

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
January 25th, 2006
Rockwood Water Boardroom

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

Staff present: Harvey Barnes, District Manager (DM); Mike Baker, District Superintendent (DS); Sabrina Walyer, Administrative Secretary (AS)

Guests present: Paul Dayfield, Lee Dayfield, Jeanne Orcutt, Fran Hyson, Scott Forrester, Clark Balfour, Esq.

President **Sandra Ramaker** called the meeting to order at 7:00 p.m.

APPROVAL OF THE AGENDA

President Ramaker asked if there were any additions or subtractions to the agenda. **DM Barnes** replied no, but that he did have an update regarding the tapping team. He mentioned that Tom Pokorny wouldn't be able to make it, but that we could still have a discussion.

Herb Brown moved to approve the agenda. Larry Dixon seconded the motion. The motion was approved; none opposed.

BOARD ELECTION OF NEW OFFICERS

President Ramaker stated that she as been fortunate to have been the president for three of the years she has been on the board, and believes that each person on this board brings something special and different. She continued by saying that everyone should have the chance to be president if they would like to, and opened the floor for nominations for president.

Ramaker then passed the gavel and nominated Stephen McElroy for president. **Larry Dixon** nominated Herb Brown for president. **DM Barnes** asked for all those in favor of Steve to raise their hands, then asked for those in favor of Herb to raise their hands. **DM Barnes** announced that Steve McElroy was voted president by the majority.

President McElroy then opened the nominations for vice president. **Don McCarthy** nominated Sandra Ramaker for vice president. **President McElroy** nominated Herb Brown for vice president. **DM Barnes** then asked for a raise of hands for those who wanted Sandra Ramaker for vice president, and then a raise of hands of those who were voting for Herb Brown. **DM Barnes** announced that Ramaker was voted vice president by the majority. Herb Brown then passed the gavel to her.

President McElroy then opened up the nominations for treasurer. **Herb Brown** nominated Don McCarthy, and then **President McElroy** nominated Herb Brown. After a vote with a raise of hands for those who wanted Don McCarthy for treasurer, and then those who were voting for Herb Brown, **DM Barnes** announced that Herb Brown was voted treasurer by the majority.

Herb Brown nominated Larry Dixon for secretary. **Sandra Ramaker** nominated Don McCarthy for secretary. **DM Barnes** asked for those who voted for Larry to raise their hands, then those who

wanted Don McCarthy to raise their hands. **DM Barnes** announced that Don McCarthy was voted secretary by the majority.

PRESIDENT'S COMMENTS

President Stephen McElroy commented that he thinks the District is in good shape, especially financially, considering the on-going issues this past year with the Portland Contract, the new labor agreement with the union, and the ups and downs with the Clackamas River Water District and our expenses incurred. **McElroy** continued by saying that he feels that our general manager has done a very good job, and thanks to him we are financially solvent. He mentioned that DS Baker and the crew have done a great job plugging leaks, and in turn saving the district money. He also remarked that the office staff is exceptional, handling sometimes-difficult circumstances in a professional courteous manner. **President McElroy** closed his comments by asking for approval of the consent agenda.

APPROVAL OF THE CONSENT AGENDA

Herb Brown moved to approve the consent agenda. **Sandra Ramaker** seconded the motion. **The motioned was approved; none opposed.**

APPROVAL OF THE MINUTES:

Sandra Ramaker moved to approve the minutes from the December 14th regular meeting and the January 11th special meeting. **Herb Brown** seconded the motion. **The motion was approved; none opposed.**

APPROVAL OF THE BILLS

Jeanne Orcutt requested clarification of a payment for US Easy Tax regarding the amount of \$794.53 and mentioned it appears to be billed twice. **DM Barnes** pointed out that since it appears on line 24 as a positive amount, and then on line 26 as a negative amount, the \$794.53 cancels out. Secondly, **Orcutt** asked what the item "DreamWeaver" is for. **DM Barnes** replied that it is class and a software package for Chris Shaw, helping her to enhance the Rockwood Water PUD website. **Sandra Ramaker** asked why we purchased a used tire. **DM Barnes** explained that the logic was that instead of having to buy 8 new tires for the truck, it made more sense to buy a used one for now until all 8 tires need to be changed at once. **President McElroy** asked if there were any more comments or questions about the bills.

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

GRESHAM IGA WATER SALES AGREEMENT

DM Barnes began by mentioning that Rockwood's attorney, Clark Balfour, is present to answer any questions that the board or the public may have. **Jeanne Orcutt** commented that the agreement will eventually lead to the demise of Rockwood as a district. She said that she feels that we shouldn't have constructed two wells if we only needed one, and now it appears we are selling water to Gresham for "peanuts". **Paul Dayfield** said that DM Barnes has taken the time to sit down with he and his wife Lee to answer their questions. He continued by saying that they are still reading through attorney Balfour's response, and requested that the board wait until a later meeting to make a final decision on this agreement.

Fran Hyson added that she feels that there should be no hurry to decide on the Gresham IGA without more Rockwood Water PUD patrons being present to discuss the matter. **Hyson** further stated that she felt that Attorney Balfour's presence at this meeting was wrong. She said there should be a notice sent by mail to all the patrons letting them know that there will be a discussion

about the agreement and that the attorney will be there to answer questions. **Hyson** said it is not right that Balfour is here when there are not enough members of the district here to ask those questions now.

Lee Dayfield was not aware of the letter in the packet from Attorney Balfour, and asked that they have more time to digest the response. **DM Barnes** assured the Dayfield's that their names will be added to the list of those who receive board meeting packets. **Mrs. Dayfield** said that she does appreciate the fact that the contract has been posted on the internet, but further urged the board to wait at least another month to decide on the agreement.

Jeanne Orcutt added that with all respect to Attorney Balfour, the board should not make a decision based on one attorney's opinion. **Pat Brown** commented that there has been some misinformation given out about Clackamas River Water meetings and she doesn't recall any outcry from the citizens. **Fran Hyson** countered by saying that she was also at those meetings, and she knows that there has been no false information circulating. She said that it appears that the same thing is happening with Gresham that happened with Clackamas.

President McElroy asked if the public had any further comments or questions. Hearing none, he turned the discussion to the board members. **Herb Brown** stated that he feels that this meeting, like others, was announced, posted and made known to the customers, so there is no effort to keep these discussions secretive. **Brown** also said that he thinks that the Gresham IGA heeds some substantial benefits, and that in working with Gresham we have more bargaining power with the City of Portland. **Sandra Ramaker** mentioned that she appreciated Clark Balfour's response to the questions in his letter, and that it is helping her to better understand the contract terms. **President McElroy** commented that his main concern about the agreement was the 60-day limitation about notification regarding an emergency. **DM Barnes** explained that if there is a true emergency, everyone works together to get water to everyone. **President McElroy** said that he simply wants to make sure that the Rockwood patrons are taken care of first, before we help other districts. **DM Barnes** suggested that the board consider changing the language in the contract about the 60-day limitation on notice to a shorter period of time.

Larry Dixon raised the issue about the term of the contract, and said that it mentions that Gresham may purchase our well water until they build a well of their own. **Dixon** said that he was under the impression that it was not going to be five or more years before that will happen. **DM Barnes** replied that when this contract was first being discussed, it was assumed that Gresham had more money available than it does presently. Because of Gresham's financial situation, **Barnes** continued, they will not be able to build a well as soon as was projected. He added that Rockwood Water PUD has quite a lot of excess water capacity, which puts us in the position to incur revenue, now and five plus years from now. Since Gresham has agreed to help build the pipeline, **Barnes** said, they need to purchase from us to receive water unless they build a well. **Dixon** suggested that since Gresham is so dependent on us for water, maybe we should raise the rates and possibly give our customers lower rates. **DM Barnes** explained that the rate charged to Gresham will go up every year. He said that it is difficult to approach pricing from a profit perspective rather than from a cost-of-service model, when we are trying to negotiate lower rates in our proposed contract with Portland from a cost-of-service perspective.

Sandra Ramaker moved to table the Gresham IGA discussion until the March board meeting and bring any information gathered before the March meeting to review. Larry Dixon seconded the motion. The motion was approved; none opposed.

PUBLIC COMMENT ON NON AGENDA ITEMS

Fran Hyson wanted to commend the idea brought up in a previous meeting about presenting information to the public about the former Rockwood Water district. **Hyson** said that such information should be noticed and regarded because it is very important that we are aware of our history.

DM Barnes mentioned that the Dayfield's should be put on the mailing list to receive a packet.

Jeanne Orcutt commented that the surcharge should be enforced for customers who are outside the district. **Lee Dayfield** mentioned that the board might want to make the section on the policy about the 15% surcharge clearer in the manual. She said the fact that there is no surcharge for residential customers and that the wholesale customers are charged differently is not very well explained.

Scott Forrester came forward and requested that we would consider an annexation with Gresham. **Forrester** also mentioned previous studies that were conducted on the feasibility of including electric service with Rockwood's water service. He added that there are six other Oregon PUD's who include electric service in their utility, and those rates are lower than Portland General Electric.

APPOINT A CONSORTIUM REPRESENTATIVE

Herb Brown recommended that Sandra Ramaker remain the consortium representative. **President McElroy** said that he also didn't see a need to change the representative.

RESOLUTION 05/06-002 DESIGNATING AUTHORIZED CHECK SIGNERS

DM Barnes stated that he needed the new treasurer to be added as a check signer, and typically the president and the vice president are also added as alternates.

Sandra Ramaker moved to authorize the secretary, treasurer and the president as new check signers. Herb Brown seconded the motion. The motion was approved; none opposed.

*****5 Minute Recess to Change the CD*****

BOARD MEETING SCHEDULE - 2006

Sandra Ramaker moved to keep the board meeting schedule as is, on the 4th Wednesday of every month, with the exception of the November and December meetings to be scheduled on the 15th and 13th respectively. Herb Brown seconded the motion. The motion was approved; none opposed.

NOTICE TO CUSTOMERS re: MARCH BOARD MEETING DISCUSSION ON PORTLAND CONTRACT

Don McCarthy recommended that both the meeting about the IGA and the meeting to discuss the Portland Contract be printed on the notice. **Hyson** suggested that the date to decide on the Gresham IGA be pushed back further. **McCarthy** responded that he felt that two months was plenty of time for people to view the IGA with Gresham, and so it shouldn't be necessary to move it back any further. **Scott Forrester** proposed that there be a joint mailing of both the Gresham IGA and the Portland Contract, and that Rockwood should consider having the relevant documents added on the website via PDF file. **DM Barnes** noted that the Gresham IGA is, in fact, posted on our website, and that we can add a link to the Portland Contract on the City's website.

Sandra Ramaker moved to approve the mailing of a notice to the customers about the future meetings discussing the Portland Contract and the Gresham IGA, as well as adding links from the Rockwood Water PUD website to other relevant web pages. Don McCarthy seconded the motion. The motion was approved; none opposed.

BOARD TRAVEL REQUEST – AWWA NATIONAL AND PNWS CONFERENCES

DM Barnes explained that he needed approval for the reimbursement of travel expenses for the board and approved staff members attending the AWWA National Conference and the PNWS Conference. **Barnes** said that we need to begin registering people for the AWWA National Conference very soon. He also mentioned that we also need to approve travel reimbursement for the members of the tapping team, as we are sponsoring them. **Sandra Ramaker** suggested that these be approved as two separate issues.

Herb Brown moved to allow the reimbursement of travel expenses to the board members and approved staff attending the AWWA National Conference and the PNWS Conference. **Sandra Ramaker** seconded the motion. The motioned was approved; none opposed.

FINANCIAL REVIEW

DM Barnes stated that after a dismal start to the year, we are now headed in the right direction concerning revenue. **Barnes** said that things look stabilized, and he doesn't expect expenses to be any greater than expected. The general fund and the revenue look fine, according to **Barnes**, and we have plenty of cash on-hand. He added that we are also still collecting on SDC's, and we are already over projected revenue for that fund. The reserve fund is earning an extra bit of money thanks to higher interest rates and overall, **Barnes** said that the district finances look good.

BUDGET COMMITTEE SCHEDULE

DM Barnes said we are starting to advertise the need to fill openings on the budget committee. **Sandra Ramaker** asked if the April 26th is scheduled to follow the regular board meeting. **Barnes** replied that he will try to have a short board meeting that night, and then the first budget meeting will follow. There were no other questions and no desired changes to the budget meeting schedule.

PROJECT UPDATE

DM Barnes said the pump station project has slowed down a little, as we have run into a problem. We cannot get a pump any faster than 30 weeks, **Barnes** explained, but the plan is to get everything else ready to go so when the pump comes in, the team can get to work on it right away. **Barnes** said the pipeline project is slated to begin on February 6th. **DS Baker** said the replacement will start on 143rd between Mill, Stephens, and Harrison and will run east and west on those streets from 146th to 140th. **Baker** explained that will be done in a couple of phases. **DM Barnes** updated everyone on the shop building, saying that he believes the architect is finishing the design plan. He explained that the architect that was working on the plans no longer works for HDR. **Barnes** said that he was informed of that fact this morning, and said that in the next couple of days they are going to figure out if the architect has submitted the plans to the City of Gresham for review.

FOR THE GOOD OF THE ORDER

DM Barnes expressed that he feels everything is going well. **Don McCarthy** thanked the patrons for the opportunity to attend the employee dinner. **Sandra Ramaker** asked how the progress was on the history project and if we have put anything together. **DM Barnes** replied that he would check with the person in charge of it, and see how it is coming. **Ramaker** added that she had also attended the employee dinner, and enjoyed it as well, but wished some people had not been sick so that they could attend. She also mentioned that the SDAO Conference is coming up, and that she obtained some information about a safety grant that is available to apply for.

DM Barnes informed the board that the employee who had won the trip to the national conference will be unable to attend. He said that at the staff meeting the next morning, there will be a drawing to pick a new person to attend.

Stephen McElroy thanked the patrons for the employee dinner, and also for the board's confidence in his appointment as president.

TOM POKORNEY- TAPPING TEAM

DM Barnes said that Tom Pokorney was planning on attending the meeting this evening, but unfortunately, due to a family obligation, he is unable to make it. **Barnes** said that Pokorney offered to arrange the flights for the tapping team to national conference, and Rockwood could reimburse him. **Barnes** added that we will need to handle the reimbursement for meals in a different manner, where the team members will keep track of their receipts in order to be paid

Herb Brown said that he felt that the board will need to know more about the expenses that Tom wants us to pay for. **DM Barnes** explained that the estimate is about \$30-\$40 per day per person and about \$300 per airline ticket. He added that Tom will not go out and purchase the most expensive tickets and expect reimbursement. **Sandra Ramaker** asked if DM Barnes could figure out what the per diem will be. **Don McCarthy** stated that he doesn't feel that Rockwood will have any problem with paying Tom back.

DM Barnes requested a motion to allow reimbursement of the travel expenses for the tapping team, which includes Tom Pokorney.

Sandra Ramaker moved to allow Tom Pokorney to book the airline flights for the tapping team and set the per diem guidelines within a reasonable amount for reimbursement. **Herb Brown** seconded the motion. The motion was approved; none opposed.

ADJOURNMENT

Herb Brown moved to adjourn the meeting. **Sandra Ramaker** seconded the motion. The motion was approved; none opposed.

The meeting was adjourned at 9:02 p.m.

Secretary