

**ROCKWOOD WATER P.U.D.**  
**MINUTES, REGULAR MEETING OF THE BOARD**  
**20, JANUARY 2004**  
**Rockwood Water Boardroom**

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**Board members present:** Sandra Ramaker, Herb Brown, Stephen McElroy, Larry Dixon, Don McCarthy.

**Staff present:** Harvey Barnes, District Manager (DM); Chris Shaw, Administrative Secretary (AS).

**Guests present:** Fran Hyson, Jeanne Orcutt, Robert Paine, Ray Beach, Pat Brown.

President **Sandra Ramaker** called the meeting to order at 7:06 p.m.

**APPROVAL OF THE AGENDA**

**Herb Brown moved to approve the agenda. Don McCarthy seconded the motion. The motion was approved; none opposed.**

**ELECTION OF OFFICERS**

**DM Barnes** explained that officers are elected in January and explained election options. It was agreed to nominate and vote for each position.

**Sandra Ramaker** opened the nominations for President. Don McCarthy nominated Herb Brown. Stephen McElroy nominated Sandra Ramaker. **Herb Brown was elected President by a 3 to 2 vote.**

**Ramaker** deferred to new President Herb Brown who opened the nominations for Vice President. **Larry Dixon** nominated Sandra Ramaker. Herb Brown passed the gavel to Stephen McElroy and nominated Stephen McElroy. **Sandra Ramaker was elected Vice President by a 3 to 2 vote.**

**Herb Brown** opened the nominations for Treasurer. Larry Dixon nominated Stephen McElroy. Sandra Ramaker nominated Don McCarthy. **Stephen McElroy was elected Treasurer by a unanimous vote.**

**Herb Brown** opened the nominations for Secretary. Stephen McElroy nominated Larry Dixon. There being no other nominations, **Larry Dixon was elected Secretary.**

**PRESIDENT'S COMMENTS**

**Herb Brown** stated that he is happy to be elected president. He commented on the changes and progress made in the District. **Brown** then commended board members and staff, the patrons who regularly attend meetings and the MCTV staff person.

**CONSENT AGENDA**

**Sandra Ramaker moved to approve the consent agenda. Larry Dixon seconded the motion. The motion was approved; none opposed.**

**APPROVAL OF MINUTES**

**Don McCarthy moved to approve the minutes. Sandra Ramaker seconded the motion. The motion was approved; none opposed.**

### **APPROVAL OF BILLS**

Questions were asked regarding the following expenses: Bella Vista reservoir cleaning, Port-o-lets rental, Eoff Electric, sidewalk repair and Hersey meters. **DM Barnes** explained each in detail with the exception of the sidewalk repair and Hersey meters, which he will research further.

**Larry Dixon moved to approve the bills. Don McCarthy seconded the motion. The motion was approved; none opposed.**

### **PUBLIC COMMENT ON NON AGENDA ITEMS**

**Fran Hyson** expressed concern regarding comments made by board member Don McCarthy at the last meeting. She commented on her and Ms. Orcutt's role in supporting and expanding the District. **Don McCarthy** replied that if he offended anyone, he apologizes.

**Pat Brown** commented on the issue of personal attacks at meetings and stated that she would like for the Board to stop public attacks and maintain order at meetings.

### **SET BOARD MEETING SCHEDULE FOR 2004**

**DM Barnes** explained that the third Tuesday of the month works well except for June due to the AWWA National Conference. He recommended selecting the last Tuesday of June, 6/29, for the board meeting.

**Fran Hyson** suggested changing meeting night to Wednesdays. **Sandra Ramaker moved that the meetings be held on the third Tuesday of the month with the exception of the June meeting which be held on June 29th. Larry Dixon seconded the motion. The motion was approved; none opposed.**

### **RESOLUTION 03/04-002 TO AMEND POLICY MANUAL**

**DM Barnes** stated that the resolution captures the changes discussed at the last meeting; he outlined the amendments and explained the formatting.

**Larry Dixon moved to approve resolution 03/04-002. Sandra Ramaker seconded the motion. The motion was approved; none opposed.**

### **DRAFT RESOLUTION 03/04-003 TO ADOPT PURCHASING POLICY/AMEND POLICY MANUAL**

**DM Barnes** outlined the proposed purchasing policy and explained the reasoning behind specific sections of the policy. He stated that the resolution is a draft; if no concerns are expressed it will be on next month's agenda for board approval.

**Stephen McElroy moved that the draft resolution be moved forward to the next meeting. Sandra Ramaker seconded the motion. The motion was approved; none opposed.**

### **EASTSIDE WATER PROVIDER PARTNERSHIP IGA**

**Jeanne Orcutt** stated that the City of Gresham is considering the same item tonight but its agreement is different. She indicated that she doesn't believe the agreement is in the best interest of the District. She then commented on water rights, Gresham joining or purchasing water from the District, there being two parts to the agreement and the potential effects of competing wells on

supply. She expressed concern regarding specific parts of the agreement and additional information needed before considering the agreement. **Ms. Orcutt** urged the Board to consider the matter seriously and if necessary obtain a consultant's report showing the benefits to the District if any. She noted that Gresham council meetings are held the same night as District Board meetings, preventing her and board members from attending the Gresham meetings.

**Fran Hyson** expressed support for Ms. Orcutt's testimony. She commented that Board members did not receive the draft agreement in time to consider it properly and asked how many of them received a copy of Gresham's IGA. **DM Barnes** replied that it was supposed to be the same agreement, but he did not see the actual council packet.

**Ms. Hyson** commented on Clackamas County forming a PUD noting that it would be simpler, wiser and cheaper to join the District. She expressed concern regarding Gresham drilling wells elsewhere in the future and commented on Gresham not partnering on the CRW project.

**Pat Brown** commented that the District is not giving its senior water rights. **DM Barnes** confirmed that the District will retain exclusive use of its senior water rights.

**DM Barnes** explained primary changes in paragraphs 5 and 9 of the agreement. He stated that Gresham will benefit from the agreement by obtaining water rights quicker and less expensive than on its own. He noted that if we do not sign the agreement tonight or partner with Gresham in the future, we will not stop Gresham from getting water rights. **DM Barnes** added that partnering with Gresham will save the District money.

He outlined the changes made to the agreement that address concerns about automatically turning over assets; now each agency has first right of refusal to acquire the assets. He confirmed that the District has 41 MGD of water rights in the Sand and Gravel Aquifer (SGA) adding that on a busy summer day the District needs about 13 MGD to operate. During peak season (June – November), we need about 8.2 MGD, and on average throughout the rest of the year, about 7.5 MGD.

**DM Barnes** stressed that it is not likely that the District will exceed 31 MGD (41 MGD – 10 MGD granted to Gresham) of demand anytime soon. He explained that the District cannot retain its water rights indefinitely without developing them. In applying for a 50 year extension of the District's water rights, the District had to state its intent for using the water. Regarding comments on annexing Gresham, he explained that it would require purchasing assets; it's not likely that Gresham is going to turn over its water system. Discussion followed regarding the joint operations agreement for the wells and assets.

**Fran Hyson** commented that citizens could develop an initiative to annex Gresham. **Jeanne Orcutt** referred to item 1 and urged the board to read it carefully stressing that it assigns all permits to the District and Gresham. Discussion followed regarding assignment of water rights and permit changes. **Ms. Orcutt** then read a portion of Gresham's staff report regarding Gresham's cost for approving the IGA.

**Stephen McElroy** stated that he's concerned that there is no mention of compensation for water obtained through the system for Gresham with no benefit to the District. **DM Barnes** explained that if we developed all of the assets and established a wholesale contract with Gresham to sell it water, then we would be compensated for the water leaving the District. He asked if Gresham pays to build

it own wells and an equal part of the transmission line and chlorination system, how would we extract a charge from Gresham for assets it's already paying for?

**McElroy** commented that in expanding the agreement over the next 25-50 years you have an entity drawing the District's water and making a profit; he added that at some point in time they would have to become a wholesaler.

**DM Barnes** replied that if Gresham spends \$500,000 to drill its own well, how could the District deserve to charge for the water obtained. **McElroy** replied because it's located in our District. **DM Barnes** noted that the District doesn't own the SGA adding that even if we don't sign the agreement, we can't stop Gresham from drilling a well in our District and pumping it wherever they want per any water rights it's granted through the application process.

**Larry Dixon** commented that Gresham identified 4-5 sites to drill before this one became available. He commented that it makes sense to partner adding that he has read the agreement several times and doesn't see a problem.

**Sandra Ramaker** asked how we will know how much water Gresham will be using. **DM Barnes** replied that every well has to have a flow meter on it. **Herb Brown** commented on partnering and working with the whole community, formation of the District and customer satisfaction with water service.

**Jeanne** commented that the agreement states it does not create a partnership. **DM Barnes** clarified by referring the limitation outlined in item 22. He explained that the District will not become a true partner in such that it can be held liable for Gresham's debt. Following the discussion, **Don McCarthy** moved to approve the agreement.

**Larry Dixon** commented on the mention of Gresham's agreement being different and asked what happens if different versions are approved. **DM Barnes** clarified that if the District approves this copy that's what Gresham will need to approve or there will be no agreement.

**Larry Dixon** seconded the motion to approve the agreement. The motion was approved with **Stephen McElroy** voting no.

### **FINANCIAL REVIEW**

**DM Barnes** provided a mid-fiscal year review of the District's finances. He reported that cash carryover was short by almost \$69,000, but noted that there are ways to address this. He reported that revenue on water sales is where expected. Water sales have been consistent. Microchip has picked up in water usage, but we don't expect any large gains over the next couple of years. In labor, we're doing well. Three to four field positions have been empty for most of the year as we haven't needed them. We will probably see approximately \$100,000 - \$200,000 in labor savings, so the \$69,000 cash carryover shortage is not such a concern.

Discussion followed regarding Microchip consumption, currently contract projects, remodeling of the back office, and the budget process.

**DM Barnes** continued with the financial review reported that system development charges (SDCs) are better than expected. He explained the status of the debt reserve and debt service funds. Total

cash reserves are about \$7,200,000. **DM Barnes** added that he doesn't anticipate a rate adjustment this year.

### **WELL PROJECT UPDATE**

**DM Barnes** reported that we have substantially completed well #4. The pump test had been completed; the well produced 5000 gallons per minute with about 80 feet of drawdown. He explained that we will probably pump this well between 4500- 6000 gallons per minute depending on the results of the final drawdown analysis. **DM Barnes** stated that we will probably set up the two wells to together produce about 6000-7000 gallons per minute. He added that the project is pretty close to budget.

### **BOARD TRAVEL REQUEST – AWWA PNWS CONFERENCE / AWWA NATIONAL CONFERENCE**

**DM Barnes** explained that he needs approval to reimburse board members for travel to conferences on behalf of the District. He noted that the request is for the regional and national AWWA conferences.

**Sandra Ramaker moved to approve expenditures for those board members attending. Larry Dixon seconded the motion. The motion was approved: none opposed.**

### **FOR THE GOOD OF THE ORDER**

**AS Shaw** noted that a MCTV programming schedule was distributed. It lists upcoming viewing times for board meetings and includes contact information for the programming specialist should anyone have questions or concerns regarding the schedule.

**DM Barnes** reported that there are several projects going on. The well house project will begin soon. The retrofit on the reservoir is already underway and will be completed ahead of schedule. The meter change-out program to radio reads is going very well.

**Larry Dixon** commented that everything looks good around here to him.

**Sandra Ramaker** noted that for anyone attending the AWWA PNWS Conference, on Friday, May 7<sup>th</sup>, there will be a public officials caucus and joint session with managers. In April, there will be a fly-in to Washington, D.C., for people to meet with the legislature regarding new water laws. She thanked those employees who worked during the inclement weather for their extra effort.

**DM Barnes** noted that in freezing weather, it's important to cover vents under the house to prevent freezing pipes. The District received numerous calls on frozen pipes and emergency shutoffs; there were a few main breaks. He commended the field crew for doing an outstanding job in helping numerous customers.

**Sandra Ramaker** apologized for her part in some of the actions that went on at the last board meeting. She stated that she wrote a personal note (not on behalf of the board) apologizing to Dale Jutila regarding the personal attacks directed at him.

**Herb Brown** commended Sandra Ramaker for doing a good job during her term as president. He stated that he looks forward to a good year; the District is in good condition financially and physically.

AS Shaw noted that the next Board meeting is scheduled for Tuesday, February 17, 2004, at 7:00 p.m.

**ADJOURNMENT**

**Larry Dixon moved that the meeting be adjourned. Stephen McElroy seconded the motion. The motion was approved; none opposed.**

The meeting was adjourned at 8:52 p.m.

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Secretary