

**ROCKWOOD WATER P.U.D.**  
**MINUTES, REGULAR MEETING OF THE BOARD**  
**FEBRUARY 28, 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:** Pat Brown, Colleen Lisoski, Brenda Dagget, Andy Crocker

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

**APPROVAL OF THE AGENDA**

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

**DM Barnes** stated he had a request to add Customer Rebate and Employee Bonus to the agenda as items 6a and 6b.

**Herb Brown** moved to approve the agenda with items 6a and 6b added. **Steve McElroy** seconded the motion. The motion was approved; none opposed.

**APPROVAL OF THE CONSENT AGENDA**

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

**APPROVAL OF MINUTES**

**Herb Brown** moved to approve the minutes from the January 24<sup>th</sup>, 2007 regular meeting. **Steve McElroy** seconded the motion. The motion was approved; none opposed.

**APPROVAL OF THE BILLS**

**Larry Dixon** referred to page 6, line 43 Internet Service (Molalla Communications) and page 7, line 24, High Speed Internet (Comcast Cable). He asked why we had two internet service charges. **DM Barnes** replied Comcast wouldn't host the rwpud.org domain name, but Molalla Communications would. Comcast provides us with high-speed internet service, and Molalla Communications hosts our web page and provides us with our domain name.

**Colleen Lisoski** verified we want to stay with Molalla Communications, so we don't have to change our email addresses. **DM Barnes** answered yes. **Ms. Lisoski** asked if Comcast would let us use our domain name. **DM Barnes** replied no, we would have to change our domain name to comcast.net. **Ms. Lisoski** asked if it costs more to do it this way. **DM Barnes** replied yes, \$53.95 per month for our emails, and they also host our web page. Comcast will not host our web page.

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

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

There was no public comment on non-agenda items.

## **WHOLESALE WATER RATES**

**DM Barnes** explained we have received our wholesale water rates from the City of Portland for next year. Our current rate is 51.7¢ per hundred cubic feet (hcf). That will drop to 41¢ per hcf. We will save another \$400,000 on the cost of water. For the same amount of water we've been getting, we'll drop to \$1.5 million. We were paying a little over \$3 million two years ago. We have achieved the lowest wholesale water rate on the Bull Run system. We also have the lowest peaking factors on the Bull Run system. Our employees have attained the rate structure and efficiency goals we set for them.

**Herb Brown** asked if we knew what Gresham's rate is. **DM Barnes** replied 52¢ per hcf. Their peak factors are higher than ours, and their rates reflect that.

## **CUSTOMER REBATE**

**Steve McElroy** explained, because of the hard work of Rockwood Water's employees and our General Manager, they've made it possible for the District to save \$400,000. **Mr. McElroy** stated the residential and non-profit patrons of our District should get a one-time rebate on their bill of \$10.00. This is a good-faith gesture from the Board to show the patrons we appreciate their support.

**Herb Brown** agreed if it's financially feasible. **DM Barnes** said, yes, it will cost \$125,000. He also suggests we do it in the form of a credit on their account, not a check in the mail; and we still won't raise rates in the summer. **Don McCarthy** stated he is all for it. Anything that will help the patrons is a plus.

**Colleen Lisoski** inquired who will get the rebate. **DM Barnes** answered all single family, multi-family residential, and non-profit customers.

**Pat Brown** stated we have done rebates in the past, and as a general rule, is opposed to rebates. She said she is more in line with keeping rates as low as possible and not depleting the money we have in the bank. **Ms. Brown** asked if the people who just moved into the area would receive the rebate. **DM Barnes** stated all active class customer accounts will get the rebate. **Pat Brown** explained she would rather keep the money in the bank and gain interest than to give a rebate and then raise water rates in the future.

**Sandra Ramaker** stated we've talked about it before, and **DM Barnes** is telling us we are in good financial health. She said she agrees, \$10.00 does not sound like a lot of money, but it is a lot of money for some. **Ms. Ramaker** went on to say it's good will to let them know we're doing well and actually do something. We're not going to raise rates. It's a reward for hanging in during the tough times. **Steve McElroy** agreed and stated we are a public entity, or small government, and like most government agencies, when there is a surplus, they rebate the money back to the people. The people have earned a thank you.

**Steve McElroy** moved to approve giving a one-time rebate credit of \$10.00 to every residential and non-profit customer in our District. **Herb Brown** seconded the motion. The motion was approved; none opposed.

## **EMPLOYEE BONUS**

**Sandra Ramaker** stated, “This does have a potential for a conflict of interest for me, although it is a class action and would treat everybody equally if we did do something.”

**Don McCarthy** explained the employees deserve a bonus. Within the last two years, the employees have contributed to Rockwood Water saving \$1.5 million. They have done a fantastic job of getting things done to where they are right now. **Mr. McCarthy** stated he will ask **DM Barnes** to pick an amount and see where it goes from there. He stated he really feels they deserve it.

**Sandra Ramaker** stated she happens to agree. There isn’t anybody on the Board who has not been making comments in the last several meetings on how good a job they were doing and how if it wasn’t for their hard work and everybody coming together, we wouldn’t be in the position we are. The Board has said before, when you need something done, it gets done. I think it’s a good opportunity to show what we’ve been saying.

**Herb Brown** stated at this time it would be suitable to have the same bonus for all of the employees for the entire staff.

**Larry Dixon** stated he was opposed to the bonus. He is opposed to a bonus not only for workers here, but workers anywhere. **Mr. Dixon** went on to say you’re hired to do a good job, you’re not hired to do a bad job. It’s the wrong way to run a company and the wrong way to run a government.

**Steve McElroy** stated without their hard work, the customers would not be saving the \$400,000 they’re going to save this year alone. He feels it’s the right thing to do.

**DM Barnes** stated he would like to give the employees a bonus. We all as a team carry the District along and carry each other along throughout the year. If we do talk about a bonus, everyone should get the same amount. I think it’s a good idea in this case, not every year. We set very high goals for the last three years, and every goal set has been met. We have a better water rate than anyone in the Portland metropolitan area.

**DM Barnes** stated he would commit \$75,000 for all of the employees split equally. Each employee would receive a net check for \$2,000 a piece. He asked the Board to think about the \$1.5 million we are saving this year, and the \$1.5 million we are saving each year thereafter when they make their decision.

**Don McCarthy** asked if they have an opportunity to add that to their deferred comp. **DM Barnes** replied, yes.

**Colleen Lisoski** asked if the bonus includes the management staff. **DM Barnes** explained, yes. Rockwood is one team. **Ms. Lisoski** asked how many employees we have. **DM Barnes** replied, 22.

**Coleen Lisoski** stated \$75,000 is a lot of money and would the District be using the full amount. **DM Barnes** stated it will be right at that. **Colleen Lisoski** verified we would be paying the taxes. **DM Barnes** replied, yes. A discussion about taxes and employee tenure ensued.

**Brenda Dagget** inquired what the difference would be if instead of \$2,000, they gave a 2% or 5% wage increase. **DM Barnes** replied it would be unfair. He would rather pick a number, and everyone gets the same amount.

**Herb Brown** suggested a \$1,000 bonus. **Sandra Ramaker** suggested splitting the difference and making it \$1,500.

**Don McCarthy** moved to give the entire staff a \$1,500 net bonus with a deferred option. **Steve McElroy** seconded the motion. The motion was approved; **Larry Dixon** opposed.

### **DISCUSS CRITERIA FOR DISTRICT MANAGER EVALUATION**

**DM Barnes** gave an overview of the process to set the evaluation criteria for the District Manager. He added every conference he goes to the topic manager's are talking about is how to attract and retain employees in the future. **Mr. Barnes** said he would like to add that to the evaluation criteria. **DM Barnes** stated he would send out the District Manager evaluation packet in the next couple of weeks. The evaluation will take place in Executive Session at the March Board of Directors meeting.

**Steve McElroy** moved to accept the criteria for the District Manager evaluation as is in the packet. **Herb Brown** seconded the motion. The motion was approved; none opposed.

### **POLICY ISSUES – INFORMATION**

**DM Barnes** explained we will have to make changes to our policies regarding pre-employment drug screens, pre-employment physicals, and medical marijuana policies. Discussions took place at the Special Districts Association of Oregon (SDAO) conference as a result of a recent case out of Woodburn, Oregon, where the Court ruled that unless an employee is in a safety-sensitive position, where even a momentary lapse of attention would cause catastrophic damage or injury to an employee, you cannot require a pre-employment drug screen. It is an invasion of privacy, and it is not lawful. Discussion ensued.

**DM Barnes** stated we will do some research over the next few months and bring back to the Board the findings from our attorneys.

### **PROJECT UPDATE**

**DM Barnes** stated the 30" pipe is all but done. In the next week we will be sanitizing and tuning the valves. In the next couple of weeks we will also have Gresham hooked up. At completion we should be able to get about 10,000 gallons per minute of groundwater into the tank at Bella Vista if we need it.

The pump station in back is performing very well. All indicators show we're going to hit the 10,000 to 12,000 gallons a minute we designed for.

We are moving forward on the senior water rights permit we've been extending. We received our final order from the state. That has been extended to the year 2047. We will certificate that permit in the next few months.

**DS Baker** stated we are currently in the process of replacing the mains we have been talking about the last couple of months. Last week we had two days where the crews had 560 feet working in the subdivisions.

**Herb Brown** asked what our total storage capacity is at this time. **DM Barnes** said 20 million gallons. **Sandra Ramaker** asked what our daily use is. **DM Barnes** answered 7 million gallons.

**DS Baker** stated he is identifying a site for a booster pump station along 148<sup>th</sup> Street. **Don McCarthy** asked where. **DM Baker** explained he contacted the St. Joseph Catholic Church which has a large piece of property along 148th. **DM Barnes** stated this pump station would feed into the Glendoveer pressure zone. After we finish that, we will renovate the 141<sup>st</sup> Street pump station.

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

**DM Barnes** stated we would like to complete registrations and travel arrangements for the Pacific Northwest Section (PNWS) and American Water Works Association (AWWA) annual conferences sometime in the next week or so. He also stated everything is going good.

**Steve McElroy** requested we have a moment of silence for Jeanne Orcutt in remembrance of her recently-deceased husband.

**Herb Brown** recognized Jeanne Orcutt for her long-time involvement and support for Rockwood Water. He also stated he believes things are going well and the employees are doing a good job and will continue to do so.

**Don McCarthy** thanked the Board for allowing him to attend the SDAO Annual Conference. It was very informational. He also stated Rockwood PUD has the best staff around.

**Sandra Ramaker** also thanked the Board for letting her go to the SDAO Annual Conference. She learned about some free benefits we will be able to use. **Ms. Ramaker** also volunteered **DM Barnes** to do a presentation on the Intergovernmental Agreement with Gresham at the PNWS-AWWA Annual Conference Public Officials Caucus in May. **DM Barnes** stated he would love to do it.

**President Ramaker** reminded everyone the next meeting will be on Wednesday, March 28<sup>th</sup>, 2007 at 7:00 p.m.

### **ADJOURNMENT**

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

The meeting was adjourned at 8:22 p.m.

---

Secretary