

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
MAY 23, 2007
Rockwood Water Boardroom

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

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

Guests present: Fran Hyson, Andy Crocker, Brenda Daggett, Juanita Daggett

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 we will be showing two videos under Project Update.

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

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

APPROVAL OF MINUTES

Fran Hyson asked for a correction on her comments on page 2; she was not at the February 28, 2007 meeting. **Ms. Hyson** asked if agenda item 6, Policy Amendment - Sick Leave Policy would include discussion of the policy change. **Sandra Ramaker** responded there will be discussion.

Herb Brown moved to approve the minutes from the April 25, 2007 regular meeting as amended. **Stephen McElroy** seconded the motion. **The motion was approved; none opposed.**

APPROVAL OF THE BILLS

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

PUBLIC COMMENT ON NON-AGENDA ITEMS

Fran Hyson responded to the President's comments of April 25, 2007. She expressed her appreciation to Sandra Ramaker and Stephen McElroy for a job well done as Chairpersons, for fair and good response to comments. **Ms. Hyson** stated in condensing her comments sometimes she is misunderstood. She asked if she is unclear to let her know, and she will rephrase her comments.

Ms. Hyson reviewed back eight months from August 2006 to April 2007 to see how many new people attended the meetings. She said Brenda Daggett and Andy Crocker were the only two.

On June 8, 2006 her comments were referring to charges the District was incurring for the American Water Works Association (AWWA) conference credit card charges for companions to attend with Board and staff members and how they add extra hours of work for the accountant at the expense of the District. Her suggestion was the Board members use their own credit card for companions' expenses. **Ms. Hyson** continued she believed it was not the District's right acting as a travel agency agent, and the decision should have been rescinded. She stated she believed the use of the District charge card included companions, and Board members reimburse the District for the companions' charges. **Ms. Hyson** said her comments meant companions may accompany Board members, but do not use the District credit card to charge for their companions and then reimburse the District for those charges. She said she didn't know if this pattern continues and that she has no information. She stated she questioned it and asked, but never got any information if the pattern had been rescinded. **Ms. Hyson** said she was not informed.

Fran Hyson stated she believes the District would save money by purchasing videos and information for employees instead of having them going on paid trips to learn and apply to their licensing.

Ms. Hyson referred to comments regarding the 53,000 patrons that do not attend the meetings makes a statement the Board is doing a great job. She said as she collected signatures for petitions, she got a different response. **Ms. Hyson** stated their response was it was useless to attend the meetings because they couldn't say their concerns in two to three minutes, their time was a waste, and decisions were already voted on and approved, for example, the February meeting when the Board passed a bonus for the employees. Ms. Hyson said *The Oregonian* reporter accidentally discovered this issue and exposed it while reviewing the minutes and wrote an article which appeared on April 23, two months later. **Ms. Hyson** continued stating she believes people were happy when they got their bill with a \$10 credit, but since the article was published, and if they had known about it in advance, she thinks their response would be different. Not a thank you, but what's this. A deal that I don't know about that the employees get a \$1,500 bonus and I get a \$10 one-time credit. The majority of the patrons are still not aware of this issue. **Ms. Hyson** stated not everyone buys a paper. The patrons said they would like to have information. They would come to the meetings if they were informed, but just like the petition that was going around, they were so happy to know and so eager to sign it because the issue was stated right on the petition and I let them read it for themselves. Great, hand it to me, I'll sign it and I'll have a say in it, and it was defeated. **Ms. Hyson** continued by stating the Manager told the Board it was a revenue bond and they didn't have to inform the people. We said yes, do it because if you don't, we'll get a petition. Whenever the Board refused to do it, Jean and I we were laughed at and ridiculed and in 60 days we had to get about 3,000 signatures to get the vote of the people. **Ms. Hyson** stated when we were ready to turn them in I had set up an appointment with the Manager, but he called her and asked her to please not submit the signatures of which I said I can't, and the issue was defeated by the people because they were informed and had a chance to have their say. **Ms. Hyson** continued she was blown away by the comment about the \$10 one-time credit to patrons' water bill, the \$1,500 employee bonus, a 10% refund. She asked to please explain to her how this compares with a one-time charge, but every bill until you review to see if there should be a water rate increase or not. **Ms. Hyson** said she

realized she commented and requested lower rates, a refund, a reward, a one or two percent reduction in our water bill rates, but the Board refused to give the patrons a break. **Ms. Hyson** stated she upholds her opinion because it was wrong the Board made the decision and it should have been tabled, and evidently they didn't do the right thing.

President Ramaker asked if anyone wanted to address **Ms. Hyson's** comments. **Herb Brown** stated when forming the PUD, 100% of the people got petitioned, and 65% of the people in the area voted yes to form a PUD, so they did get a say in forming a PUD. Anyone is welcome to come to a meeting at any time and they're always advertised. **Mr. Brown** said if they want to come they will come. They get the newsletter from the water district, and it explains what is happening in the District. Since we have probably the lowest water rates in the whole area, we must be doing something right. **Mr. Brown** asked if the Manager like to express an opinion.

DM Barnes stated he and Ms. Hyson have a differing recollection of what transpired with the bond issue and what we said about it. If you look at the record, at no time did we say we don't have to inform the people of the bond issue, of course we have to do that. What we said is if it's a revenue bond we do not have to hold an election, which is true. There is no requirement to hold an election for a revenue bond. Time was important to us, so the Board at that time decided not to hold an election. The issue of me asking her to not turn in the petitions, I don't think that's true. **Mr. Barnes** expressed dismay about the issue being brought up again since it happened in 1999, almost 10 years ago. He stated we've saved the District millions and millions of dollars with the strategy laid out for the District. We have reduced our rates 51% in the last three years. Everything we've done is to lower the cost of water. It has also worked to keep from raising rates.

Don McCarthy stated he didn't think we're going to please everybody. He feels that out of the 53,000 patrons, if there was a problem they would be here. He doesn't think they feel there's a problem out there.

Fran Hyson responded she resents being called a liar. She never lies. She believes in the truth. She recalls her and Jeanne were ridiculed and laughed at by the Board and others because they didn't think we could get 3,000 signatures in 60 days, so she called the day before and set up an appointment at 11:00 a.m. with Harvey to submit the signatures, and it was a week before they were due. She went on to say he called her the next morning at 9:00 a.m. and said, "Fran, is there anything I can do so you won't submit the signatures?" She said, "Are you kidding me? You want me to walk door-to-door for 3,000 signatures telling people that it's not going to a vote?" **Ms. Hyson** continued and **President Ramaker** asked Ms. Hyson to stop, we were not going to raise our voices, and her comments were heard. **Ms. Hyson** continued by stating the people want to be informed of what's going on, so they can come to the meetings and comment, and she would not be called a liar. Several Board members stated DM Barnes did not call her a liar, and **President Ramaker** asked the discussion be ended.

POLICY AMENDMENT - SICK LEAVE POLICY

DM Barnes explained he had included a line item in next year's budget to payout partial sick leave when employment ends; therefore, the sick leave policy needs to be amended. Section 1.3.5 states, *Unused sick leave will not be compensated for in any way at the time of resignation or dismissal of an employee.* The suggested change would read, *Employees will be compensated for one half of their accumulated sick leave when their employment with the District is*

terminated. **DM Barnes** further explained it would be a little over \$100,000 if every employee left tomorrow to pay half of their accumulated sick leave. He stated he would like the policy changed because long term it will help us retain employees and reduce unnecessary sick leave use. **Sandra Ramaker** stated she will withdraw herself from the discussion because of potential conflict of interest even though it would be a class action. **Herb Brown** asked if this was an issue to be discussed with the union. **DM Barnes** stated he didn't think so at this time. The contract expires June 30, 2008. A policy change that enhances benefits would probably not be rejected. **Stephen McElroy** added he would like to hear from union representatives to see what their thoughts were. **DM Barnes** stated he could bring a representative in to speak at the next meeting, or have them write a letter, what ever they wanted to do. **Larry Dixon** asked how many hours were now available. **DM Barnes** stated 460 hours would be half of the total accumulated sick leave at this time. **Herb Brown** asked what the average pay per hour was. **DM Barnes** stated the average pay per hour is \$22.71, and it takes nine and a half years to accumulate 920 hours of sick leave. **Larry Dixon** asked for an explanation for the term terminated in the wording. **DM Barnes** stated when their employment ends. He considered the term resigned; however, you can resign without leaving, (i.e., if an employee gives a month's notice). **Larry Dixon** suggested using the verbiage before or upon retirement. **DM Barnes** explained that could be an age discrimination issue. Discussion ensued regarding age discrimination, retaining employees, termination with cause, termination without cause, vesting, and verbiage of the policy.

Fran Hyson stated she agrees with **Stephen McElroy** to have a union spokesperson present at the next meeting, so their opinions can be recorded. **Ms. Hyson** stated she did not believe the policy should be changed. **Herb Brown** reminded Ms. Hyson about the public comment time limit. The Board took a five-minute break.

Brenda Daggett stated she believed **DM Barnes** is trying to save the District money by changing the sick leave policy and is against adding vesting verbiage to it. She cited examples of why that would defeat the purpose of changing the sick leave policy.

Fran Hyson asked how far back the employees' accumulated sick leave would count as accumulated sick leave if the policy were to change. **Ms. Hyson** stated changing the sick leave policy should be carefully considered and checked out before making a final decision.

DM Barnes responded to Ms. Hyson's question that any sick leave the employee has accumulated in the past and in the future would count toward sick leave earned. He also stated employees earn one sick day per month. **Stephen McElroy** stated he would still like to see a union spokesman attend the next meeting. He also stated he would like to have our attorney give an opinion on when an employee is fired giving them their sick leave pay. **DM Barnes** stated he doesn't disagree, but the law says you can't withhold pay. Discussion ensued regarding the terms layoff and termination, having a union and non-union representative present at the next meeting, and the District's attorney reviewing the policy.

DM Barnes clarified with the Board he will ask the union and non-union employees to attend the next meeting, get an opinion from the attorney about limitations and requirements we can put on the benefit, and no resolution will be drawn up for the next meeting. Discussion took place regarding verbiage, employees reaching retirement and using their sick leave before they retire, and filling positions when sick leave is being used.

Larry Dixon moved to table the sick leave policy discussion until the next meeting. Stephen McElroy seconded the motion. The motion was approved; Don McCarthy opposed, Sandra Ramaker abstained.

PROJECT UPDATE

DM Barnes stated we are finalizing the pipeline project, and everything is going well.

Sandra Ramaker asked if employees will be paid to come to the next meeting. **DM Barnes** answered no, we are not requiring them to attend, we are asking them to attend.

The Board viewed an AWWA/Pacific Northwest Section (PNWS) tapping video and a photo slideshow of Rockwood Water PUD's tapping competition event, PNWS' tapping competition, and Spring Water Festival.

FOR THE GOOD OF THE ORDER

DM Barnes stated we are ending the budget year and meeting our projections. SDCs are doing very well.

Larry Dixon stated there was a small fire in a two foot by two foot area in the bark dust at the front of the property the other day. The fire department contained it.

Don McCarthy reported that at the AWWA/PNWS meeting in Kennewick, Washington, the Rockwood Water PUD tapping team placed first in the competition.

Sandra Ramaker reported the AWWA/PNWS conference was good, had good classes, and good information. She stated since she is on the national committee for AWWA public officials, AWWA will reimburse the District for her airfare and two nights lodging for the Annual Conference and Exposition in Toronto.

President Ramaker reminded everyone the next meeting will be on Wednesday, June 20, 2007, at 7:00 p.m.

ADJOURNMENT

Stephen McElroy moved to adjourn the meeting. Don McCarthy seconded the motion. The motion was approved; none opposed.

The meeting was adjourned at 8:39 p.m.

Secretary