

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
March 28, 2007
Rockwood Water Boardroom

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

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

Guests present: Fran Hyson, Pat Brown, Brenda Daggett, Andy Crocker

President Sandra Ramaker called the meeting to order at 7:04 p.m.

APPROVAL OF THE AGENDA

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

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

APPROVAL OF THE CONSENT AGENDA

DM Barnes stated DS Baker is excused from the meeting.

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

APPROVAL OF MINUTES

Herb Brown moved to approve the minutes from the February 28th, 2007 regular meeting. **Don McCarthy** seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE BILLS

Sandra Ramaker referred to page 5, line 18, Job 244 Pump Rental. **DM Barnes** explained the invoice stated it was the pump rental, but it was mostly the reinstallation of the pump. The pump rental part was \$4,000.

Ms. Ramaker referred to page 7, line 48, In/Out Conservation Kits Miscellaneous and asked if those are the kits we give our patrons. **DM Barnes** replied yes.

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

PUBLIC COMMENT ON NON-AGENDA ITEMS

Fran Hyson asked for an explanation of deferred compensation for the employee's bonuses. **DM Barnes** explained Rockwood Water has three options for deferred compensation. If an employee wants to defer income pre-taxed, it's called a pre-tax deferral per Internal Revenue Code 457. **Ms. Hyson** asked if it was tax free. **DM Barnes** replied it is tax deferred. Taxes are deferred until you withdraw it from the program. **Fran Hyson** asked if that was legal. **DM Barnes** replied yes. It's like an IRA. **Fran Hyson** asked if they took the bonus as a check, then the taxes had to be paid. **DM Barnes** replied yes.

Fran Hyson asked if a Board member has a conflict of interest are you supposed to abstain from voting. **DM Barnes** explained if you have a direct conflict of interest, then likely you need to abstain. If you have a potential conflict of interest, which was declared, then you don't necessarily have to abstain from voting. If you're voting on a class action, you don't have to abstain. **Ms. Hyson** asked what the difference was between class action and if you're going to benefit. **DM Barnes** explained if, for example, he was a Board member, and said he would like to have a bonus, and votes yes on it, then that's a direct conflict because he is taking action that's going to benefit him directly. If he is on the Board, and a friend or a spouse works for the District or the company, and everybody gets exactly the same deal, then it's not necessarily a direct conflict, and you don't have to abstain from voting.

Fran Hyson asked why a percentage of wage increase would have been an unfair bonus for the employees. **DM Barnes** replied he would get the most money. **Fran Hyson** asked about the employees who have been here for years versus the new employees who haven't been here for years of work that applies to the bonus. **DM Barnes** stated his recommendation to the Board was if you're going to recommend a bonus, everybody gets the same amount. Don't do it on a percentage of salary because he would get the most. He wanted an equal bonus for all of the employees. **Fran Hyson** asked if the manager also gets the bonus. **DM Barnes** replied yes, he is an employee here.

Fran Hyson made the following statement:

I will continue, and I will try to read this as quick as possible, but I would like to have all my response comments, so it will be televised, so people can view it that don't attend. As you notice, our audience here is still the same. We never get anybody new here. I'm sorry, there's new ones here and I appreciate that, but we seem to never get abundance of an audience. Good evening and congratulations for becoming millionaires. I commend Director Larry Dixon's decision opposing the disbursement of \$1,500 each of the District's funds for 22 people, the employee's bonus that they have approved. I remind the Board your constituents elected you trusting that you wisely and carefully make decisions, mostly important, manage the District's funds to benefit the patron's best interests. The Board many times have praised the employees for jobs well done, of goals set and accomplished. I believe one is hired, paid, and expected to do their job period. I detest the proposal and Board approval of this \$1,500 employee bonus. It is totally excessive and wrong to disburse District funds like Santa Clause goodies at the expense of the patrons. The budget set \$5,000 some time ago for fund towards one or two Board members to have trips, to go to AWWA, mileage, awards, gifts, etc. Now it's increased to an area of \$20,000 for all Board members, manager, employees, spouses, friends, and children. In my opinion, this is not in the best interest of the District's patrons. It's time to put a stop to this funding abuse to give out all this here goodies. This last one here excessive, now a bonus. Many Board decisions without patron's approval failed causing the patron's to absorb the losses. I believe no employee had to take a cut in salary or a check. Now success arrives and the rewards go to 22 people each \$1,500 bonus, again patrons bypassed top dollar, and their reward? A fabulous, one-time \$10 rebate. My response? A crumb. None of this would have materialized and reaped the great goodie had the patrons not invested the funds. Bottom line reward the investor investment first. I refuse my rebate, and I will donate \$10 to a needy family as I feel more compassion

to those in need that live in this District, as which I have said, this is such a blighted area. Those that have jobs and income should show more compassion to the others. If I were an employee, I would refuse this ill-gotten gain. It appears to me some of you desire to join the club of CEOs, Enron, accountants, and County Commissioner Lonnie Roberts in money management. I believe this has got to stop, and I imagine some of you have seen the paper here; *Roberts's Aide Gets \$35,000 Bonus*. He's retiring, he's gonna move to Florida. This has got to stop. You get a job, you do your job, and you get your check, and it's time you consider the people that invest the money and should get their pay first.

APPOINT BUDGET COMMITTEE MEMBERS

DM Barnes gave an overview of the Board's task to appoint the Budget Committee.

Sandra Ramaker stated we have three of the four applicants in the audience and would each come up and make a statement.

Pat Brown offered to answer any questions the Board has. **Sandra Ramaker** asked Ms. Brown to tell us a little about herself and why she would like to be on the Budget Committee again. **Pat Brown** stated she has lived in the District for 32 years and has seen a lot of past history. **Ms. Brown** said she has done other budgets, been active in her union, was chief steward at Sunnyside Medial Center for 20 years. She is presently chief steward at Emanuel hospital for 10 years now. **Sandra Ramaker** commented Ms. Brown attends the Board meetings quite consistently. **Don McCarthy** asked if Ms. Brown had a conflict with any of the Budget Committee meeting dates. **Pat Brown** stated everything was fine.

Brenda Daggett stated she applied for the position because she is new to the area and would like to get involved with the community. Other than her personal budget, years ago she was in a square dancing group and was the Secretary/Treasurer for a number of years. **Ms. Daggett** mentioned she has taken some business classes. She stated the opportunity has presented itself that would be fun and challenging and interesting and contribute to the community. **Don McCarthy** asked if Ms. Daggett had a conflict with any of the Budget Committee meeting dates. **Ms. Daggett** replied not at this time. **Sandra Ramaker** commented Ms. Daggett has been at the last few Board meetings as well.

Fran Hyson stated she has been in the area for 49 years and attend most of the meetings. She was a Rockwood Water Commissioner and Budget Committee member and was Secretary and Treasurer for United Citizens. **Ms. Hyson** stated her interest is to maintain the funds to the best interest of the District and the rate payers and also to be fair. She goes to the community meetings, but had to drop out because her husband isn't too well and had to cut back on most of her meetings. She went on to say she does attend the Rockwood Board meetings and always comments to let the Board know her feelings as she did tonight and was sorry she missed that meeting but was ill.

Sandra Ramaker commented having more applicants than positions open is a nice change. **Pat Brown** stated what was mailed out to the applicants did not have tonight's meeting date on it and was sure Maxine Wilkins would have been here if attending tonight's meeting were a requirement.

Discussion ensued regarding the voting process.

Fran Hyson asked if it was required last year that all the Budget Committee applicants had to be present at the appointment meeting. **Sandra Ramaker** stated it was, but somehow this year's application did not have that on it. **Fran Hyson** stated she thought it was a policy that if they didn't show up for the appointment meeting, then they wouldn't show up for the Budget Committee meetings as required. **DM Barnes** stated he remembers Tom Lewis couldn't be here for that meeting, but he was still re-appointed. It was not required he be here, and it was left off of the form after that. We don't have a policy in our Policy Manual that says you have to be present at the Budget Committee appointment meeting to be on the Budget Committee. **Pat Brown** stated she didn't believe this was an issue because it wasn't included in the list of dates and was not worthy of discussion.

The Board appointed the following individuals to the Budget Committee to fill terms 03/28/07 through 12/31/09:

Pat Brown
Brenda Daggett
Fran Hyson

Sandra Ramaker reminded the new Budget Committee members their first meeting would be Wednesday, April 25, 2007 following the Regular Board meeting.

EXECUTIVE SESSION

President Ramaker adjourned this portion of the Regular Board meeting to take a five-minute break and convene the Executive Session in accordance with ORS 192.660 (2) (a) To consider the employment of a public officer, employee, staff member or individual agent.

President Ramaker re-convened the Regular Board meeting at 8:40 p.m.

ACTION ON EXECUTIVE SESSION

Sandra Ramaker stated there were no actions to take on the Executive Session. The Board plans to continue **DM Barnes'** employment with the District and continue to do the good job he is doing.

PROJECT UPDATE

DM Barnes stated the 30" pipeline is very near completion. We will be chlorinating the line at the end of the week and sending samples to be tested.

DM Barnes stated we are working on our water rights extension. We have received an extension on our senior permit and are in the process of certificating it. We performed a four-hour pump test with a registered water rights examiner with Golder & Associates. We met the conditions that we pump 4,500 gallons per minute and put it into beneficial use for over four hours.

Stephen McElroy asked if we were working on 191st and Pacific. **Andy Crocker** replied we have a job going on 176th and Pacific. **DM Barnes** stated it may be a City of Gresham storm drainage project.

FOR THE GOOD OF THE ORDER

DM Barnes stated everything is going pretty good. We're getting ready to put the budget together and looking forward to working with the Budget Committee.

Sandra Ramaker thanked AS Aden for help with a Pacific Northwest Section (PNWS) project. She also announced DM BARNES is going to be the liaison between the public officials and managers for PNWS. April 19th we will have the tapping contest here.

President Ramaker reminded everyone the next meeting will be on Wednesday, April 25th at 7:00 p.m.

ADJOURNMENT

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

The meeting was adjourned at 8:48 p.m.

Secretary