

ROCKWOOD WATER P.U.D.
MINUTES, REGULAR MEETING OF THE BOARD
November 16th, 2005
Rockwood Water Boardroom

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

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

Guests present: Fran Hyson, Jeanne Orcutt, Paul Dayfield, Lee Dayfield

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

APPROVAL OF THE AGENDA

DM Barnes mentioned he would like to remove the audit report approval as it will be added to the December agenda. **Barnes** said he wants to add a discussion of the Gresham IGA Phase Three. **Stephen McElroy** asked that there be a discussion about having a dinner for the employees added to the agenda as well.

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

President Ramaker asked **DM Barnes and DS Baker** if they had anything to include on the consent agenda. **DM Barnes** replied no, they did not.

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

APPROVAL OF THE MINUTES

Jeanne Orcutt mentioned an error in the printing of one of her questions in the October 26th minutes. **Orcutt** clarified that she had asked why we would want to sell water to *Wood Village* and Gresham, not Portland and Gresham. **AS Walyer** noted the correction.

Stephen McElroy moved to approve the October 26th minutes as amended. Herb Brown seconded the motion. The motion was approved; none opposed.

APPROVAL OF THE BILLS

Jeanne Orcutt referred to page 4 of the bills and asked what the payment to the Special Districts of Oregon was for. **Barnes** replied that it was for insurance on one of our meter reader vehicles. **Secondly, Orcutt** asked why our bill from the City of Gresham for sewer/storm water was so high. **Barnes** explained that it covered 2 months of service.

Larry Dixon inquired about an explanation of a payment to Don's Machine Shop, and whether the notation was a mis-print. **DS Baker** replied that it should read "rotors" instead of "motors".

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

GRESHAM IGA, PHASE 2

DM Barnes stated that Gresham had their city council meeting the previous evening (11/15) and there was a discussion regarding Rockwood Water PUD's potential sale of ground water to them when the pipe line is finished. He noted that Stephen McElroy had attended that meeting and obtained copies of the agreement that was discussed. **McElroy** affirmed that he had handed those copies out to our board for review this evening (11/16).

Barnes addressed McElroy's understanding that we would be selling ground water to Gresham for 2.5 cents per cubic feet. **Barnes** explained that this is not true, and referred to the section of the contract that states that in addition to paying their half of the pipeline construction, and the cost of what it costs us to produce the water (ie. depreciation), Gresham shall *also* pay Rockwood Water PUD an additional 2.5 per hundred for the use of our ground water facilities. He said that this is a fair price. Gresham's action on the prior evening (11/15), **Barnes** stated, was simply to confirm that they have approved the contract and are waiting on Rockwood Water PUD to decide whether or not to move forward with the deal.

Paul Dayfield, a district resident, asked to what degree has the board made efforts to inform the public of this agreement. **DM Barnes** replied that we have been discussing a joint partnership with Gresham for a couple of years, and the board has also approved previous IGA's along the way to build a joint pipeline. **Barnes** confirmed that our partnerships have been fairly widely covered in the newsletter and the newspaper. **Dayfield** asked how this agreement matches the principles of Rockwood Water PUD concerning moderating rates, and service to the residents. **Barnes** answered that due to producing our own ground water, we have an excess capacity to sell, which creates a source of revenue for the district.

Dayfield inquired if there was any consideration of selling water to any other parties. **Barnes** replied that Wood Village has shown interest, and we also supply water to areas of Portland that they cannot serve. **Dayfield** noted his concern is that our water is worth more money, and that if Portland sells water to Gresham for 80 cents per gallon, we should be setting a higher price. **Barnes** explained that given that the City of Gresham is paying for half the cost of the production facility, they won't want to pay for usage of the entire water system that they own part of.

Dayfield asked if the policy that retail customers served outside the district is being applied. **Barnes** stated that an IGA wholesale agreement is managed a little differently, and that the district's lawyer, Clark Balfour, Esq., would be happy to answer any further questions regarding the contractual details. **Dayfield** concluded saying that he would like to request that the board hold off on making any decisions until the district customers have an opportunity to learn more about it, and share their opinion.

Jeanne Orcutt stated that Rockwood Water PUD did not have any right to enter into this IGA with Gresham, and our district has violated its' own policies. Slamming her hand against the table, **Orcutt** said that we are giving half of our facilities away to Gresham for highway robbery. She continued saying that it doesn't make sense that we would sell our well water when they were intentionally built for our use. **Orcutt** voiced her concern about Gresham's ability to pay their portion of the transmission line, as they are already late with their first payment to RWPUD. She insisted that the board look this contract over carefully, as it is not a good deal for Rockwood residents.

Orcutt asked why we are installing a 30-inch pipe, when we do not need that big of a line. **Barnes** responded, amidst **Orcutt's** interruptions, that it makes sense to build a larger line now, rather than

tear it up in several years when expansion would be inevitable. **Orcutt** commented that it appeared that DM Barnes and Gresham's water manager were exclusively discussing the terms of the agreement. **Barnes** countered that the board has been fully aware of this IGA and voted to give him the permission to discuss it with Gresham's manager.

Fran Hyson stated that the board should have had copies of the IGA before this board meeting, allowing them enough time to read over it. **Hyson** said she wants to know why our rates haven't gone down since the wells have been built, but rather we are entering into this IGA. **Hyson** said she doesn't understand how we are going to blend well water and Bull Run water, and be able to calculate what we are selling. She added that she opposes this agreement, and she will try to get a petition to stop it if the peoples' voices aren't considered.

Herb Brown insisted that since he has been part of Rockwood Water, even before it was a PUD, the district is in the best financial condition that it ever has been. **Don McCarthy** and **Larry Dixon** both commented that they will need to take the IGA home and read over it before making any decisions. **Stephen McElroy** added that he was disturbed by the fact that he hadn't seen this version of the IGA before tonight.

President Ramaker stated that she would like to set up another meeting to discuss the IGA, after the board has had more time to look it over.

Herb Brown moved to table the discussion until the December board meeting. Stephen McElroy seconded the motion. The motion was approved; none opposed.

Lee Dayfield, a district member, said that she was shocked to hear about this IGA. **Dayfield** wanted to know how the public will be notified about future discussions concerning the agreement. She asked if the agreement could be scanned onto the website. **DM Barnes** answered that there is a section for meeting agendas on the website, and we could add a notice regarding discussion of the IGA on the front door of the building. **Dayfield** asked if we could add something in with the bills. **Barnes** explained that there is a timing issue in getting the notices out to each patron at the same time. He explained that due to printing sequences, not everyone receives equal and fair notice, which could ignite a problem.

President Ramaker stated that we would try to get information and notice about the discussion regarding the IGA to the patrons as best we can.

Herb Brown removed his motion to table the IGA discussion until December. Stephen McElroy seconded the motion. The motion was approved; none opposed.

Stephen McElroy moved that we table the discussion about the IGA until the January meeting. Herb Brown seconded the motion. The motion was approved; none opposed.

PUBLIC COMMENT ON NON-AGENDA ITEMS

None

SDAO CONFERENCE- BOARD TRAVEL REQUEST

DM Barnes announced that there is an SDAO Conference coming up February 9th -12th in Seaside, OR and he needs board approval to reimburse attending members for travel expenses.

Herb Brown moved to approve reimbursement for travel expenses for directors and a staff member to attend the SDAO Conference in February. Larry Dixon seconded the motion. The motion was approved; none opposed.

DISCUSSION RE: DINNER FOR EMPLOYEES

Stephen McElroy said that he thinks the employees of the district have done a great job this year, had consistent attendance, and with no injuries proved their adherence to safety standards.

DM Barnes expressed his concern that we may not be able to fit a dinner in before the holidays. **President Ramaker** suggested that we try scheduling something for after the first of the year. **Paul Dayfield** commented that he thinks it would be warranted to have a celebration for the employees, who have worked hard to earn it.

Stephen McElroy moved that we have a dinner for the employees as soon as possible after the first of January. Herb Brown seconded the motion. The motion was approved; none opposed.

162nd WATER LINE

DM Barnes pronounced that the City of Portland is planning on installing a supply pipe to the Summerplace area. If that takes place, **Barnes** explained, then the 12 inch pipe we use to serve customers in that area would no longer be beneficial to us. **Barnes** stated that the City of Portland has asked if we would be willing to sell that line to them. He added that we won't need that line anymore, so there will be no loss to us.

President Ramaker asked if they will add a line whether or not we sell our line to them. **Barnes** confirmed that yes they will, and in that case there will simply be a pipe there that is not being used. **Don McCarthy** remarked that he knows Mike Whitely from the City of Portland, but that there should be no conflict of interest. **Herb Brown** suggested we move toward negotiating a sale.

Herb Brown moved to allow DM Barnes to negotiate sale terms with Portland for our 12-inch line. Don McCarthy seconded the motion. The motion was approved; none opposed.

PROJECT UPDATE

DM Barnes commented that we have hired a highly qualified contractor to work on the pump station, and that we are in the process of looking for equipment to pre-purchase. **Barnes** said that he hopes to have it on-line by mid-June. He added that they are working with the architect to get the proper permits for the shop building.

DECEMBER BOARD MEETING DATE

Herb Brown stated he thought the 28th of December would be fine. **President Ramaker** offered that the idea is to pick a date not close to the holidays, and suggested December 14th. **Fran Hyson** added that she also thought the 14th would be best, considering how busy people during that time, and she would be unable to make it on the 28th. **Stephen McElroy** agreed that the 14th sounds good, as did **Larry Dixon**.

Stephen McElroy moved that the December meeting be moved to the 14th. Larry Dixon seconded the motion. The motion was approved; none opposed.

President Ramaker mentioned that the board usually decides in December when the January will be, and so we should add it to the agenda for next month.

FOR THE GOOD OF THE ORDER

Larry Dixon commended **DM Barnes** on his efforts to help develop a contract which will bring the district some money, and he plans to read it over.

President Ramaker asked if there was any further progress on the plaque commemorating the deceased board members. **DM Barnes** said that since the establishment we have used in the past is closed, we need to move forward and find a new place to have the plaque made. **AS Walyer** added that she has not found any like-businesses in the Rockwood/Gresham area, so she could look in around Portland metro and get more information. **Walyer** asked if she needed to bring a proof to the board for approval of the design of the plaque. **President Ramaker** responded that pending **DM Barnes's** affirmation, she would not need to return to the board for approval.

President Ramaker posed the idea that we post out hours and days of operation on the front door of the building. **Larry Dixon** added that the information would have to be placed at a level that would be readable to individuals in wheel chairs. **DM Barnes** said that we will consult the business that makes our signs.

DM Barnes briefly mentioned that he has not had any luck finding the appropriate part for the pump motor, and he is still waiting on the results of negotiations over who will pay for it. **President Ramaker** thanked the Dayfield's for attending, and wished everyone a Happy Thanksgiving.

ADJOURNMENT

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

The meeting was adjourned at 8:45p.m.

Secretary