

**BOARD OF COMMISSIONERS REGULAR MONTHLY BOARD MEETING
HYBRID MEETING: IN-PERSON ~ VIRTUAL MEETING VIA ZOOM**

Tuesday, December 19, 2023, 6:30 p.m. ~ Corbett Fire Hall 36930 E Hist. Col. Riv. Hwy

BOARD MEMBERS PRESENT: In-Person: Michael Arion, Dan Graff, Sara Grigsby, Kelly Piper. Via Zoom: Angie Kimpo

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: District Manager Ana Linden, District Clerk Heather McGivney, DRC David Jacob

COMMUNITY MEMBERS PRESENT: Jack Garrison, Malcolm Freund, Lauri Aunan, Jim Morgan, Barbara Erspamer. Via Zoom: Alivia Pence, Cloudy Sears

CONSULTANTS PRESENT: Richard Winkel, Dougall Conradie LLC

AGENDA

- 1. Call to Order** – Board President Kelly Piper called the meeting to order at 6:30pm.
- 2. Roll Call** – Michael Arion, Dan Graff, Sara Grigsby, and Kelly Piper were present. Angie Kimpo joined via Zoom at 6:32pm.
- 3. Approval of the Agenda** – Sara Grigsby moved to approve the agenda, Michael Arion seconded. *(motion passed 4 yes votes: M. Arion, D. Graff, S. Grigsby, K. Piper; 0 no votes)*
- 4. Public Comments** – None.
- 5. Approval of the Minutes:** Michael Arion moved to approve the minutes for the 11/21/23 Regular Board Meeting, Sara Grigsby seconded. *(motion passed 4 yes votes: M. Arion, D. Graff, S. Grigsby, K. Piper; 0 no votes)*. Dan Graff moved to approve the 12/04/23 Special Board Meeting minutes, Michael Arion seconded. *(motion passed 4 yes votes: M. Arion, D. Graff, S. Grigsby, K. Piper; 0 no votes)*.
- 6. Treasurer's Report November 2023** – Treasurer Sara Grigsby
 - Sara reminded the board that the staff, Michael Arion, and herself have been working on updating the reports that come to the Board each month to make them more accurate and easier to prepare. She believes that the reports are now about 99% finalized. The changes are to make the monthly reports more in line with the broader financial categories that will be reflected in the budget going forward. This will also allow the reports to more accurately reflect expenditures. For instance, there is a new line item called System Conformity which is for the expenses associated with moving meters to the correct side of the street. There will also be new quarterly reports, presented by Heather McGivney, that will track ongoing expenditures like legal fees and grant spending.
 - The monthly summary states that November saw a good amount of income vs. expenses. Some notable expenses were training for staff, including a Cla-val class on pressure reducing valves for Ana Linden and the crew, and scheduling Backflow Tester classes for our utility workers.
 - Our Budget vs. Actual report reflects that we are 5 months into our fiscal year, about 41% of the way through the year. Our Miscellaneous Income is at \$81,000, and \$75,000 was from a legal settlement. We have begun to receive property tax revenue for the year.
 - The Previous Year Comparison report shows that our base rate revenue is 62% over what we had collected last year at this time. Expenses for Infrastructure Maintenance are up significantly over last year, which reflects that we've been working on more projects. It is worth noting that

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the Personnel Services section is not in alignment with year to year comparison because of a payroll software change from Quickbooks to Gusto. As time goes on, we'll begin to have more accurate comparisons in that category.

- The LGIP Savings account began November at \$639,000 and ended the month at \$760,000. This account is where our property taxes are deposited.
- Question from community member Jack Garrison about the \$75,000 legal settlement. He wondered how much the settlement is compared to expenditures? Sara answered that this type of question will be best answered with the new quarterly reports which will track project expenses in total, rather than only showing the current fiscal year. Through November, we have spent approximately \$69,000. So the settlement means that currently we are ahead with income vs. expenses for the lawsuit.

Dan Graff moved to approve the Treasurer's Report as presented, and Michael Arion seconded. (*motion passed 5 yes votes: M. Arion, D. Graff, S. Grigsby, A. Kimpo, K. Piper; 0 no votes*)

7. Manager's Report – District Manager Ana Linden

- We have been working on our Watershed Risk Assessment. Thank you to Cloudy Sears and Lynda Ronell, who worked on the Emergency Response Plan, which was very helpful. There is a public meeting on January 4, 2024 at noon for the presentation of the Drinking Water Risk Reduction Plan. Free pizza!
- This summer we sent Cross Connection surveys to all customers, as part of our Cross Connection program which is intended to protect the water supply. We don't want water from customer lines getting back into the main lines. The return rate for the survey has been low, despite a few reminders. Our next step is to send out a robocall to all customers who have not returned their surveys. This should be about 700 customers. Both of our Utility Workers are signed up for a Backflow Tester class in March. We might change our reminder policy around backflow testing to accommodate having backflow testers on staff.
- Our locker room is almost done. The new walls have been put in, and a dryer installed. The final cost was a little over \$15,000.00, which is above the estimate because of adding on electricity plugs in new places. We are under budget because some items came in under cost. So there is about \$14,000 left in the vehicle and building fund. We are collecting bids for a project to build a smaller manager's office and create a meeting room out of the current manager office. The rolling door out of the shop will be replaced in the spring by our volunteer building committee: Michael Arion, Kelly Piper, and Roland Beebe. They have already done a lot of work, for which we are grateful.
- All staff took CPR training, and will also acquire first aid training. Ana has signed up for the SDAO conference in mid-February. She would like a board member to accompany her. Sara Grigsby completed an SDAO Risk Management Training.
- The work on Hurlburt continues. We've moved a customer from the old line to the new line. This was a very labor intensive project. We are grateful to our volunteer flaggers, who have been able to help us over the three day project.
- Thank you to our volunteers, including: Lauri Aunan, who is teaching Ana so much about grants; and Barbara Liles, who is helping with easements, including going down to Multnomah County to search through old records. Barbara has found new information about our easement leading to the Cabbage Hill reservoir, which includes exact measurements about the location of our easement. That customer has been giving us more difficulty. At a previous meeting, the board agreed to change his meter from a 1.5" to a 1" at no cost to the customer, but he refused the switch when the crew went to change the meter. We had reduced his base rate to the 1" cost on the assumption that we were switching the meters, but with his refusal, we have returned him to the 1.5" base rate.

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- Final thoughts: David has been looking at the Reservoir 6 meter, and he'll give a detailed report next month. Also the office will be closed to the public the last week of December. Two of the days are holidays, and the other two days a reduced staff will be working to complete billing.

8. Customer 7230-00 – Leak Adjustment Request – Customer told the Board that she fixed the leak as soon as she found it: on 8/22/23 was the meter read. On 9/5/23 the customer found standing water and discovered the leak when she checked it out. Her plumber was able to fix the leak at a water shut off valve that same day. The leak caused a lot more water loss than expected, around \$4000 total. She's gotten the standard 50% leak adjustment, but paying the other half would be a financial hardship. Sara Grigsby asked for a reminder of what they had agreed upon for the new procedure. Ana Linden explained that the office was constrained to giving leak adjustments up to \$800. We changed the procedure to let the office adjust off half of the leak, regardless of the total. Angie Kimpo added that she thinks the Board should consider how quickly the customer fixed the leak. David Jacob ran the numbers, and this leak was 552,000 gallons, which calculates to about 37 gallons per minute over a period of about two weeks. It is entirely possible for that amount of water to disappear when the ground is so dry. Sara wondered how we encourage customers to keep their lines in good repair, and fix leaks in a timely manner. Ana said that we do have some rules in our leak adjustment policy. If a customer has more than two leak adjustments, they have to replace their entire line, and they also can't have more than one leak adjustment every two years. Kelly moved that we forgive the additional half of the customer's leak, in the amount of \$1925. Dan Graff seconded. *(motion passed 5 yes votes: M. Arion, D. Graff, S. Grigsby, A. Kimpo, K. Piper; 0 no votes)*

OLD BUSINESS

1. Well Lawsuit Update – Ana Linden reported that there was an Executive Session where members of the Board consulted with our attorney and geological expert. Not all Board members were able to attend the whole meeting, and we lost a quorum before the meeting was over. However, it was recorded and Heather will provide access to Board members. Ana asks that Board members review the meeting, and send questions that Ana can pass along to the attorney. Then we can have another Executive Session to deliberate and make decisions based on the information presented. The Board coordinated an Executive Board meeting for January 23, 2024 at 4:30pm.

2. Grant Update – Lauri Aunan began by reminding the Board that she has been doing more research on the potential System Optimization Review (SOR) grant and a potential Sustainable Infrastructure Planning Project (SIPP) forgivable loan. We are expecting estimates from engineering firms for the SOR grant, but it is taking longer than expected. The SIPP forgivable loan could be for an Asset Management Plan, which can include an inventory of assets, a tracking system for work, or the creation of a Geographic Information System (GIS). The application deadline for the SOR grant is 2/29/24, and the application deadline for the SIPP forgivable loan is 3/15/24. The timelines will be May/June 2024 for the SIPP award date (must complete projects within 2 years), and August 31, 2024 for the SOR grant (the agreement takes 1 – 3 months, and work must be completed within 2 years of award).

Considerations going forward: budget & costs, capacity to support project completion, achieving these grants might make the case for future on-the-ground project grants. Sara Grigsby asked if these grant projects would fit in with our current Master Plan? David Jacob replied yes, they might help to find leaks, or suspicious pipes, and the projects could be accomplished in an accelerated manner if we use contract labor. Further honing the Master Plan might help to prioritize projects, which might open the way for more grants.

3. Resolution to Adjust Employee Pay Period – Heather McGivney reminded the Board that we had brought this topic up last month and were sent to do more research about other Districts who had adopted this schedule, and how it was working for them. Ana had another conversation with an SDAO

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consultant. She reiterated that the work week needs to be limited to 40 hours. Heather consulted an email group of SDAO members and asked who followed this schedule. Several water districts in our area follow this schedule, though many of them seem to be bigger than us, and they schedule half of their staff to cover each Friday instead of having the whole utility staff take the same Friday off duty. Kelly Piper read the Resolution aloud. Sara Grigsby moved to approve Resolution 2023.12.19. Dan Graff seconded. *(motion passed 5 yes votes: M. Arion, D. Graff, S. Grigsby, A. Kimpo, K. Piper; 0 no votes)*

4. Update on Defensible Space Around Treatment Plant – Angie Kimpo reported that she, Ana, and Jim Morgan have been having conversations with Bureau of Land Management about creating defensible space around our infrastructure. We aren't eligible for the Community Wildfire Protection grant because our infrastructure is on Federal land instead of trust land. However, they can plan small timber sales based on a defensible space plan that we develop. It will take a few years to clear the land, but it won't cost us any money. In the upcoming 4 to 6 months, the committee will return to the Board with a written plan to move forward, and they will fill out Form 299, which starts the process.

NEW BUSINESS

1. Quarterly Review: Aged Receivables and Project Expenditures – Heather McGivney reported that she has been working on a series of reports that will help track expenses and reimbursements or income for different projects. This is also a way to have a bigger picture of these expenses, as they often occur over two or more fiscal years. The regular Treasurer reports usually only show one fiscal year at a time. We will be tracking Customer Fees & Reimbursements, Grant Expenses & Reimbursements, Legal Fees & Settlements, Capital Improvement Projects for the Office Building, Customer Credits & Leak Adjustments, and Aged Receivables. She briefly covered the figures on each sheet.

2. Presentation of Corbett Water District Audit for Fiscal Year 2022-23 – Richard Winkel of Dougall Conradie LLC told us about the Fiscal Year 2022-23 Financial Reports. The first part states their opinion that the financial statements present a fair depiction of the cash basis financial position of the District. They perform risk assessment and testing to make sure that the accounting doesn't misrepresent the financial position of the District, either through error or fraud. Financial statements are only for one fiscal year, but there is a comparison to the last fiscal year. Our net position is down a little bit from last year, mostly due to increased expenses. However, the District increased its holdings from the end of the last fiscal year because of increased revenues, and not spending all of the budget. The footnotes talk about accounting policy and show the amounts of cash in our checking account and LGIP Savings account. It also talks about our long term debt, of which there are three payments remaining (final payment in December 2025), and our PERS obligations. They don't issue an opinion on internal controls, but from their sampling, they believe that everything is working appropriately and effectively. They got all of the testing documentation that they requested, and they don't have any findings to report, or recommendations. It is a "nice, clean, boring audit." Ana Linden asked about the PERS liability, and Richard explained that actuaries do the math on all state employees and come up with a percent that Corbett owes, but this isn't something that you can just pay in one go. He advised us to just keep making the payments that PERS requests. The final steps are to send the Manager Representation letter, and once that is signed, he will submit the audit to the State before the December 31st deadline. Michael Arion moved to accept the Fiscal Year 2022-23 audit and financial statements as presented. Seconded by Angie Kimpo. *(motion passed 5 yes votes: M. Arion, D. Graff, S. Grigsby, A. Kimpo, K. Piper; 0 no votes)*

3. Watershed Risk Assessment Findings – Jim Morgan told the Board about the work that has been going on with the Watershed Risk Reduction Plan. A \$30,000 grant was awarded, and we should

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be able to finish on time and on budget. The goal is to protect our drinking water sources. The team includes Corbett Water District, Federal and State Agencies, landowners, water users, community members, and technical experts. They identified risks and sought ways to reduce those risks. They want to build partnerships with the land owners (US Forest Service, a private timber company, etc) to address threats. Finally, having this plan could pave the way for grant funding to implement the risk reduction ideas. The risks were categorized by source and land use, and prioritized by the likelihood and severity of impact. Hazards could be both natural (wildfire, drought, earthquake, highly erodible soils, etc.), related to forestry (clearcut harvesting, chemical applications, access roads, etc.), municipal (infrastructure leakage or failure, vandalism, staff continuity, etc.), and tangential risks. Then, placing priority on the high likelihood and high severity risks, they developed strategies for reducing, mitigating, or eliminating the risks. They identified actions to be taken, partners we could work with, timeline, and funding sources. And they worked on creating a contingency plan for water reductions from our current source, and developing a plan to cultivate a secondary water source. The Risk Reduction Plan process should be finished by February 2024. Jim is encouraged by this process, and he feels like this is good information to have. There was discussion about specific risks. Kelly Piper thanked Jim for a great and informative presentation. Michael Arion thanked both Lauri and Jim for their work and for bringing so much knowledge to the District. He's learned a lot.

ITEMS NOT ON THE AGENDA – none.

SUGGESTIONS FOR FUTURE AGENDA ITEMS – none.

ADJOURNMENT OF MEETING – Michael Arion made a motion to adjourn the meeting at 8:20pm. Sara Grigsby seconded. (*motion passed 5 yes votes: M. Arion, D. Graff, S. Grigsby, A. Kimpo, K. Piper; 0 no votes*) The meeting was adjourned at 8:20pm.

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