

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
April 26th, 2006
Rockwood Water Boardroom

Board members present: Sandra Ramaker, Herb Brown, 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

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

APPROVAL OF THE AGENDA

Vice President Ramaker asked if there were any changes or additions to the agenda. Hearing none, **VP Ramaker** asked if the agenda would be approved.

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

APPROVAL OF THE CONSENT AGENDA

DM Harvey Barnes explained that there would be no manager's report, as he has submitted a budget report for the board's and budget committee's review.

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

APPROVAL OF MINUTES

Jeanne Orcutt referred to some comments she had made regarding a section in the policy manual on page 5 of the March minutes (Series 4000, Article 1.0, Section 1.5). **Orcutt** said that the minutes should have stated that she doesn't believe Rockwood has the right to give Gresham part ownership of any district assets. She added that the minutes also incorrectly reflected that Rockwood Water PUD had received a check on this day for \$415,000 from Gresham. **Orcutt** said the first check that Gresham has given us was received 10 days late and paid on October 26th, 2004, not today. **DM Barnes** agreed that Rockwood did not receive a check that day but rather on October 26th, as **Orcutt** stated. **AS Walyer** noted that she would make the corrections.

Fran Hyson asked that her comments be corrected on page 3 regarding the Portland Contract. **Hyson** said she was not referring to the entire contract, but rather the amendments. She said she was asking for a copy of and an explanation of these amendments. **Hyson** added that she felt she was being misunderstood at the last meeting, that Harvey was going bonkers and it got out-of-hand.

DM Barnes commented that he is unsure of what Ms. Hyson means by his "going bonkers", but he doesn't recall his behavior as being bad at that meeting.

Herb Brown moved to approve the minutes from the March 22nd regular meeting as amended. Larry Dixon seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE BILLS

Jeanne Orcutt asked if the charge on page 5, entitled Job 239 Plan Review was for the pipeline with the City of Gresham. **DM Barnes** replied that that is referring to the shed they are building in the back. **Orcutt** then referred to a charge paid to the DHS- Public Health Department on page 6. **DM Barnes** explained that this is the amount we are charged per meter for backflow; it is a new fee imposed by the State of Oregon. **Orcutt** questioned payments on behalf of CCWF listed on page 8. **DM Barnes** said that these were funds allocated for the Children's Clean Water Festival as part of our sponsorship of conservation and educational programs. **Orcutt** asked if we will get money back for this. **Barnes** answered yes, we will.

Orcutt asked about the fee for Fires System Service Call on page 11. **Barnes** explained that we had an alarm go off on our dry chemical system in the vault and computer system. **Orcutt** asked what triggered this alarm. **Barnes** said that 2 of the end-of-line resistors needed replacing.

Herb Brown questioned a debit listed for general insurance on the expenditures and revenues section, page 3. He asked if that was an unusually high amount. **DM Barnes** answered that it refers to pre-paid insurance, and that we pay for that every year at this time.

Larry Dixon asked about a payment for generator maintenance. **DM Barnes** stated that this is a charge for annual maintenance for our three generators, for procedures such as oil changes and testing. **VP Ramaker** questioned why we did not get a breakdown of the US Bank charges. **DM Barnes** said that he is not sure, but he will ask Cheryl. **VP Ramaker** also asked what kind of interface we are doing with Portland. **DM Barnes** explained that this is for a program that will electronically transfer our customer's reads. He added that this cost was already reimbursed to Rockwood at an earlier date. **VP Ramaker** also asked for clarification on the payment to Metro West Media, and why we are being billed twice for October. **DM Barnes** answered that he does not know the exact answer, but that it might relate to the cost of the copies of the tapes that we have received.

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

PUBLIC COMMENT ON NON AGENDA ITEMS

Fran Hyson asked why the Rockwood patrons did not receive the lead report with their bill this cycle. **DM Barnes** explained that our billing system made a mistake with the last zone, and had to mail out the notices separately at their expense. **Hyson** also presented an article from the Oregonian that mentions Gresham's strained financial state. **DM Barnes** added that last night he learned that Gresham's budget committee approved a 9.5% rate increase which should help them.

PORTLAND WHOLESALE CONTRACT

DM Barnes acknowledged the question of whether or not Rockwood had submitted a letter to Portland requesting specific changes in the contract, and answered no, this did not happen. **DM Barnes** said that we did receive results in writing from Portland. He stated that one of Rockwood's desired changes was a reduction in the rate of return. **DM Barnes** then pointed out that in the copy of the contract he has presented this evening, there has been an amendment to that portion of the contract, and it now reads that the rate of return will be based on the Bond Buyers Index vs. the Bond Buyers Index plus 1.5 %.

Herb Brown commented that in speaking to a friend at the Portland Water Bureau, he seemed to think it was a pretty good contract. **Brown** said that he thinks it is a good price for a 20-year span

of time. **Larry Dixon** remarked that maybe we should consider getting water from the Columbia River. **DM Barnes** said that it would cost a lot of money to build a plant on the Columbia.

Dixon said that he still does not like the O&M cost increase of 2% plus the annual rate of the CPI. He said that he thinks 1% would be plenty. **Dixon** stated that he is also uncomfortable with the capacity that the district will be required to purchase. **DM Barnes** replied that the benefit is that increasing the amount we buy will decrease the cost of our peak times. He added that we could inevitably use the Bull Run water in the winter, and rely on the wells during the peak season.

Fran Hyson asked if we will be discussing the idea of relying more on our wells. **DM Barnes** said that he has been thinking about it recently, particularly when looking at the peaking factors in relation to the contract. **Hyson** wanted to know if the board had a copy of what the amendments were, and why there have been no notes about those amendments. **DM Barnes** answered that he had said at the last meeting that there would be two things changed in this version of the contract: 1) the term of the contract being 20-years, and 2) the rate of return when selecting the 20-year option. He added that there have been no notes taken about the negotiation of these changes.

Jeanne Orcutt said that there is no reason why Portland could not have faxed Rockwood a copy of what they approved. Furthermore, **Orcutt** asked for the total amount of money spent on negotiating this contract. **DM Barnes** said that he does not know that kind of information off the top of his head. He explained that it would take time to research and put together, and **DM Barnes** then asked her to put her request in writing and submit it to the district.

Herb Brown moved to approve the Portland Contract on the condition that the rates, terms and conditions stay the same. **Don McCarthy** seconded the motion. The motion was approved; **Larry Dixon** opposed.

PROJECT UPDATE

DM Barnes stated that the installation of the 30-inch pipe has been going along well. He said we have pressure tested from here to Glisan, and next week we hope to pressure test between here and Stark. **DM Barnes** then mentioned that we have all the parts we need for the pump station. He added that we are looking at a shut-down in the fall to upgrade the station, and by mid-winter it should be up and running again. The final contract documents are being finalized on the shop building project, **DM Barnes** concluded.

DS Baker said that they are finishing up the first phase of the main replacement that was started a couple of months ago, and it should be done in two weeks. Somewhere at the end of June, **DS Baker** said, we should begin the second phase.

FOR THE GOOD OF THE ORDER

DM Barnes announced that Rockwood Water PUD's tapping team won the local tapping contest, and now they will be off to the regional contest in Spokane in mid-May.

Larry Dixon mentioned that the board might want to reiterate the fact that it was the 20-year contract that was passed vs. the 10-year.

Herb Brown said that the trip to Mobile was challenging, especially to see the devastation and the number of businesses boarded up. **Brown** suggested that there be a discussion of the rotation of officers on the board on the next months' agenda. **Don McCarthy** said the summit in Mobile was very good, and that it seems that we have a pretty good set-up here for emergencies. **DM Barnes**

added that it would be a good idea to establish relationships with water districts in various outlying areas. Should there be a catastrophe with Rockwood, **DM Barnes** said, then Portland and Gresham would most likely be suffering as well, so these relationships would be valuable for having other sources of assistance.

Fran Hyson asked if Rockwood has any backup generators for the wells. **DM Barnes** answered yes, upon renovation, we have installed generators. The office has one also, due to the importance of telemetry system that helps us monitor the wells.

VP Ramaker asked when we are having our Spring Water Festival. **DM Barnes** said that we are currently trying to schedule it around the National Conference. **VP Ramaker** also commented on the pending discussion about the consortium, and said that we should consider removing our district from participation.

ADJOURNMENT

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

The meeting was adjourned at 8:04 p.m.

Secretary