

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
June 22, 2005
Rockwood Water Boardroom

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

Budget Committee Members present: Robert Paine, Maxine Wilkins, Tom Lewis, Pat Brown

Staff present: Harvey Barnes, District Manager (DM); Sabrina Walyer, Administrative Secretary (AS)

Guests present: Jeanne Orcutt, Jaime Hindsman, Mrs. Joyce Hindsman

President **Sandra Ramaker** called the meeting to order at 7:02 p.m.

APPROVAL OF THE AGENDA

DM Barnes added one item to the agenda: A discussion and action regarding the CRW capacity. **President Ramaker** suggested that it be added as item 7a on the agenda.

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

APPROVAL OF THE CONSENT AGENDA

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

APPROVAL OF THE MINUTES

Herb Brown moved to approve the May 25th minutes. **Don McCarthy** seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE BILLS

Jeanne Orcutt questioned the circumstances surrounding the donation made to AWWA (page 4). **DM Barnes** replied that it is easier to make the donation than to buy a door prize or gift for the auction. **Orcutt** also asked for clarification regarding the N. Gresham Business Grant expense for the Children's Clean Water Festival (CCWF) (page 5). **DM Barnes** explained that it was for transport of the Gresham school kids to the CCWF, and is included as part of our sponsorship.

Orcutt continued, asking about the Subscription to Metro and what it entails (page 5). **DM Barnes** responded by saying that we receive maps, data, and various updates from this subscription. **Orcutt** then referred to RWPUD's share of the tapping team with the Powell Valley Road Water District (PVRWD) for the National AWWA Conference (page 5). **Orcutt** asked if the board had voted on this for this year's budget yet. **DM Barnes** replied that it had been approved in last year's budget, and that it is part of our public relations and conservation line item.

Orcutt went on to ask about the payment to Golder Associates. **DM Barnes** said that this was for a consultant that helps us to renew our ground water permits. **Orcutt** asked if we have submitted anything regarding the transfer of any of the water rights to Gresham. **DM Barnes** answered no, we have not.

Ms. Orcutt next referred to the Employee Crime Bond, asking for an explanation (page 6). **DM Barnes** explained that we buy bonds for certain employees against theft, particularly those who handle cash.

Lastly, **Orcutt** asked about the Phone Support/Computer help line item (page 7). **DM Barnes** replied that we consulted Davis Computer Services when we were having some difficulty with one of our computers.

Next, **Herb Brown** had a question regarding PERS (page 6), and when the changes will be effective. **DM Barnes** answered that the 5% increase would be effective in the beginning of the next fiscal year (July 1).

Larry Dixon asked what Scion for Meter Readings referred to (page 9). **DM Barnes** stated that we had to send a scion back to be replaced.

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

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

PUBLIC HEARING- CUSTOMER JAIME HINDSMAN

DM Barnes explained the situation as to why **Jamie Hindsman** was appearing before the board, and how the public hearing procedure works. **Mrs. Joyce Hindsman, wife of Jaime Hindsman: 109 NE 138th, Portland, OR 97230**, explained that after reviewing the water bills of the homes around them, they are not sure why their water bill is so much higher. **Mr. Jaime Hindsman** interjected and explained that due to the hours they are not home, and the fact that they do not wash their cars or water their lawn, they can't understand why their bill was so high this particular month.

Mr. Hindsman also stated that he had spoken with his landlord, and they found a lot of dirt on top of the meter. **Mr. Hindsman** said that he cannot figure out how that much water was used. **DM Barnes** agreed that the Hindsman's do use less water than others in their area, but that he also does not have an explanation as to where the water went.

Mr. Hindsman continued by saying that he had invited a technician from RWPUD to come and check for a leak at his home, and it was concluded that no leak was found. **DM Barnes** remarked that another option would be to check the accuracy of the meter. **Hindsman** asked about the cost of a new meter. **DM Barnes** replied that a new meter would cost about \$200, and that he would be willing to check the accuracy of the current meter, and if needed, put a new meter in.

Don McCarthy insisted that water has to go through the meter in order for it to be registered. He recommended that the Hindsman's cap the outside faucet off, so that it cannot be used.

Herb Brown suggested that the meter be re-tested to see if there will be any difference in the reading.

Larry Dixon mentioned that getting a new meter will usually make the meter reading go up vs. down, and that an older meter is usually in the homeowner's favor. **Dixon** remarked that he had been past the Hindsman's home to see that it was a small yard, and it did not appear that a lot of water was being used externally.

Maxine Wilkins remarked that the water is billed on a 2-month cycle. **Herb Brown** suggested another checking of the meter or a payment plan for the Hindsmans. **DM Barnes** stated that the

real question concerning the Hindsman's, is whether or not the board is willing to give them a refund. **Don McCarthy** said that regrettably, since the water has gone through the meter, we have to bill for that amount.

Mr. Hindsman asked how he could possibly have a bill this high, and then remarked that he plans to find other ways of bringing this issue to the media's attention.

President Ramaker said that unfortunately at this time, the board cannot reduce the bill.

DISCUSS CUSTOMER REFUND

Stephen McElroy explained that it had been his idea to consider giving the RW residential patrons a \$30 refund, but that after talking with **DM Barnes**, it appeared that it would not be a good idea. **DM Barnes** added that there might have been some misunderstanding in the previous board meeting when he had mentioned that there would be a \$5 million cash carry-over from last year. **DM Barnes** clarified that Steve had interpreted this to mean that we had an additional \$5 million extra beyond the cash carry-over, and this is not true.

DM Barnes explained that the Board had previously agreed to use any carry-over funds to put towards a Capital Improvement Program to reduce rates in the future. He concluded that Steve's suggested rebate will cost us \$300,000, and consequently, we will have to end up raising rates to fund the Capital Improvement Program. **McElroy** confirmed that this is what he and Barnes discussed. **DM Barnes** recommended that the best idea would be not to give the refund, so as to keep rates as low as possible.

Pat Brown commented that, as a customer, she would prefer that there be no refund, so that rates will not increase. **Sandra Ramaker** said that while it would be nice to give the refund, it would cause us to raise rates. **Herb Brown** stated that it would not be wise to give the refund.

CRW CAPACITY

DM Barnes stated that RWPUD has agreed to give Clackamas River Water (CRW) the first rights to purchase the water capacity. **DM Barnes** said that he offered the capacity to CRW for \$868,000 and contractual rights for the additional \$5 million. CRW responded with an offer of \$748,288. **DM Barnes** explained that this is not a bad offer and that it gives the District back everything we paid for it.

President Ramaker asked if [\$748,288] is what we have actually spent on the capacity. **DM Barnes** replied yes. **Herb Brown** asked if this included interest. **DM Barnes** said that it did not include any interest. **Pat Brown** posed that if the organizing of a new water bureau fails in Clackamas County, or should they find another water source, could we hold off on selling them back the capacity until it is certain. **DM Barnes** explained that he is basing his advice on whether or not we need the water, not on what Clackamas County is doing. **DM Barnes** said that we won't need the CRW capacity for at least another 25 years, and that we can use the money for Capital Improvements.

Jeanne Orcutt commented that it was unwise to purchase the capacity in the first place.

Larry Dixon said that we should live up to our contract. **Herb Brown** added that if we had proceeded, the water rate would have been lower than Bull Run. **DM Barnes** agreed, but offered that having the CRW capacity contributed to the 17% reduction this year.

Herb Brown moved to accept the offer from CRW. Larry Dixon seconded the motion. The motion was approved; none opposed.

SALARY STUDY

Don McCarthy explained that his intention in putting the salary study on the agenda was for informational reasons, and because it seems to have been quite a while since a study was done for all of the employees.

Herb Brown stated that there are specifications in the PUD law regarding setting salaries, and that the entire package including benefits needs to be considered.

Larry Dixon commented that in doing a salary study, you must decide whether you are comparatively using a public or private sector as your guidepost. **Dixon** remarked that in this case, it would be Portland. **DM Barnes** said that the last time a salary study was done for the supervisors, RWPUD actually used a combination of cities other than Portland. **DM Barnes** explained that at the time, they didn't think it was appropriate to use a larger city as a comparison, and also suggested that we use a third party to do the study. **DM Barnes** added that the union negotiations should satisfy the need for a salary study.

Don McCarthy said that he feels that we need to know more about what the going rate is, and that the employees should have the opportunity to have more [money] if that is reflected in the study. **DM Barnes** replied that he would have no problem with doing the study.

Pat Brown commented that the benefits for the employees are high, and should be recognized as part of the total economic package. **Mrs. Brown** wanted to know if that will be part of the study. **DM Barnes** said that depending on what type of study is done, that benefits can be considered. He mentioned that RWPUD employees' benefits have shifted concerning premiums and coverage over recent years.

Tom Lewis added that salary studies tend to cost as much as the benefits gained by the study. **Lewis** explained that he is concerned with the amount of money it would cost, and that we are close enough to pay what local areas pay, such as Gresham.

DM Barnes mentioned that we are not immune to the loss of employees due to salary, citing that our Engineer Tech, Geno, has left to work for the city of Vancouver.

President Ramaker called the meeting to adjourn for a 10 minute break at 8:03pm.

*****10 MIN break in meeting/ Changed CD*****

President Ramaker called the meeting to reconvene at 8:18pm.

Jeanne Orcutt said that we don't need a study at all, and that it will cost the district money.

Larry Dixon commented that people leave jobs for various reasons, not just salary. **Dixon** also mentioned that due to the number of applications we receive for a job opening, that we obviously are offering enough money. **Don McCarthy** replied that there are also a lot of people looking for jobs. **Herb Brown** stated that we should hold off on the salary study, and that we should continue with our current [salary] negotiations.

Stephen McElroy moved that we do a salary study for all the employees, and that we use both the private and public sector to base the findings. **Don McCarthy** seconded the motion. The motion was approved, **Herb Brown** and **Larry Dixon** opposed.

TAPPING TEAM

DM Barnes announced that the Tapping Team came in second in the nation at the AWWA conference, and asked the Board if they would agree to sponsor the team. **DM Barnes** explained that when Powell Valley Road PUD goes out of business at the end of the month the Tapping Team will no longer have sponsorship. **DM Barnes** said that the cost of the sponsorship would be between \$15,000-20,000.

Pat Brown stated that she is in favor of sponsoring the Tapping Team, and that she would like to see some of our employees become involved. **Stephen McElroy** commented that he would also like to sponsor the team and that we could look for outside sponsors as well. **DM Barnes** agreed that we could also seek outside sponsors, but that we will also need to leave room in the budget for the sponsorship.

Herb Brown moved that we continue to sponsor the Tapping Team. **Stephen McElroy** seconded the motion. The motion was approved; none opposed.

President Ramaker announced that the Board must adjourn temporarily for the budget meeting to take place. **Ramaker** adjourned the meeting at 8:30pm.

BUDGET COMMITTEE MEETING

Budget Committee President Robert Paine called the budget meeting to order at 8:33pm.

Pat Brown moved to approve the minutes from the May 31, 2005 meeting. **Tom Lewis** seconded the motion. The motion was approved; none opposed.

Maxine Wilkins apologized for missing the last budget meeting. **President Paine** asked how, since we do not have the Personal Services amount settled with the union, the budget can be approved. **DM Barnes** answered that he had factored in a 2% COL increase, and if it turns out to be higher than that, then he will ask for the adjustment to be made later in the year.

There being no further business, **President Paine** adjourned the Budget Committee meeting at 8:35pm.

President Sandra Ramaker called the Board meeting to reconvene at 8:36pm.

PUBLIC HEARING – 05/06 BUDGET

DM Barnes stated that except for the 2% salary adjustment for the Personal Services, everything else in the budget remains the same. **DM Barnes** added that we do need to add a line item for the sponsorship of the Tapping Team, and approve the budget *as amended*.

President Ramaker asked if this budget included the hiring of an engineer. **DM Barnes** replied that they could either 1) approve the budget, but hold a separate discussion about the salary of the engineer, changing it later, or 2) approve the budget with the engineer's salary as-is. **Larry Dixon** suggested that we approve the budget as-is.

Jeanne Orcutt asked if the salary study was included in the budget. **DM Barnes** answered that yes, there is a line item reserved for technical and consulting issues.

RESOLUTION 04/05-010 – ADOPT AND APPROPRIATE 2005-06 BUDGET

Don McCarthy moved to approve resolution 04/05-010 as amended and adding a line item for sponsoring the Tapping Team for the amount of \$20,000. **Herb Brown** seconded the motion. The motion was approved; none opposed.

PROJECT UPDATE

DM Barnes stated that tomorrow (6/23) the final inspections should be done for the well project. **DM Barnes** added that there is also an architect working to design the new shop building, and that next week they will be starting on the 192nd 12” water main. **Larry Dixon** asked if we were replacing a 4” with a 12”. **DM Barnes** replied yes. **President Ramaker** asked how the Bull Run/well water mix is going. **DM Barnes** said everything is going well.

FOR THE GOOD OF THE ORDER

DM Barnes suggested that the Board may want to consider the matter of having the Accountant, Cheryl Colley, attend the Board meetings from now on, and add that to the agenda for next month. **President Ramaker** agreed to add that to the July 27, 2005, agenda. **DM Barnes** also reminded the Board that our receptionist, Desirae, has decided to leave Rockwood, and that we are now advertising for a new receptionist.

Larry Dixon remarked that the AWWA conference was a good one, and that he learned a lot. **Stephen McElroy** commented that it was a very interesting conference, especially the public officials discussing the Endangered Species Act. **Don McCarthy, Herb Brown** and **President Ramaker** each thanked the Board and the District for the opportunity to go to the AWWA conference. **McCarthy** added a “thank you” to Budget Committee for the fulfillment of their duties.

President Ramaker reminded everyone that the next regular Board meeting will be July 27th at 7:00 pm.

ADJOURNMENT

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

The meeting was adjourned at 8:55 p.m.

Secretary