

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
JANUARY 24, 2007
Rockwood Water Boardroom

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

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

Guests present: Fran Hyson, Pat Brown, Colleen Lisoski, Brenda Daggett, Maris Strautmanis

President Stephen McElroy called the meeting to order at 7 p.m.

OATH OF OFFICE

AS Aden swore in **Larry Dixon** and **Don McCarthy** as the newly-elected Directors to the Board.

President McElroy congratulated Larry Dixon and Don McCarthy.

APPROVAL OF THE AGENDA

President McElroy asked if there were any changes or additions to the agenda.

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

BOARD ELECTION OF NEW OFFICERS

The Board elected the following officers:

President: Sandra Ramaker
Vice President: Herb Brown
Secretary: Larry Dixon
Treasurer: Don McCarthy

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

PRESIDENT'S COMMENTS

President Sandra Ramaker asked if outgoing **President Steve McElroy** had any comments.

Steve McElroy stated it has been a real good year, and he appreciates the opportunity to be the Board President this last year. He thanked our employees for an excellent job again and for another year of performing excellent service, excellent customer service, and doing everything that they do without getting hurt. That's been a real amazing feat, especially when you consider all of the different weather elements that we've had; opportunity for injury that's been in the last year. **Mr. McElroy** went on to say thanks to Mr. Barnes and his hard work and this Board. We were able to get a very favorable contract for wholesale water purchasing from the City of Portland. It's a very good deal for our patrons. After all, it's the patrons that we work for. That's the number one priority for the Board.

President Ramaker thanked Steve McElroy and the Board for the great job they have done this past year. She believes we have a strong Board that works for their patrons and for the best interest of Rockwood Water PUD. **Ms. Ramaker** thanked DM Barnes and the staff of Rockwood for all the great work they do. She stated, with the Board's guidance and DM Barnes' management skills and fortitude, the District is in great shape; in fact, it's in the best shape it's ever been. She went on to say Rockwood Water has a reputation of getting things done and getting it right. We are proud that once again there has not been an increase in District fees to our patrons, and we have not had in the last three years. Our wells have given us the opportunity to give you more for less. Our service is superb. The employees and this Board take pride in what they do, and water is what we do, and we do it well for all of you.

APPROVAL OF THE CONSENT AGENDA

Don McCarthy moved to approve the consent agenda. Steve McElroy seconded the motion. The motioned was approved; none opposed.

APPROVAL OF MINUTES

Herb Brown moved to approve the minutes from the December 13, 2006 regular meeting. Don McCarthy seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE BILLS

Larry Dixon inquired about page 8 line 21 Fence Repair 185th Well Site. **DM Barnes** explained a couple of trees blew down across the fence, and we had the fence repaired. **Mr. Dixon** asked if it was vandalism. **DS Baker** replied no. The fence was broken off at the post and knocked a few loose, so we repaired a few feet of it.

Sandra Ramaker asked about page 6 line 11 American Water Works Association (AWWA) Luncheon (6). **DM Barnes** explained it was an American Water Works Association Christmas-time luncheon in which we sent several employees.

Herb Brown moved to approve the bills. Stephen McElroy seconded the motion. The motion was approved; none opposed.

PUBLIC COMMENT ON NON AGENDA ITEMS

Fran Hyson stated she was not aware of the change in policy regarding the rotation of officers on the Board. She asked if the rotation would be yearly or serve one term. **Sandra Ramaker** explained the rotation was not a change in policy, it was an idea that had been put out there and it had been suggested we do that this year. **Ms. Hyson** said she understood it was brought up to put into policy. **Ms. Ramaker** stated no, it was not put into policy. **Fran Hyson** said she was sorry the Board was doing this, because in the past most everyone had two-term positions, and since Steve McElroy was only in it once, and has been doing a good job, she thought it would have been fair he would have gotten another term.

Fran Hyson inquired about the handicapped parking and it being fixed so there would be two parking spots. Was that accomplished? **Sandra Ramaker** replied yes, if you notice just on the east side of the entry one was added, so there is a handicapped space on either side of the entry walkway. **Ms. Hyson** stated the way the lines are marked, if a car is parked too close to the line next to the west side handicapped space, it is difficult for someone in a wheelchair to get out of their car. **DM Barnes** explained it is a van access parking space, and if someone has encroached into that space, it is a violation.

RESOLUTION 06/07-003 DESIGNATING AUTHORIZED CHECK SIGNERS

DM Barnes explained we have shifted Board officers, and we need to pass a resolution to authorize check signers. The requirement we have is the Treasurer must be one of the authorized signers. We have three stamps; in combinations of the Treasurer, President, and Secretary, but the Treasurer has to be one of the signers on the check. **Herb Brown** asked if it was the President and the Treasurer. **DM Barnes** replied in the past we had the President, Secretary, and Treasurer.

Sandra Ramaker asked if we keep the stamps from year to year and are they locked up. **DM Barnes** stated we destroy the old stamps and we keep the current stamps locked up.

Herb Brown moved to approve Resolution 06/07-003 designating authorized check signers. **Larry Dixon** seconded the motion. **The motion was approved; none opposed.**

SET BOARD MEETING SCHEDULE FOR 2007

Fran Hyson stated she feels the Board meetings being set for the fourth Wednesday of the month works out well. It is a good idea and to stick with it.

The following regular Board meeting schedule was adopted for the remainder of the year 2007:

February 28

March 28

April 25

May 23

June 20 (the third Wednesday of June due to the AWWA Annual Conference)

July 25

August 22

September 26

October 24

November 28

December 19 (the third Wednesday of December due to the Christmas holiday)

Herb Brown moved to approve the regular Board meeting schedule as stated above for 2007. **Don McCarthy** seconded the motion. **The motion was approved; none opposed.**

CITY OF FAIRVIEW INTERGOVERNMENTAL AGREEMENT

DM Barnes explained the City of Fairview has approved the agreement with the Board's suggestions from their last meeting.

Herb Brown stated he believes it is quite profitable. **Stephen McElroy** stated he too believed the agreement was favorable to Rockwood Water PUD and is in favor of approving it.

Herb Brown moved to approve the City of Fairview Intergovernmental Agreement. **Don McCarthy** seconded the motion. **The motion was approved; none opposed.**

DOOR HANGER POLICY REPORT

DM Barnes explained in November there was an issue raised about our door hanger policy and whether or not it ought to be amended and was instructed to report on what we do with the door hangers and how the policy works. If you look at all of the billings for the last year, about 16%

of our billed customers get a late notice, 44% of the late notices get door hangers, 85% of the people who get door hangers pay before they get shut off. Fifteen percent of the customers who get door hangers get shut off for nonpayment; 1% of our customers get shut off for nonpayment. Ninety-nine percent of our customers are not a problem. Compare that to other entities; the City of Fairview has a 1% shut off rate, as we do, Oak Lodge has a little bit lower than we do, and the City of Wood Village is about the same percentage-wise as we have. The entities that don't do door hangers, such as Tualatin Valley, have about a 1.3% shut off rate; and the City of Gresham varies between a 1.9% and 2.2% shut-off rate. **DM Barnes** stated he believes the policy works, but it does take time. If we don't do door hangers, we will increase the number of people we shut off. We will spend more time shutting off and turning on water than we do right now.

Herb Brown asked what the cost comparison is between hanging door hangers and mailing notices. **DM Barnes** responded it would be about 29 to 32 cents per letter plus the time to do the letters. It is about \$75 to \$100 for staff to do door hangers per week. If we sent 100 letters, it would be about \$32 plus the time it takes to process the letters. It's probably a little more expensive to do door hangers, but it is an effective program. **Herb Brown** mentioned there is also more customer satisfaction with the current program. **DM Barnes** said we truly do not like to shut off people's water. It is very stressful for the customer and really stressful for an employee. Even though we do spend time and money placing door hangers, that's better for us than having people's water shut off.

Larry Dixon asked what the time frame was between reading the meter and hanging a door hanger; the idea being if the Meter Reader is there at the same time, could he possibly hang the door hanger. **DM Barnes** replied, no. That would be pure luck if we had the Meter Readers close to the same location as the door hangers. We give about 45 days from the time they get the bill before they would get a door hanger. We bill every 60 days, so about every two months we're reading in that area.

Sandra Ramaker asked if we do hangers once a week. **DM Barnes** responded yes. **Sandra Ramaker** asked if it takes about an hour and a half. **DM Barnes** answered about an hour and a half for two people, so about three hours. It depends on the zone and the number. **Ms. Ramaker** expressed that is a lot of ground to cover in that amount of time if you're doing 90 to 100 door hangers. **DM Barnes** explained the employee who does the door hangers knows the District very well.

Colleen Lisoski asked if there is a fee for hanging door hangers. **DM Barnes** replied, yes, \$7.50

Fran Hyson asked if she heard **DM Barnes** correctly that it is cheaper to do door hangers instead of doing a mailing. **DM Barnes** responded no, it is probably more expensive to send an employee out to deliver them by hand than just to mail them. **Fran Hyson** mentioned other entities mail out a second notice before they turn off services. If it's more feasible and less costly to mail it, then we should follow the same procedure as other entities. **Ms. Hyson** also noted it looks like the same zones receive door hangers each time, and it looks like people ignore them. **DM Barnes** replied about 700 customers a year ignore all the notice we give them, and we shut their water off for nonpayment. Out of the people who get door hangers, 15% of those people ignore the door hanger and get their water shut off. **Ms. Hyson** said she believes more people will respond to a letter than to the door hanger. She mentioned other entities state on their notices if you need financial assistance with your payment, to call, and maybe we could do something like that. **Don McCarthy** replied our customers have that chance. All they have to do is make a phone call and ask. **Fran Hyson** asked if it says that on the door hanger. **DM**

Barnes replied no, we're limited with the space on it; but we have customer assistance programs we advertise regularly throughout the District. We mention it in our newsletter and anytime we have contact with people having difficulty we always make arrangements for them to pay if they can't pay today. The issue isn't that we refuse to make arrangements; you have to call before you get shut off to avoid being shut off. **Ms. Hyson** stated maybe we should try mailing out notices to get a better response, and if we don't, go back to the door hangers.

Herb Brown mentioned sometimes when some people get presorted standard mail, they discard it unless it's first class. **DS Baker** added a lot of people rely on the door hanger as their method of notice to pay their bill.

Stephen McElroy mentioned if it was worth our time to try the direct mail notice to see if we can't reduce our expenditures and maybe get rid of the headache some of our employees are having with the door hangers. **DM Barnes** stated we would not reduce our expenses with the employees. We will still have the same number of employees with the same hours per day. They will just be doing something different and we will shift the work to someone else.

Don McCarthy said he was all for a system that works and sees things working the way they are. Customers get the door hanger, and they know they have two days to pay their bill before the water is turned off. **DS Baker** mentioned we deliver the door hangers on Friday, and we do shut offs on Tuesday, so they also have the weekend to pay their bill. **Don McCarthy** added a lot of people that get stuff in the mail will look at it and toss it; they're not going to read it. **Fran Hyson** said she would never do that. **DS Baker** stated people who are having a difficult time do call. Discussion ensued. **Sandra Ramaker** stated she would like to try to mail things, but she would go along with whatever decision is made. **Larry Dixon** stated he gets gobs of junk mail, and he doesn't even look at it. He believes the door hanger system works.

Don McCarthy moved to leave the current door hanger policy in place. Herb Brown seconded the motion. The motion was approved; Stephen McElroy and Sandra Ramaker opposed.

FINANCIAL REVIEW

DM Barnes explained revenue-wise we are a few percentage points ahead of where we think we need to be. Revenue was strong throughout the summer. Because we have been able to reduce our expenses, our cash flow is looking very well this year. **Mr. Barnes** mentioned he does not expect we will have to increase our water rates in July.

Sandra Ramaker commented it's good to hear we're in great shape. **DM Barnes** stated by rate time, we will achieve the lowest wholesale water rate available on the Bull Run system.

DM Barnes stated one thing that can affect our finances is electric rates. We have been informed that because we are getting a reduction in our electric rates for a few months, the rates are going to go up about 3.3%. That would be about an \$8,000 increase in our overall budget for electric costs.

BUDGET PROCESS SCHEDULE

DM Barnes gave a brief overview of the budget process schedule.

The Board adopted the following budget process schedule:

February 3 - Publish first notice of Budget Committee application process
February 14 - Publish second notice of Budget Committee application process
March 7 - Staff workshop for department heads
March 28 - Regular Board meeting to fill vacancies on Budget Committee
April 4 - Publication of first notice of budget Committee meetings
April 14 - Publication of second notice of Budget Committee meetings
April 25 - First Budget Committee meeting following the regular Board meeting
May 9 - Second Budget Committee meeting
May 30 - Third budget Committee meeting
June 13 - Publication of June Budget hearing and LB1 and LB2
June 20 - Budget hearing and adoption of budget at regular Board meeting

PROJECT UPDATE

DM Barnes stated both of our wells are working very well. We have them both on-line off and on. We're testing the 600 horse power that was re-built. The pump station is now complete. We have a connection to the Bella Vista reservoir. We have pump-tested with one connection 4,300 gallons of water a minute into Bella Vista, but that's about twice than before. The pipe is all in the ground for the 30" pipeline in conjunction with this project. The final connection should be made in the next couple of weeks. That will give us another 5,000 or 6,000 gallons-a-minute capability into Bella Vista. Off the 30" at any given time we will get upwards of 9,000 gallons a minute of groundwater into Bella Vista. That's not counting the Bull Run water. We will be able to get another 5,000 or 6,000 gallons a minute of Bull Run water into the tank. So with summer coming up, it will be a little less stressful and easier to make the groundwater stuff work the way we need it to. We expect to have Gresham on-line in another month.

Sandra Ramaker asked if we were looking at putting out another bid for closing up the shop. **DM Barnes** replied, no. We haven't seen concrete prices drop enough to make any difference in cost. We will concentrate on the operations center we need inside the building.

FOR THE GOOD OF THE ORDER

DM Barnes reported we have won a Special District Association of Oregon (SDAO) program award. The award will be presented at the SDAO Annual Conference in February. The award is for the Gresham/Rockwood groundwater production facilities project we have been working on.

DM Barnes stated there will be water rights debates in the state legislature this year. We are taking the position we will aggressively defend our water rights.

Don McCarthy made the following statement: "To the entire staff of Rockwood Water PUD, I would like to say thank you to each and every one of you for the dedication and hard work to make this one of the best run water districts in the state. As a Board of Directors, I am proud to be a small part of this organization and as a patron of the District I am happy to know that we have the best trained personnel to run the District, and I thank you to one and all."

Herb Brown stated the District is well run. We stand out pretty well with having the lower water rates than many others in the state.

Sandra Ramaker mentioned she has an application for the Pacific Northwest Section AWWA Communications and Conservation award and would like for us to submit the application. **DM Barnes** stated we will look into it.

President Ramaker reminded everyone the next meeting will be on Wednesday, February 28th at 7:00 p.m.

ADJOURNMENT

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

The meeting was adjourned at 8:03 p.m.

Secretary