

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
18, MARCH 2003
Rockwood Water Boardroom

Board members present: Sandra Ramaker, Larry Dixon, Herb Brown, Stephen McElroy, Richard Scariano.

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

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

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

APPROVAL OF THE AGENDA

DM Barnes referred to a draft letter from wholesale customers of the Bull Run to Portland Water Bureau Commissioner Dan Saltzman expressing concerns regarding the steep increase in wholesale water rates this year and projected increases for next year. **DM Barnes** commented on the rate increase. It was hoped that it would be between 8-10 %, but the District will face an 11% increase. He noted that other providers are facing as high as 24%. He explained that the letter would be signed by other agencies and requested that it be added to tonight's agenda for consideration. **Sandra Ramaker** suggested adding it as item 5a.

Herb Brown moved to approve the agenda as amended. **Stephen McElroy** seconded the motion. The motion was approved; none opposed.

CONSENT AGENDA

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

APPROVAL OF MINUTES

Herb Brown moved to approve the minutes. **Richard Scariano** seconded the motion. The motion was approved; none opposed.

APPROVAL OF BILLS

Sandra Ramaker asked for public comment. **DM Barnes** referred to Jeanne's question at the last meeting about the District renting instead of purchasing a VISA machine. He explained that it was rented early on to determine what VISA business would be. He reported that a VISA machine has now been purchased and added that there is no maintenance fee on it. Discussion followed on fees.

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

PUBLIC COMMENT ON NON AGENDA ITEMS

Sandra Ramaker asked for public comment. No comments were made.

LETTER TO COMMISSIONER SALTZMAN

DM Barnes reviewed this year's projected rate increase from Portland and noted that a 4% increase is planned for next year to make up for the increase not added on this year. With inflation, the District will probably see another 10% or greater increase next year. This doesn't take into consideration any large increases to cover the cost of filtration or UV. He stated that the letter would call attention to wholesale customer concerns. Discussion followed regarding the draft letter.

Sandra Ramaker asked for public comment. **Jeanne Orcutt** commented that she thinks the District should drill more wells.

Herb Brown moved that a letter to the Portland Water Bureau be drafted expressing objection regarding the sizeable increases in wholesale water rates. **Larry Dixon** seconded the motion. The motion was approved; none opposed.

SDAO RESOLUTION TO APPEAL PERS EMPLOYER RATE INCREASE

DM Barnes referred to the letter and resolution included in the board packet. He explained that the Special Districts Association of Oregon (SDAO) is concerned about the PERS employer rate increase and is suggesting that districts join in appealing the PERS Board regarding some of the changes it wants to make. **Sandra Ramaker** stated that she would remove herself from the discussion due to a possible conflict of interest as her husband is a District employee.

Discussion followed regarding the \$150 cost per district to join the appeal, possible additional costs, the increase in employer rates, suggestions made by the PERS Board, Judge Lipscomb's ruling, and the need to resolve the issue.

Sandra Ramaker asked for public comment. No comments were made.

Herb Brown moved to approve the resolution and \$150 contribution to join the appeal. **Richard Scariano** seconded the motion. The motion was approved; none opposed with **Sandra Ramaker** abstaining.

SAFETY PROGRAM UPDATE

DM Barnes reported that OSHA has reviewed the revised safety program again and has suggested additional changes. He stated that he hopes to have the safety program available for Board approval in April, but noted that it could be later as OSHA wants to review the program after the suggested changes have been made.

WELL PROJECT UPDATE

DM Barnes reported that the project is a little behind schedule, but still going well. Drilling has been completed at about 670 feet. The soil analysis has alleviated concerns about reaching 1000 gallons per minute. The screen and filter pack have been ordered. He stated that in about a month, the pump test will be conducted. He addressed the question if there is room to drill another well at this site and indicated that it is possible. **DM Barnes** noted that we will need to see the results of the pump test first and expressed his preference for looking towards the south side of the District which is higher.

Richard Scariano asked about the feasibility of drilling at the capped well site on Grant Butte. **DM Barnes** replied he doesn't know; he hasn't seen any production wells in that area. **Scariano** referred to previous discussion about drilling a well at the site of the reservoir. **DM Barnes** replied that it's a highly unstable area; a better site could be found.

Jeanne Orcutt asked about the Cleveland Reservoir site. **DM Barnes** replied it is a possibility. He explained that we do want to look at reservoir sites as a reservoir is needed for blending and emphasized that we want at least 500 gallons per minute in a production well.

Jeanne asked if 100 feet is required on all sides of a well. **DM Barnes** replied typically, but there are variances to get around the requirement. **Ms. Orcutt** asked how deep Powell Valley Road Water District's last two wells were. **DM Barnes** replied that a couple of them are down around 135 feet; another is between 450-500 feet. He commented on the potential contamination of shallow water.

Herb Brown commented on a site off Powell Boulevard. **DM Barnes** replied that we are looking in that area.

CLEVELAND RESERVOIR DEMOLITION UPDATE

DM Barnes reported that the preconstruction meeting was held. Demolition of the elevated reservoir will begin around the end of the month. He added that the contractor thinks it will complete the project easily within 25-30 days.

PROPOSED GRESHAM PRIVILEGE TAX UPDATE

DM Barnes reported that letters were sent out to Gresham customers by both the District and the City of Gresham indicating that the issue would be on the agenda for the March 4th council meeting. **DM Barnes** stated that at 5:00 p.m. the day before the meeting, he received an e-mail message indicating that discussion on the issue was rescheduled for the April 1st council meeting.

He explained that the District notified customers regarding the April 1st meeting and encouraging them to continue expressing their comments and to attend the council meeting. It's his understanding that the council is split 3-3 on the issue with the mayor leaning in favor of the tax. **Herb Brown** encouraged everyone to attend the April 1st meeting. **Sandra Ramaker** noted that District board members did attend and speak at the March 4th meeting.

Sandra Ramaker asked for public comment. **Jeanne Orcutt** commented on the meeting being canceled. She stated that they are calling it a utility tax, which the city attorney said is the same as a franchise fee, and added that by law you cannot impose a franchise fee on a P.U.D. She discussed it with the city attorney who is researching the issue; she has not received a reply.

DM Barnes explained that the District's boundaries are set by statute and election. Typically franchise boundaries are set by the municipality that sets the franchise. In this case, the City doesn't have the authority to set our franchised area so we are not subject to a franchise fee. He added that per the statute, those entities not operating under a franchise are subject to a privilege tax.

Ms. Orcutt noted that the Gresham staff report indicated that Fairview charges 6%; she thought it was limited to 5%. **DM Barnes** replied that it is 5%; franchise fees can be higher. He explained that cities can charge for the actual use of their city street rights of way, but Gresham does not own all the rights of way it's trying to charge for. Some streets are owned by the County. **Ms. Orcutt** commented that it's a shame they would even think about charging a tax on water to support the general fund.

Sandra Ramaker stated she would like a copy of the minutes from the council meeting that refer to a franchise fee. **DM Barnes** mentioned that depending what is passed, there may be a legal challenge. **Robert Paine** commented that the reason the issue was rescheduled was because the council would not have had enough votes to approve the tax.

Sandra Ramaker agreed that as many people as possible attend the April 1st meeting and **DM Barnes** encouraged everyone to continue submitting comments.

2002 WATER QUALITY REPORT

DM Barnes referred to last year's water quality report and asked if the Board wants to produce something similar or a fancier, more expensive report. **Sandra Ramaker** stated she didn't have a problem with last year's report. **Herb Brown** suggested that it be non-glossy.

Sandra Ramaker asked for public comment. No comments were made. It was agreed that a similar document would be produced for this year.

EXECUTIVE SESSION ORS 192.660

(D) To review and evaluate, pursuant to standards, criteria and policy directives adopted by the governing body, the employment-related performance of the chief executive officer of any public body.

The meeting recessed at 7:44 p.m. for executive session. The meeting reconvened at 8:30 p.m.

ACTION ON EXECUTIVE SESSION ITEMS

Sandra Ramaker reported that the executive session was held to evaluate the District Manager. She stated that the Board is pleased with his performance. No action was taken.

FOR THE GOOD OF THE ORDER

DM Barnes reported that everything is going well and noted that the District is seeing quite a few services.

Herb Brown commented that the District is doing fine. He hopes that an agreement can be worked out with the City of Gresham for alternate water sources.

Richard Scariano commented that we really need to stop Gresham on the privilege tax. He apologized for being unable to attend the last board meeting and explained that he is taking college classes.

AS Shaw reported that all the registrations she has received for the AWWA and PNWS conferences have been processed. She asked that any additional registration requests be submitted as soon as possible.

DM Barnes mentioned that it might be best to avoid Los Angeles International Airport due to security issues and fly into another airport such as John Wayne Orange County Airport.

Larry Dixon commented on the good things he's been hearing about the well each month.

Sandra Ramaker reminded everyone about the April 1st Gresham City Council meeting. She stated that she has received e-mail requests for an online payment option and asked that additional information be brought back to the board. **DM Barnes** replied that the District intends to offer online payment and will be moving forward with it before the end of the year.

Ramaker noted that at the last few Regional Water Providers Consortium meetings, excellent comments were received regarding AS Shaw's contributions to the Conservation Committee. She complimented her on her work.

ADJOURNMENT

Larry Dixon moved that the meeting be adjourned. Richard Scariano seconded the motion. The motion was approved; none opposed.

The meeting was adjourned at 8:38 p.m.

Secretary