

The Christensen road water line project is just shy of the Northway road intersection. Frank reported that up to three times a day the County has been on site to inspect the project. Frank spoke about the ten gallon per minute spring in the area that was creating backfill issues. At this point the project has been stopped, capped and pressure tested and the project will resume in May. Gordon Fulks asked if the section of new line installed would be put on-line. Frank replied no, the line would not be chlorinated and usable until the project was finished.

Frank hired a new Arborist for the Christensen road project for a total project cost of \$450.

Frank said the crew has done very well on the project. Two Utility Workers have been able to install up to eight sticks of pipe in one day. He felt the project was moving along very well.

Reservoir No. 5

Frank reported that Reservoir No. 5 had a high level of lead based paint on the outside of the tank and a very low level of lead on the inside. The Millscale that was installed on the inside of the tank is now flaking off and falling to the floor.

Chairman Gaughan asked about the timeline for this project. Frank said this task order would be discussed at the January Board meeting.

Reservoir No. 4

Staff had begun to run the new electrical conduit down Mrs. Schmidt's driveway, but ended up backing out of the projected because of problems with Mrs. Schmidt. Frank has found a way to run the power down an existing 5" water line that will be abandoned once Reservoir No. 1 is taken off-line.

Chairman Gaughan asked about the timeline for this project. Frank plans on taking care of Reservoir No. 5 first and then coming back to finish Reservoir No. 4.

Commissioner Freund asked about PGE's issue and opinion of the project. Frank previously spoke with Ed Extrem with PGE, and he okayed the conduit for the electrical to be placed inside the existing 5" pipe. There was an issue as to where the transformer should be placed but that has been resolved. Frank said the issue of not installing a new pipe in the driveway was because of the problems with Mrs. Schmidt and not PGE.

Commissioner Freund questioned if it would be appropriate to hold a round table meeting with Mrs. Schmidt to discuss the project. Frank said this had already been done with Mrs. Schmidt and her son. The Schmidt's have also received a set of the plans for the new electrical line. Commissioner Freund questioned why everybody couldn't get a long and get the project accomplished. Frank said the project would be accomplished a different way. Commissioner Freund asked when the project was scheduled to be completed. Frank said after Reservoir No. 5 has been completed. Commissioner Freund said that would make the timeline for this project next summer or spring. Frank replied yes.

Commissioner Freund said the upgrades had been completed on Reservoir No. 4 two years ago and he would like to see the Cathodic protection installed to protect the District's investment. Frank said there was no mapping for the area and there was a lot of circumstances that had to be dealt with before this point could be reached. Commissioner Kirkham questioned Frank about a prior statement saying the conduit could be placed in an existing 10" line. Frank said the 10" line supplied Reservoir No.4 with water and the 5" supplied Reservoir No. 1 with water. Currently running down the access road are 8", 10", 5", and 8" lines. The two eight inch lines are new ductile iron pipes that are 19' deep. Commissioner Freund referred back to the June 20th minutes that stated the exploratory work was complete and the cost would be much less because a 10" pipe would be used as conduit. Frank said the 10" pipe was not the conduit. He had originally believed that the 10" stopped at the Schmidt's driveway and he was going to connect two pipes together with a new piece of pipe, but that was not the case, the 10" supplies Reservoir No. 4 with water.

Commissioner Hargens questioned what needed to be done to complete the project. Frank said staff needed to install the altitude valve assembly, re-plumb the 10" to feed Reservoir No. 4, abandon Reservoir No. 1, and run the new conduit. Mrs. Schmidt has also asked if she could take possession of Reservoir No.1, but Frank believes this would create a legal issue.

Commissioner Colclessler asked Brian Lee about the timeline for the installation of the Cathodic protection. Brian Lee said typically the first year the Cathodic protection was set at low or off all together, and in the second year it would be energized at full strength and tested. Brian said the longer the District went without the Cathodic protection the more corrosion would take place. Brian said he wouldn't wait another year to install the Cathodic protection. Commissioner Hargens asked about the affects of waiting until Spring to install the protection so it would create less of a mess on Mrs. Schmidt's property. Brian said that would be fine.

Chairman Gaughan reminded everybody that the crew also planned on working on the Christensen water line project in the Spring. Commissioner Kirkham said Reservoir No. 4 Cathodic protection was priority number one because the District had a huge investment into the Reservoir. There was some discussion on the specific work that still needed to be completed.

Commissioner Hargens asked who would be performing the work once the conduit was installed. Frank said the final wiring would be done by the original electrical contractor for the project, Bob Bruene.

There was continued discussion of when all the projects should be done. The Board clearly would rather have the work completed to Reservoir No. 4 sooner rather than later in order to protect the District investment.

Sanitary Survey

The sanitary survey is scheduled for February 8th. Frank hopes that at that time the fence for the Treatment Plant and new reservoir will have been installed. The sanitary survey consists of Kari Salus, and Dave Leland with the Health Department coming out and inspecting the District's facilities. Typically this is done every other year.

Correspondence.

Carl Thornton with West Coast Bank supplied the Board with information on direct depositing for payroll.

Commissioner Freund moved to proceed with the ACH system to give staff the opportunity for direct depositing their paychecks to their personal banks. Motion seconded by Commissioner Colclessler.

Commissioner Freund said this would enable employees to have direct depositing. West Coast Bank has also offered the employees a free checking account. The fees for the ACH transfer would be within the District's interest income so the bottom line was there would be no fee to the District for this additional service.

Commissioner Hargens asked how this system would be an advantage for the District. Commissioner Freund said it would be a benefit to the employees, but there would be additional paperwork for staff. Commissioner Hargens felt this option was unusual for six employees. He felt it could be complicated until all the kinks were worked out. Commissioners Gaughan and Colclessler spoke about their personal experiences with direct deposit.

Commissioner Freund explained to the Board the example Utility Worker Kevin Moran had given to him; it would have been easier for Kevin to obtain approval for a new vehicle loan if he would have had direct deposit.

Chairman Gaughan called for a vote. Voting for the motion were Commissioners Gaughan, Freund, and Colclessler. Voting against the motion were Commissioners Kirkham and Hargens. Motion passed.

Company Credit Cards.

Frank said the District currently has a credit card account through MBNA. The credit card was originally issued to Randy Stark, the Superintendent at the time, and all of the other cards were placed under his account and not in the name of the Corbett Water District.

Currently the District has one credit card that is now an obligation of the District. Frank would like to have two credit cards issued to the District with one being in the District Managers name for \$1,000 and another the other for the District Clerk with a \$500 limit so office supplies could be purchased. He felt the District Manager and Clerk should have a credit card because they both are in bonded positions.

Commissioner Colclessler questioned if a credit card was really needed. Frank said the credit cards really came in handy when items were purchased from a store that we cannot obtain an account with and during emergency situations. The major function for the Clerks credit card would be used at the Post Office.

Commissioner Colclessler moved to authorize new company credit cards through West Coast Bank, with the District Manager having a credit limit of \$1,000 and the District Clerk having a credit limit of \$500. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Gordon Fulks said typically folks would find that the smaller Banks use a third party for their credit cards. Frank agreed with Dr. Fulks.

Leak Adjustment.

Frank considered the leak adjustment request from the Corbett School District as a double dip because Corbett Water District staff made the repairs. If the School would have paid an outside company to complete the repair it would have cost \$15,000. The leak occurred over several years.

Commissioner Hargens asked about the School's account balance. The School has paid the water bill in full every month, their account balance is zero.

Commissioner Colclessler said the School irrigated a lot of the fields during the time of the leak.

There was discussion of the School's usage over time. The Board had some concerns that the last bill for 30,000 gallons was in error. Staff will double check this tomorrow for a meter reading errors and meter functionality. (Update: the meter was checked the following morning and found to be in good operation and the meter reading was accurate).

The Board did not understand why the School had not instigated the repair of the water line. The Water District stepped forward and wanted the leak fixed to conserve water.

Commissioner Freund questioned since the School had such extreme usage before the leak was fixed that it caused the meter to break, if the School had been charged for a new meter. Frank said yes, a new meter had to be installed and the School had been billed for it. Commissioner Freund questioned if the School had been billed the full amount because it appeared to be too low for all of the work that was completed.

The Board discussed the prior usage of the School, because the bills should have decreased in May after the Water District staff installed the new water line. Frank reported that although District staff replaced the water line in May, the School elected not to perform the final steps to switch over the line until School was out in mid June, so the leak continued into two more billing cycles.

Commissioner Hargens moved to deny the Corbett School District's request for a leak adjustment because their savings was in the bill for the waterline repair work. Motion seconded by Commissioner Freund. Motion passed unanimously.

Commissioner Freund asked about the December 18, 2005 labor charge to the School. Frank said this was a charge for repair work when the School's staff broke one of their water lines while digging.

Health Insurance.

Commissioner Colclessler wanted to make one adjustment to the Health Insurance compared to last year's coverage. Employees at the insurance workshop had expressed their interest in obtaining life insurance. Commissioner Colclessler said the cost of the life insurance coverage could be within the budget if the vision coverage was dropped to a lesser plan. The Board in general seemed to agree with Commissioner Colclessler.

Commissioner Freund moved for the following health plans: Medical plan YOJ, Vision plan 8V, Rx rider plan ZBC, and life insurance coverage in the amount of \$15,000 per covered employee. Motion seconded by Commissioner Hargens. Motion passed unanimously.

Commissioner Freund moved for full coverage as agreed to in the previous motion for all regular full-time employees as defined in the employee policy. Motion seconded by Commissioner Hargens.

Commissioner Colclessler referred to a health insurance document that referred to the minimum hours of coverage required to be eligible for coverage. He said the Board had never reviewed this document and they had not discussed what the minimum number of hours needed to be. Jamie said when the form was originally filled out Commissioner Freund had been present. When the form was being filled out there was a question on how to answer some of the questions and so they called Tory Dittman to get further information. Commissioner Freund said at that time it did not make a difference what number was placed on the form. He said this current motion was no different than last year's motion. This motion eliminated the District Clerk from being eligible for health insurance coverage.

Chairman Gaughan asked what the affect on the rates for insurance would be because the current quote was based on four employees and not three employees. He referred to the workshop meeting with Tory and he believed the rates would change. Commissioner Freund said the rate was based on a pool and that included all companies participating in that pool. He said that there could not be an additional class until there were 15 or more employees. Gordon Fulks spoke about the cost being the same for all single employee covered and that cost depended on if there was any dependents included in the coverage. Commissioner Colclessler spoke about the insurance rate in 2000 costing \$629 for one employee and \$745 for another employee. Gordon said the cost for the CWD's health insurance had reached \$60,000 and currently it's less than \$20,000.

Chairman Gaughan asked about the affect this motion would have concerning the Clerks health insurance coverage. Commissioner Freund said she would not qualify for insurance. Frank said this would change the minimum hours on the health insurance documents from 17.5 to 40 hours. Commissioner Freund said that was correct and it was the same vote from the prior year. Commissioner Colclessler felt all the documents needed to come to the Board's attention. Frank believed the Board had a discussion last year

with the health insurance agent and he believed the paper work had been supplied to them at that time. Commissioners Freund and Colclessner said they had never seen the documents.

Frank questioned taking the health insurance benefit away from the Clerk. Commissioner Colclessner asked Jamie if she always had health insurance coverage. Jamie said she declined insurance for the first year because she was covered by her previous employer at the time. Commissioner Colclessner asked the Clerk what the agreement was when she took the position. Gordon Fulks said during the application process the committee had a general idea as to what the position should pay. He said Jamie was the best candidate and the committee had asked her what she would need in the way of benefits. He said she had told the committee she would not need insurance so she was offered \$2 more an hour and no commitment had been made to provide insurance. Jamie said the Clerk and Assistant Clerk had been hired at the same rate. Gordon said the Assistant Clerk did not need insurance. Jamie said she told the Committee that she did not need insurance the first year because she would still be covered by her previous employer. Commissioner Freund said that was what he had recalled, including Gordon's statement about the \$2 difference in pay. He said the bottom line was the cost to the District.

Gordon had believed the insurance would have been prorated, the District paying 75% and the Clerk paying 25%, although he has now learned that was not an option. Jamie said because the 75/25% could not be done Kathie Cicerich, the previous District Clerk received her entire family health insurance plan paid by the District. Gordon said Kathy was receiving a lot more than other District's paid in salary and in benefits.

Commissioner Hargens asked Jamie how long she had been receiving health insurance. Jamie said for approximately two year. Commissioner Hargens asked about the Clerk receiving insurance. Jamie said she declined insurance for the first year, but when her previous insurance ran out she accepted the insurance for Health Net. Commissioner Colclessner spoke about creating the handbook in 1995 and the prorated statement being placed in the handbook because nothing had been stated and the laws at that time allowed for prorated.

Jamie asked the Board if they knew she had insurance. Commissioner Colclessner replied yes but he questioned the amount. Commissioner Freund replied yes, but he questioned why it wasn't prorated.

Gordon Fulks spoke about his experience of purchasing health insurance coverage for himself for a cost of \$130 a month. Commissioners Colclessner and Freund both said because the insurance company would not allow for part-time employees to pay for a portion of their insurance cost, because of discrimination, it tied the Boards hands and they had to change the eligibility coverage.

Commissioner Hargens believed it was wrong to now change the Clerks wage and benefits that she had been receiving for over a year. Commissioner Colclessner spoke about talking to the Clerk about the insurance policy. Jamie said she understood the policy of 75% and 25% but it could not legally be done. Jamie apologized to the Board because she had not realized they did not know the segregation into different classes could not legally be done. Commissioner Colclessner believed he had been misled by not having this information prior to any health insurance discussion over the years. Commissioner Colclessner asked Jamie why she gave him information on Kathie Cicerich. Jamie said she was trying to show that even back when Kathy was the Clerk she couldn't be separated into a separate class. Commissioner Colclessner asked who had authorized the Clerks insurance. Commissioner Freund said the Board authorized the insurance the previous year for full time employees. There was also discussion over the Clerk having any insurance at all for 2006. Commissioner Freund said the Board didn't find out about the insurance coverage for the Clerk until later in the year when it was too late to make a change. Frank spoke about not being able to have separate classes because of discrimination. Commissioner Colclessner

said because of this class discrimination he felt he was being forced to change the eligibility requirements. Commissioner Colclessler said the Clerk should have come to the Board when she needed health insurance so the Board could have set it up, so the next time a raise came up for the Clerk a certain amount could have been deducted for the prorated coverage. He said this was never intended to hurt or harm the Clerk but to help her. Commissioner Colclessler said he felt misled and he didn't like that. Commissioner Freund felt the information on Kathie Cicerich was misleading information. Jamie said she was just trying to show the history that even back before she was hired the Clerk could not be separated out into a separate class.

Gordon Fulks spoke about the checks and balances within the District. He spoke about no person being able to sign their own check or any monetary item. Commissioner Freund said because all the forms were filled out and signed by the Clerk there was not a check and balances in place. He thought it would be a good idea if the Board Chair initialed all insurance documents. Chairman Gaughan said he did not believe that the Clerk felt she was doing something dishonest.

Jamie spoke about an option for the rate of coverage paid by the District to be 75% so all employees paid 25% of the insurance cost and the Board could then increase the full time employees wage to cover that 25% portion. Gordon Fulks suggested the opposite; the Clerk's wage could be decreased to cover the 25%.

Brian Lee spoke about employee turnover rates affecting his business in a poor way. He said good employees were hard to find and keep.

Jamie suggested that in the future when raises were given that her wage not be increased to reflect the insurance cost. Commissioner Colclessler said the 25% coverage for the Clerk was approximately fifty cents an hour. Jamie said she did not have an issue with covering the 25%. Commissioner Colclessler said he did not have a problem with that. He summarized that it was approximately \$3,000 a year for the Clerk's insurance an approximate quarter of that cost would be \$.50 an hour.

Gordon Fulks also wanted to compare the Clerk's current salary to others to see how the salary ranked. Frank said the Clerk was currently being paid about \$17.00 an hour and the average Clerk position in Portland had a starting rate of \$22.00. Commissioners Freund and Colclessler said the Clerks in Portland had more work to do than a Clerk for the Corbett Water District.

Commissioner Hargens asked what would happen when an employee got married. Commissioner Colclessler said the insurance would increase. Commissioner Hargens asked how the employee would be deducted for the increased cost. Jamie said that currently there would be no deduction. Commissioner Hargens summarized that if an employee added a dependent the employee would currently not have to make that amount up, but the District would have to pay for the increased cost. Commissioner Colclessler said the Board would make a decision as to how much they could afford to put into the insurance. Gordon Fulks said the Board should look into setting a policy for employee dependent insurance coverage. He said the Board could pay 100% for the employee and a lower rate for the spouse or child(ren).

Chairman Gaughan wanted to work something out with the Clerk. Since he has been on the Board he felt the Clerk had improved enormously in her job and doing what the Board asked and he hates to penalize her. Commissioner Colclessler spoke about the possibility in the future of cutting office hours. Gordon Fulks suggested to the Board that they strike a deal with the clerk. He envisioned in 2003 that when it came time for the Clerk to have insurance a deal would have been made. Gordon referred to Jamie's earlier statement that she would forgo a future raise to cover the prorated insurance cost. Commissioner

Colclessler said it was fifty cents an hour. Commissioner Hargens was in favor of this change. Commissioner Colclessler said he was not against the Clerk having insurance, this was the type of solution he was looking for. Commissioner Freund said he had to make the motion to get the discussion on the table.

Commissioner Freund restated his previous motion and then he moved to withdraw his motion. Withdraw accepted by Commissioner Hargens.

Gordon Fulks asked Jamie how many hours she worked a week. Jamie said typically 30 but that did not include Board meetings or when she was assisting the field crew. She said she never reaches overtime. Commissioner Colclessler would like to see the eligibility requirement changed from 17.5 to 25 hours.

Commissioner Colclessler moved that eligibility for insurance be set for employees working 25 hours or more per week. Motion seconded by Commissioner Hargens.

Commissioner Kirkham asked if this vote would change the new draft employee manual policy. Commissioners Colclessler and Freund said no the entire prorated section had been removed from the insurance statement. Commissioner Hargens asked if this change would add other employees to the coverage. Frank replied no. Commissioner Colclessler said by doing it this way it would not discriminate against the Assistant Clerk, she would still receive her COLA increase. Commissioner Freund said this would match the State requirements, with everybody being covered at 100%.

Motion passed unanimously.

Chairman Gaughan asked if there needed to be a statement that said this would be in place of the fifty cents COLA waive to the Clerks salary. Commissioner Colclessler said fifty cents was not an exact figure. Commissioner Freund asked what would happen if there was no COLA wage adjustment. Commissioner Hargens said then the District would be paying her full health insurance cost until she received a wage increase. Gordon Fulks suggested adjusting the Clerks wage as of January first. Jamie said that would be better because it would start the year correctly and then if a COLA wage was given it would be across the board to all employees. Commissioner Freund said this way it would not have to be remembered to adjust the raise when the time came. Chairman Gaughan asked what had to be done to decrease the Clerk's wage by fifty cents. Gordon suggested that the Board authorize Frank to adjust the Clerk's salary affective the first of January.

Commissioner Colclessler moved for the District Manager to adjust the District Clerk's salary beginning January 1st as previously discussed to cover the Clerk's insurance cost. Motion seconded by Chairman Gaughan. Motion passed unanimously.

Frank said he was okay with the outcome of the insurance but he would like the Board to be responsible for all documents relating to insurance. Gordon Fulks agreed to Frank's line of thinking.

Commissioner Freund moved for the Board Chairman to initial all documents sent to the insurance Agent. Motion seconded by Chairman Gaughan. Motion passed unanimously.

CH2M Hill – Reservoir No. 5 Proposal.

Commissioner Hargens moved to table this task until the next meeting when it could be compared to PACE Engineers task order. Motion seconded by Commissioner Freund.

Gordon Fulks spoke about his experience with CH2M Hill. He had problems with CH2M Hill down in California, the project became gold plated. He was unsure if this was the same company or just a similar named engineering firm.

Commissioner Hargens felt CH2M Hill would be expensive because they were such a large firm. He would like to see how PACE Engineer's numbers compared to CH2M Hill's numbers. He felt there needed to be trust between the Engineer and the District because there were a lot of open ended cost that are not identified in the contract and that trust needs to be developed and he felt the District had a good start with PACE Engineers .

Chairman Gaughan has been impressed with Andy Jordan's work reviewing the PACE Engineering contract documents. He felt that with Andy Jordan as the District's Attorney any issue that could come up would not end up in the court system because he would catch anything before it occurred.

Gordon Fulks said the Board needed to manage their Engineer. The Engineer needs to know what the Board wants and what approach to take, which would take daily oversight by the Manager.

Commissioner Colclessler said the Water Board had paid a lot of money for teaching Board members, employees, and engineers as to how best to run the system and he believed everybody was finally getting a handle on the issues.

Motion passed unanimously.

Personnel Manual Review Committee Update.

Deb Simone and Frank have a meeting scheduled January 12th to discuss the language for the clothing allowance, safety and pager calls.

Public Comment on Items Not Listed on the Agenda.

None.

Unfinished Items for Board Consideration.

Commissioner Hargens wants to look further into what would happen with insurance coverage if an employee were to get married and add dependents to their insurance.

With no other business Chairman Gaughan adjourned the meeting at 11:35 p.m.