

**ROCKWOOD WATER P.U.D.**  
**MINUTES, REGULAR MEETING OF THE BOARD**  
**August 23, 2006**  
**Rockwood Water Boardroom**

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

**Staff present:** Harvey Barnes, District Manager (DM); Chris Shaw, Conservation & PR Coordinator (CRPC)

**Guests present:** Fran Hyson, Pat Brown

**President Stephen McElroy** called the meeting to order at 7:05 p.m.

**APPROVAL OF THE AGENDA**

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

**APPROVAL OF THE CONSENT AGENDA**

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

**APPROVAL OF THE MINUTES**

**Fran Hyson** referred to page 1, under Public Comment on Non-Agenda Items, and clarified her comments regarding board meeting attendance by budget committee members; they should attend regular meetings *so that they can be informed of District issues and board decisions*. She then noted that she had asked what benefits are gained by *ratepayers* not employees in relationship to the tapping team.

**Herb Brown** moved to approve the minutes from the July 26<sup>th</sup> regular meeting as amended. **Sandra Ramaker** seconded the motion. The motion was approved; none opposed.

**APPROVAL OF THE BILLS**

**Fran Hyson** referred to page 4, lines 39-48, asking if some of the charges were for last year. **DM Barnes** explained that they were for expenses the District was finally billed for relating to the AWWA National Conference; he clarified that they will be expensed back to the year they were incurred. She then referred to page 7, line 36 and asked what the CH2MHill charge was for. **DM Barnes** replied that is was for engineering work on the Cascade pump station renovation project.

**Ms. Hyson** asked if the random drug screens are done regularly. **DM Barnes** replied yes and explained federal law requirements and the random drug screen process. She referred to page 8, line 33, A & A Drilling, Inc. (tapping sleeve). **DM Barnes** explained that A & A provides larger size or unique fittings for tapping water lines; a sleeve goes around a mainline where a hole is bored to provide water to a new subdivision.

**Ms. Hyson** referred to page 9, line 21 (rebuild chlorine pumps) and asked what this was for. **DM Barnes** explained that we took the two chlorine pumps out of the pump station in back to be rebuilt, adding that chlorine is highly corrosive so the pumps wear out quickly and have to be rebuilt periodically.

**Larry Dixon** referred to page 9, lines 6 and 34, and commented that the two charges appear to be for the same thing. **DM Barnes** replied that one charge was for the rear brakes and the other for the front brakes.

**Sandra Ramaker** referred to page 8, line 6, unclaimed checks. **DM Barnes** explained that if customer refunds are not claimed after a certain period of time we have to turn them over to the Division of State Lands. She then referred to page 10, line 7, RW29 tires, noting that the charge was considerably more than for the other vehicles. **DM Barnes** replied that it was for a set of 8 tires. **Ramaker** then noted that on page 6, line 55, the report format makes it look like Doug Ramaker was given a \$435 check for 6 months crime coverage. The actual recipient, SDAO, appears on the next page.

**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** commented that a recent news article refers to “City” Water Managers testing a pipe for the new water supply project between Rockwood and Gresham. She then asked **DM Barnes** to report on the status of the well #4 pump that went out. **DM Barnes** replied that it is in the shop being rebuilt. **Ms. Hyson** asked if the problem was with the pump itself. **DM Barnes** explained that it was a couple of things. One of the power leads was fastened to the side of the pump; it wore a hole in the insulation and grounded out. That led to water getting down into the motor causing a set of coils to blow out. She asked the cost to rebuild the motor. **DM Barnes** replied about \$33,000.

**Ms. Hyson** commented that she wants the board to understand that she not always here to complain to them; she’s just trying to get them to understand where she is coming from. She noted that the board does have a hard job. She stated that she has been in the since 1959 and always understood that this would be a district for the people of Rockwood. She commented on changing from a water district to a PUD, Portland’s water rate increases, and drilling the wells to reduce our water rates.

**Ms. Hyson** referred to **DM Barnes**’ comments in the minutes of the last meeting stating that a refund was never promised to the ratepayers and outlining the projects the reserve money will be used for. She stated that she understands that some of the money goes to repairs, etc., but she believes that is was originally agreed the wells would be drilled to provide a backup water supply and lower patron rates. She added that if she was wrong in believing that she would have never supported it.

**Ms. Hyson** asked if Gresham would be responsible for paying part of the well pump repair costs. **DM Barnes** replied no because they don’t own it. She responded that she thought Gresham did own part of the wells. He replied that we never talked about selling the wells the District owns to Gresham, clarifying that the only thing we sold was half of the existing reservoir in back and half of the old booster pump stations.

**Ms. Hyson** stated that she would like to have a report that states when and how soon the District would meet the amount of funds it invested in the project – what the costs are (including the **pump** replacement, the line, etc.) and when it will make a profit in selling water to Gresham. **DM Barnes** responded that he can’t provide what the rates will actually be next year, but he can give an approximate time based on what he’s seeing right now. If under current reductions in wholesale rates due to our ability to pump groundwater, our current reduction from our old contract with Portland is \$1.2 million per year. He added that if you consider that only and not the additional

\$300,000 reduction we hope to see next year, the pipeline will be paid for in about 3 ½ years. If the cost of the wells is included, then it will be roughly another year (approximately 4-5 years payback time on the groundwater system). He noted that this is the third year we haven't raised rates, adding that if our goals are met next year, it will be the fourth year with no rate increase. Following discussion of potential repairs, **Ms. Hyson** asked if in 4-5 years all the costs will be met and the District will make a profit. **DM Barnes** explained that in municipal government we do not make profits, rather we cover our expenses. He noted that the District is well under what it paid two years ago for water.

**Ms. Hyson** agreed that the costs are lower. She expressed her dismay that the Rockwood people paid the biggest portion of all the costs that went into the wells, but the savings will be going into repairs, etc., and not back to the people in the form of lower water rates.

### **POLICY MANUAL DISCUSSION**

**DM Barnes** reported that in attempting to reword the policies discussed at the last meeting, a few issues arose. It was his understanding that in general the board was in favor of switching from receipts return to a per diem basis for travel (meals & incidentals). He also heard that directors will not be issued a cash advance for travel. Per diem is typically paid prior to travel. Discussion followed regarding per diem v. cash advances.

**Sandra Ramaker** stated that her thoughts at the time of bringing it up were that we should go to per diem, but if we didn't there shouldn't be any cash advances. Stating that they will not be issued cash advances except for per diem checks only would clarify the matter. **DM Barnes** noted that per diem does not cover travel from the airport to the hotel and from the hotel back to the airport; that would be reimbursed after returning. It does cover incidental travel for meals. Per diem would be issued based on GSA guidelines for each city; the District would not question what the per diem is used for.

**DM Barnes** stated that the other issue that came up is guest travel arrangements. He thought that he heard the suggestion that guest travel would have to be paid for immediately upon requesting the arrangements in the form of cash or a credit card number. He explained that it's impossible to know at the time a request is made (based on the travel form) what the actual cost will be. Reservations may be made a few days later. Generally, as soon as we do know what the tickets cost, AS Colley will provide an invoice. **DM Barnes** stressed it would be easier if we continue to book reservations on the District's credit card and have the board members reimburse the District for their guest charges. When booking online, problems can arise with credit card information; there is also the issue of identity theft.

In reference to per diem, **Stephen McElroy** read District policy stating that under no circumstances should District funds be used to purchase alcohol. **DM Barnes** replied that once the money is given to an employee or board member, it stops being District money. He stressed that he reviews all receipts and makes sure District funds are not used to reimburse alcohol purchases.

**Herb Brown** brought up his previous mention of changing District policy to include rotation of officers so that everyone has the opportunity to fill each office. **DM Barnes** replied that the way it works now, it's pretty much a voluntary rotation of offices. No action was taken following the discussion.

**Sandra Ramaker** commented that she didn't realize the board had agreed to delete Series 2000, article 2, section 1.19; the discussion was that the board hadn't typically participated in the hiring of exempt employees. **Larry Dixon** suggested changing the statement to read *may* participate. The

board agreed. **Ramaker** noted that she liked the new wording regarding video tape check out deposits. Following further discussion on receipt submission v. per diem, it was agreed to change to per diem for director travel and discontinue cash advances.

**Herb Brown moved to bring the proposed policy manual changes back to the board at the next meeting in resolution form. Don McCarthy seconded the motion. The motion was approved; none opposed.**

### **PROJECT UPDATE**

**DM Barnes** reported that the 30-inch pipe for all intensive purposes of the District has been fairly functional for a month or so. We pump out anywhere from 1000 gallons of groundwater per minute (GPM) to 3500 GPM, which equates to up to 700 GPM of blended water into the system. We're in the process of conducting the final pressure tests on the line. Once all the pressure tests are passed, the line will be sanitized and we'll do some bacterial sampling. The first tests on the chlorination have been passed. We expect to be hooked up to Bella Vista in the next couple of weeks and be able to pump groundwater there directly. Right now we are blending here and pumping it into the system. **Larry Dixon** asked the life expectancy of the 30-inch pipe? **DM Barnes** replied that it should last at least 100 years, adding that the next pump station will be built for 40-50 years out.

**Barnes** continued by reporting that the pump cans for the pump station out back arrived Monday. We have an updated schedule on the pumps and the motors themselves; they should be shipped on 10/26. All the electrical with the exception of the switchboard and one other item have been shipped and should arrive in the next week or so. The switchboard arrived previously but was damaged and had to be shipped back for inspection. It should ship again on Friday or next Monday. We should have all the parts by mid-October that we need for the renovation. As mentioned in Mike's report, we'll be starting the next round of 4-inch OD steel that we'll be taking out of the ground – another 3000 to 4000 feet of replacement.

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

**Fran Hyson** commented on the article stating that no change in the taste or smell of the water is expected, noting that when Portland uses their wells she always notices a smell. **DM Barnes** replied that we do three things to prevent odor: if a well sits awhile, we run it to a waste line to clean up the water before use; we chlorinate and aerate it; and we add ammonia. He stated that chemically we make our groundwater look just like Bull Run water and explained the process.

**DM Barnes** stated that the new Administrative Secretary starts on Monday, 8/28. He reported on the damage to well #4 caused by water entering the motor. The motor will be expensive to repair, but less than the cost of a new one. The process to rebuild should take 6-8 weeks, but in the meantime we have a rental pump in place that we've used a couple of times to produce water with.

**DM Barnes** reported that DS Baker is not attending the meeting tonight because he ruptured his Achilles tendon. He's in a cast and has to elevate his leg late in the day. **Sandra Ramaker** commented that she honestly believes that the Board tries to keep District patrons' best interest in mind on all decisions it makes. They are doing their best to provide quality water at a good rate, noting that we have not had to raise rates the past three years when almost every other entity has. **DM Barnes** noted that Dale Jutila, Water Manager – City of Gresham, has resigned; we have offered to help with the transition any way we can.

### **ADJOURNMENT**

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

**President McElroy** noted that the next meeting is scheduled for Wednesday, September 27, 2006, at 7:00 p.m.

The meeting was adjourned at 8:10 p.m.

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Secretary