

**CORBETT WATER DISTRICT  
BOARD OF COMMISSIONERS  
SPECIAL BOARD MEETING**

**April 2, 2019**

**BOARD MEMBERS PRESENT:** Sara Grigsby, Jack Garrison, Jeff Hargens, Kevin Wilhelm and Bob Gaughan

**BOARD MEMBERS ABSENT:**

**STAFF PRESENT:** District Manager Jeff Busto and District Clerk Gail Griffith

**AUDIENCE MEMBERS** Chris Witka, Malcolm Freund, Gordon Fulks, Mike Griffith, Tim Shell of Wallis Engineering

Bob Gaughan called the meeting to order at 7:18 p.m.

**APPROVAL OF THE AGENDA**

Jack Garrison made a motion to approve the Agenda as written. Sara Grigsby seconded, all were in favor, motion carried. *(5 yes votes: S Grigsby, J.Hargens, B Gaughan, J.Garrison & K.Wilhelm 0 no votes)*

**VEHICLE AUCTION CONSIGNMENT COSTS**

The Board received information in their Board packets regarding consignment costs at two local Auction yards. Short Discussion. Jeff Hargens made a motion that the vehicles that were declared surplus be taken to the May 11<sup>th</sup>, 2019 auction at Commercial Industrial Auctions (CIA) to be sold. Kevin Wilhelm seconded, all were favor, motion carried. *(5 yes votes: S Grigsby, JHargens, B Gaughan, J.Garrison & K.Wilhelm 0 no votes)*

**WELL UPDATE**

Preliminary Engineering Report:

The Board discussed the preliminary engineering report that was emailed to all commissioners. Tim Shell of Wallis Engineering was present to answer questions. Sara Grigsby asked if our well is at risk from a large earthquake. Tim Shell said there are seismic requirements that must be met, but, it is vulnerable.

Sara Grigsby asked on page 7 of the report what the O&M costs listed are. It was explained those numbers are the estimated annual operating and maintenance costs of the new well once it is in.

Proposed Schedule

Tim Shell stated the environmental report needs to be done to apply for grants. The USDA requires that report and the engineering report be submitted with any grant applications.

Supplemental Contract Proposal from Wallis Engineering

Jeff Busto asked if we moved forward with the well and we do not have water rights yet can we move forward with ASR and store water. Tim Shell answered that you should be able to store water even if the water rights stall. This would mean you are going with the option of the well with ASR. Jeff Busto said we would have storage even if the water rights do not come through. There is no reason to expect the water rights for the well would not be granted.

Tim Shell said the Environmental study will need to be completed before you go out for funding.

Tim Shell went through the proposed supplemental contract that was provided to the Board by email. Copy attached to the minutes.

The District has an appointment with the One Stop grant program in June 11, 2019. This meeting is put on by Business Oregon. Tim Shell said the community does exceed the median income to be eligible for the USDA grant program. Jeff Busto is re-checking with the USDA, he had received different information.

The supplemental contract would get the District through number 12 on the preliminary project schedule.

Sara Grigsby asked how involved the District Staff would be in writing the grants and collecting information for the applications. Tim Shell said he thought once the information is collected it would be easily transferable from one form to another on the grants. The staff would need to attend meetings like the One Stop grant program. He didn't think it would be a laborious task. Discussion of grants. There are different grants available and eligibility requirements vary.

Tim Shell noted there are grants and funding options through the Rural Community Assistance Corporation (RCAC). The District Clerk will email a copy of the Rural Community Assistance Corporation funding guide (RCAC) to the Board. Jack Garrison stated we need to look at the broad base of what grants are available and if we are eligible for those grants.

Sara Grigsby noted it would be good for Board members to attend the One Stop meeting.

Bob Gaughan expressed concern that if we got a 50% loan for the project it would add about \$24 to each customer's bi-monthly bill. He didn't know if that would go over with the customers. Jeff Hargens asked when the last time there was a rate increase. Discussion, "it has been a long time." Bob Gaughan further stated there would be "gloom and doom" if we needed the water. We have made it all these years..." Jeff Busto stated that if everyone looked at the levels at South fork they would not question the need for a well.

Sara Grigsby stated that she cannot see to the end of the project to vote for \$2,000,000, however, she does have confidence to give a thumbs up to the work that needs to happen this year if the Board is considering moving forward with the project.

Bob Gaughan said he is concerned that the other loan is not paid off, but, also concerned that South fork is not performing as it has in the past. He continued that in five years if the area is replanted it will start performing again but we can't wait five years. The idea of adding \$24 to customers' bills is also a concern. Jeff Busto said looking at the South fork he does not think it will be performing in five years. Jeff Hargens agreed.

Jeff Hargens said if things stay as they have been trending, snow pack is there but we are not getting as much water at South fork. He said he is prepared to move forward. It is a \$35,000 investment and we have the money in the approved budget. He isn't ready to vote in \$2,000,000 to drill a well now, but, we need to move forward.

Kevin Wilhelm said he agrees with Jeff Hargens. We have to spend some money to see what our future holds for us. If we do nothing we are going in a circle where we don't know where we stand. Kevin continued that hopefully we will re-coup some of the money spent on the meters with the more accurate meter reads. Jeff Busto said we will know in two billing cycles.

Jack Garrison said his concern is we have not done enough long term analysis of our financials given that we have another six years to pay off our current loan. We have an unfunded PERS liability that is growing at about \$50,000 per year which will have to be paid at some point. Looking at the expenditures this year as relates to just revenues received this year we are in the red about \$300,000 and we cannot continue to do that more than another year or so or all of our reserves will be pulled out of the bank. He is concerned that we have not done our homework. He continued that we have many customers who are on fixed incomes and have to make choices on what bills they pay.

Sara Grigsby said we need to get educated on grants that are available and we are eligible for, see what extra income we may have with the new meters, what are the ramifications for future funding. Are we going to have to raise rates? She said she is definitely in the plus camp to take the next step.

Jeff Hargens said we have to consider that there is no other water source available. If we lose our watershed because of fire or fish and wildlife requirements. If we lose our source we cannot tie into other utility like Gresham or Troutdale. Jeff Busto said we are spoiled with our low water costs for water in this part of the country and if there is no water there is no Corbett. Dave Mysinger said if you look at what other places pay like Portland our water bills are less than they pay. If we need to have a surcharge or increase in rates that should be talked about in a town hall type meeting.

Short discussion on a public hearing in the future.

Jeff Hargens made a motion to proceed with Wallis Engineering proposal dated March 20, 2019 of tasks one through four in a sum not to exceed \$34,433. Sara Grigsby seconded, three yes votes, two no votes, motion carried. (3 yes votes: S.Grigsby, J.Hargens,K.Wilhelm 2 no votes: J.Garrison, B.Gaughan)

Jack Garrison asked that the minutes reflect he is voting no because we do not have a plan within the District as to how we will fund the total cost of this project.

Jeff Hargens said he is voting yes to find out how much this will cost.

Bob Gaughan said he would be in favor if the District could get 50% in grants. Kevin Wilhelm responded we won't know until we try.

### **ADJOURNMENT OF THE MEETING**

Bob Gaughan made a motion to adjourn the meeting at 8:13 p.m. Jack Garrison seconded the motion, all were in favor, motion carried. (5 yes votes: S Grigsby, J Hargens, B Gaughan, J.Garrison , K.Wilhelm 0 no votes)