

**ROCKWOOD WATER P.U.D.**  
**MINUTES, REGULAR MEETING OF THE BOARD**  
**March 22, 2006**  
**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); Sabrina Walyer, Administrative Secretary (AS); Mike Baker (DS)

**Guests present:** Robert Paine, Paul Dayfield, Jeanne Orcutt, Fran Hyson, Maxine Wilkins, Max Wilkins, Ted Cooke, Pat Brown, John Wagner, Dale Jutila, Colleen Lisoski

President **Stephen McElroy** called the meeting to order at 7:00 p.m..

**APPROVAL OF THE AGENDA**

**DM Barnes** mentioned we should add Tom Pokorny at the end of the discussion about the Gresham Water Sales Agreement.

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

**APPROVAL OF THE CONSENT AGENDA**

**President McElroy** asked if there were any changes to the consent agenda. None were mentioned.

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

**APPROVAL OF MINUTES**

**President McElroy** asked if there were any changes to the minutes from the board. He then asked if the public had any additions. None were mentioned.

**Don McCarthy moved to approve the minutes from the February 22nd regular meeting as amended. Sandra Ramaker seconded the motion. The motion was approved; none opposed.**

**APPROVAL OF THE BILLS**

**Ramaker** then asked about a payment in reference to the CCWF and a performing arts center. **DM Barnes** explained that this is for the Children's Clean Water Festival that we sponsor each year. She then asked about the classification of the new meter reader as Utility Worker I. **DM Barnes** said that we haven't reclassified that position mid-year and we are paying him as a meter reader.

**Herb Brown** questioned a charge for storm water from Gresham. **DM Barnes** says this is a typical charge. **President McElroy** then asked about the \$50 false alarm fee. **DM Barnes** explained that it appears that someone tried to break-into the building and made enough of an impact to set the alarm off.

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

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

**Fran Hyson** asked why the board is not going to dispute the false-alarm fee. **DM Barnes** stated that he did ask Multnomah County about the situation, and their position is that if the alarm goes off but no entry is gained into the building, then it is considered a false alarm. **Hyson** mentioned that at the last meeting she had raised the issue about including the consideration of electrification in the letter to the patrons. **Hyson** said that she thinks that the patrons should know about the possibility of electrifying and they should take part in the decision. She added that it makes her furious that the board does not represent the patrons properly.

**DM Barnes** responded by saying that he was told to only include the Gresham IGA, Portland Contract and the budget committee. He said he was not instructed by the board to have anything in the letter about electrification. **President McElroy** added that after the discussion about electrification, and the board concluded that it is a dead issue, there was no reason to include it in the letter. **Herb Brown** pointed out that the letter to the patrons was sent out at a cost of over \$4000, and there has still been a turn out of only a few additional people.

## **JEAN & JOSETTE MALARY – DISCUSS WATER BILL**

Jean and Josette Malary were not present at that time to speak to the board. **President McElroy** suggested that we move their discussion to after “For The Good Of The Order” in the hopes that they may appear later in the meeting.

## **APPOINT BUDGET COMMITTEE MEMBERS**

**DM Barnes** asked if Colleen Lisoski was present. **Ms. Lisoski** raised her hand and made herself known to the board and public. **Sandra Ramaker** asked how many seats were open on the budget committee. **DM Barnes** replied that there were two openings. **Barnes** noted that although Tom Lewis was not present, he has requested to be reappointed this year. He said that AS Walyer had made several calls to reach him, and has not heard back. **Don McCarthy** mentioned that he had just talked to Tom Lewis last week at a golf tournament, and he was planning on serving on the committee this year. **McCarthy** added that he thinks it would be ok to approve him. **Herb Brown** said that he thinks that Lewis’s term could be renewed.

**DM Barnes** asked Colleen Lisoski to approach the microphone so that the board could ask her questions. **Ms. Lisoski** sat down and stated her name. **Herb Brown** asked her how long she has lived in the district. **Ms. Lisoski** replied that she has resided in Rockwood for 36 years. **Brown** said that sounds like plenty of time. **Sandra Ramaker** asked Ms. Lisoski if she had any problems with the budget schedule. **Ms. Lisoski** answered no, she doesn’t have anything scheduled at those times.

**Ms. Lisoski** asked if she could have some more information about serving on the committee and what is involved. **DM Barnes** said that she and all of the budget committee members will receive a packet of information in the mail.

**Herb Brown** moved to appoint Colleen Lisoski to the budget committee. **Sandra Ramaker** seconded the motion. **The motion was approved; none opposed.**

**Sandra Ramaker** stated that she is a little disappointed that Tom Lewis had not shown up or send in an application. She did say, however that she is aware that he has agreed to take on the position. **DM Barnes** said that he has been told that he needed to submit an application, but have not heard back. **AS Walyer** commented that she had left a message with Tom Lewis saying that he needed to apply for the position again. She said that while she did receive a return message from Lewis, he did not say anything about the application. **Larry Dixon** said that Tom has served on the

committee for 8 years, to his knowledge, and so he doesn't see a problem with appointing him without the documentation.

**Don McCarthy moved to appoint Tom Lewis to the budget committee. Herb Brown seconded the motion. The motion was approved; Sandra Ramaker opposed.**

**Fran Hyson** commented that Tom Lewis should have put his application in, and followed the rules in order to be appointed.

### **PORTLAND WHOLESALE CONTRACT**

**DM Barnes** announced that the Portland City Council met and created a final draft of the wholesale contract. **Barnes** said that it is much the same as the contract that the board members have already reviewed, with only a couple of exceptions. He said that if we look at the previous contract compared to the new contract, there is a 35% rate reduction for Rockwood. The 20 year deal vs. the 10 year deal for Rockwood would save the district about \$120,000, added **Barnes**. According to the terms of the new contract, he explained that this year our rate will fall from .60 to .54 cents per hundred beginning in June 2006. **Barnes** opened the discussion for any questions from the board.

**Herb Brown** asked if there was any room for discussion on lowering the requirement of the amount we need to purchase. **DM Barnes** said that Rockwood has not turned in the amount of water that we plan to purchase or our peak-season numbers, but we will need to submit that information in by the 22nd of May. He added that if we reduce our purchase, then the rate will go up. If we go ahead and purchase the 7.8 million gallons then we will have some excess water we can grow into over the next several years, said **Barnes**. **Brown** asked if 7.8 million is our daily average of water used. **Barnes** replied that it is a little above our daily average.

**Larry Dixon** asked if DM Barnes could go over the part of the contract that talks about cost plus 2 %. **DM Barnes** agreed, and explained that there is a provision that limits the growth of the rates for part of the components that make up the rates. The new contract will limit the rate of growth in those areas to CPI plus 2% in the areas of anything that Portland has direct control over, such as labor and labor rates for example. The old contract put no limits on these variables, **Barnes** continued. He said that this provision will provide some control over the increase in some of those components. **Dixon** asked if the 2% could be negotiated down to 1%. **Barnes** said that his gut feeling is that negotiating is over and this is the final version.

**Jeanne Orcutt** asked if the public could obtain a copy of the contract. **DM Barnes** replied that yes, he could make copies available as soon as he gets a copy that is approved by the city council, which he hopes to have by early next week. **Larry Dixon** asked if we can move up the maximum amount to purchase more water, and have more water to sell. **Barnes** replied that we could do that, and it would be in Gresham's best-interest to purchase the water from us at a lower cost than purchasing from Portland.

**President McElroy** asked if there were any questions from the public. **Fran Hyson** commented that the board should be provided with a copy of the amendments made to the contract. She said that if the board plans on taking action, then they should have those amendments in front of them and have time to read over them. **Hyson** added that the patrons should also have access to those amendments, as well as notes describing what has been changed. **DM Barnes** responded that if he can provide a contract to the board and explain what the amendments are going to be, and if that contract saves the district hundreds of thousands of dollars, aren't you interested? He would be stupid not to give you accurate information, **Barnes** said about his intentions. He stated that he simply needs some direction from the board about whether or not they want to move forward with

the current contract and its' amendments. Nothing is being signed tonight, he explained, and before that would happen we will have to tell Portland what our strategy is regarding our peak numbers, demand, and other points.

**Fran Hyson** said that she resents Harvey's reaction to her comments and that they are stupid. **DM Barnes** replied that he was not saying that her comments were stupid. He explained that he was saying that *he* would be stupid if he was not forthcoming and honest with the public about the contract. **Ms. Hyson** became upset and shouted that she doesn't believe in signing any papers before getting everything in black and white. She said that this contract should not be discussed tonight. **Don McCarthy** remarked that he feels that Ms. Hyson implies that the board is stupid because they don't have the information in front of them. He added that the board gets all the same information that Harvey gets, and they will also get the final copy of the contract when DM Barnes does. The board is not even signing anything tonight, **McCarthy** said.

**Max Wilkins** identified himself and asked to speak, and interjected that he has looked at both the old contract and the newer version of the contract. He stated that we are fortunate to have such pristine water from Bull Run that we value greatly, and that the board should take advantage of this 20-year contract. If Rockwood has more water than needed, then we can sell it, he added. He thanked the board for the privilege to speak, and said he thinks it is a great contract.

**Paul Dayfield** approached and commented that in fairness to Ms. Hyson, the board should strive to be consistent in the policies they apply, and in fairness to DM Barnes, he was not calling Ms. Hyson stupid, but saying that he would be stupid to make false recommendations to the board.

**Fran Hyson** said that she has been misunderstood, and that she was upset about DM Barnes implying that her comments were stupid. She said she is apparently speaking Chinese, because no one seems to understand what she is saying.

**Sandra Ramaker moved that DM Barnes continue with the 20-year contract at the rate of .54 for next year and bring the contract back to the board at the April 26<sup>th</sup> meeting. Don McCarthy seconded the motion. The motion was approved; none opposed.**

### **ROCKWOOD / GRESHAM WATER SALES AGREEMENT**

**DM Barnes** stated that now that we know we have a good contract lined up with Portland it might be easier to move forward with the Rockwood/Gresham Water Sales Agreement. He briefly recapped the terms of the agreement, explaining that the proposal is to sell Gresham up to 2 million gallons of water per day at a negotiated price of Rockwood's cost plus depreciation and return on investment. This price will change annually based on our costs, **Barnes** added. The concern he has heard from the board regards the length of notification we must give Gresham if we cannot provide the 2 million gallons per day.

After speaking with Dale Jutila, and examining the various agreements, **Barnes** explained that since Rockwood has reserved water for our own use exclusively under older water rights, we could use that capacity to supply our sale to Gresham if need be. He continued, saying that we are strictly talking about selling excess water, and so there should be no need to compromise our well water. Ultimately the 60-day notification sounds worse than it really is, **Barnes** concluded, because if we need to apply our disaster recovery plan, we will look beyond Rockwood boundaries to ensure that the health and economic structure is maintained in our district. He asked if there were any questions or concerns from the board or the public.

**Dale Jutila**, from the City of Gresham Water Department, approached and stated that he was available for questions. He explained that there are a lot of provisions in the agreement to protect the rights of Rockwood Water PUD, and to look out for the customers of the district. If there is a shortage of some kind, Jutila added, Rockwood and Gresham will jointly figure out how to solve the problem.

**Herb Brown** asked if there was a possibility of reducing the 60-day notification time-frame if conditions require. **Jutila** answered that he and the Gresham City Council discussed the issue and the city's perspective was that the 60-day notification was a reasonable time-frame, and they have voted to approve the agreement as-is. He is not implying that he couldn't go back to the council, **Jutila** explained, but he is trying to rely on what has already been negotiated.

**Sandra Ramaker** commented that initially the board had thought that 60 days was a long time, but after considering the thought of something actually happening it appears that it would be an acceptable amount of time. **DM Barnes** added that if we get into a situation where we do not have as much water as we need, we would expect that our demands would drop dramatically and would be on a very restrictive flow.

**Larry Dixon** asked if Gresham has set a time-line when they will start building a well. **Dale Jutila** replied that no, they have not set a specific date. The first planned well is not set to begin construction for about 5 years, **Jutila** added.

**Fran Hyson** said that she does not recall where it was decided that Gresham could take up to five years to build a well, since there is an abundance of water from our wells. **DM Barnes** answered that the water right's agreement does not specify *when* Gresham has to drill a well. It does say *where* it needs to be drilled, **Barnes** explained, that the use of the wells shall be rotated, and that Rockwood will make all the decisions on which wells will be used.

**Jeanne Orcutt** quoted the policy manual Series 4000, Article 1.0, Section 1.1. She said that Rockwood Water PUD has not right to see off our rights to Gresham. **Sandra Ramaker** asked if we had obtained a recent payment from Gresham related to this project. **DM Barnes** mentioned that they are fully funding the piping project thus far. **Orcutt** added that a payment from Gresham to Rockwood was due to the district on October 16<sup>th</sup>, 2004 and they did not pay until October 26<sup>th</sup>, 10 days later.

**Paul Dayfield** asked what the economic penalty is if Rockwood does not live up to providing 60-day notice to Gresham. **DM Barnes** replied that Gresham would have the right to attempt to collect damages. **Dayfield** then questioned if there was a penalty for Gresham's late payment. **Barnes** answered that no, they did not default on the contract because it was not over 30 days late. **Dayfield** stated that he would like to see a rate stipulation in the case that Gresham does not live up to its' financial obligations.

\*\*\*\*\* Break to Change CD at 8:15 p.m.\*\*\*\*\*

**President McElroy** called the meeting back to order at 8:22 p.m., and asked for no more than one comment further on the Rockwood/ Gresham Water Right's Agreement. **Jeanne Orcutt** referred to the Gresham IGA and remarked that Gresham is not sharing in the cost of the wells, but that Rockwood has paid for the wells. She said that all of the benefits appear to go to Gresham.

**DM Barnes** stated that there are benefits to both Gresham and Rockwood. He reiterated that Gresham is required to pay their portion. **Herb Brown** said that this agreement will be very beneficial for Rockwood in the long run. **Brown** suggested we look at it further and discuss it again

at the next meeting. **Sandra Ramaker** commented that she did not understand the need to discuss it any further. She said that we either need to decide to go forward with the agreement or not.

**Don McCarthy moved that the board approve the Gresham IGA. Herb Brown seconded the motion. The motion was approved; President Stephen McElroy opposed.**

### **TOM POKORNY – TAPPING TEAM**

**Tom Pokorny** announced that on April 20<sup>th</sup> Rockwood will be hosting the NW Oregon Subsection Tapping Contest. Including Rockwood, there will probably be about 5 teams total. **Pokorny** said that they started training later this year, but hopefully they can win the section level in Spokane and go on to San Antonio to represent the northwest at the National Conference. He asked if there were any questions. **Larry Dixon** asked what time the contest will be held on the 20<sup>th</sup>. He replied that it will be 11:30 a.m.; there will be a lunch served and it will cost \$5.

**Pokorny** added that if anyone has any further questions to give him a call and/or refer to the Powell Valley website which is still in operation. **Don McCarthy** asked if our team had to win this contest to compete at the PNWS-AWWA Conference. **Pokorny** replied yes. **Sandra Ramaker** asked how the design was coming for the new helmets for the team. **Pokorny** answered that they are a little behind on that at this point.

### **EXECUTIVE SESSION ORS 192.660 (2)**

The board of directors excused themselves to conduct a private executive session. The regular meeting recessed at 8:38 p.m..

\*\*\*Resumed regular meeting at 9:01 p.m.\*\*\*

### **ACTION ON EXECUTIVE SESSION ITEMS**

No action taken.

### **PROJECT UPDATE**

**DM Barnes** said the projects are going along very well. The team is replacing all of the main lines and service lines on 143<sup>rd</sup> & Stephens. He added that the equipment for the pump station has been ordered and they are waiting for it to arrive. The 30-inch pipeline project that Gresham is working on is well under way, **Barnes** continued, and the Powell Valley and Halsey sections are done.

### **JEAN & JOSETTE MALARY – DISCUSS WATER BILL**

Jean & Josette Malary were still not present at the meeting at this time.

**Sandra Ramaker moved to leave the leak adjustment as-is on Jean & Josette Malary's water bill. Don McCarthy seconded the motion. The motion was approved; none opposed.**

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

**DM Barnes** remarked that everything is going well. As he had mentioned previously to Sandra Ramaker and President Stephen McElroy concerning retail rates for next year, Barnes said that we will be able to do a retail rate adjustment for our customers, assuming that the .54 contract rate stays in place.

**Sandra Ramaker** announced that there will be a free workshop on the following Monday about preparing for water trends of the future. She said she hoped that someone can attend. Secondly, **Ramaker** suggested that those interested should attend the Tour De' Wilsonville, at which they will exhibit their new water system. **Ramaker** then announced that Cheryl Colley will celebrate her 10-year anniversary with Rockwood on April 7<sup>th</sup>. She added that Colley has done a great job.

**Ramaker** also expressed that she would like consideration for the office to be closed so that employees could also observe the tapping team contest on the 20<sup>th</sup>. **DM Barnes** suggested that there be a rotation of the employees during the contest to allow them to be involved with the event, but also keep the office open. **Ramaker** closed her remarks by saying that she really would love to see a new sign out in front of the building, as she thinks the current one is trashy. **DM Barnes** replied that he would be happy to take care of that issue.

**Larry Dixon** asked about the shop building that we are building. **DM Barnes** explained that it has been a long process to get the plans finished. He said that they are waiting to be finished with the permit process, and then they will start advertising for contractors. He added that the hope is to be finished with it by July.

#### **ADJOURNMENT**

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

The meeting was adjourned at 9:13 p.m.

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Secretary