



MAPLETON WATER DISTRICT
APPROVED MEETING MINUTES
SEPTEMBER 9, 2024 REGULAR MEETING

Board Members Present: Vanessa West, Julie Doran-Lee and Sharon Kelly.

Others Present: ShirleyMarie Raven, Jordan Walker, Matt Ferkey, and Taysie Savage.

Meeting opened at 6:06 p.m.

Safety Meeting

West spoke of the need to restrict access to the treatment plant area while construction starts. The district hard hats should be distributed to West and district employees and Ferkey should be consulted before going on site to reduce safety risks.

Ferkey said that all facilities that need padlocks currently have new padlocks. West said that she would like to have a key to the padlocks in case of emergency. Ferkey said that the keys are available from Walker.

Coverage for the operators' conference was discussed.

West said that the next item to complete will be to repaint the fire hydrants. Doran-Lee noted that the district needs to be careful so they do not seal the caps. Savage and Ferkey discussed the process and said that they will be sure that Doran-Lee's concerns are addressed.

West said that a lot of progress had been made on safety.

Approval of Agenda

Walker said that he requested that the approval of minutes be removed from the consent agenda as he had not included the minutes for review. He said that he had one meeting's minutes completed and two partially completed minutes. Walker said it would be helpful if West could check in on the progress of minutes on Thursdays during the staff meeting. West suggested that Walker dedicate a day of the week to minutes in order to catch up. Walker said that Wednesday would be primarily dedicated to meeting minutes.

West said she wanted to add an item regarding Lions Club facilities. The board agreed to the changes.

Consent Agenda

Walker said that there was an error in printing the timesheets for Ferkey and Savage. The two latter timesheets were in image form and did not print correctly. West said that she could access the timesheets in question on her phone and physically share it with the other two board members.

The board discussed the number of hours worked by Savage. Savage said that she had some personal issues and Ferkey said that the weather also contributed to the low hours worked. West said that now that the district has purchased some battery-operated tools, Savage can put in some more hours without concern for fire season.

The board discussed the need to keep track of the district's tools and equipment. West said that the district needs to complete an asset inventory and said that the board previously discussed

engraving tools and equipment. Ferkey said that Savage has completed a lot engraving already. Doran-Lee noted that staff needs to be careful so as not to compromise certain tool and safety equipment. Savage said that she understood.

The board reviewed August expenditures. Walker clarified how the recent purchase of locks should be classified. Ferkey asked if the district had resolved the Raint for Rent account. Walker said he did. West asked for the status of the Delta account and Walker confirmed that it was settled. West said that some of the information regarding employee withholding included in the expenditure report may not be public information. Walker said that the board could approve expenditures with requested changes.

Motion: Approve the consent agenda with the requested changes to the expenditure descriptions.

Made by Doran-Lee, seconded by Kelly. Approved unanimously.

Proposals from the Mapleton Commercial Area Owners Association

West said that she will be presenting this item as she is on the sewer board. West said that the sewer board has been presented some options by the Willamette Partnership on how it should proceed into the future. Currently, the MCAOA is a charity rather than a special district. This limits its eligibility for certain funding sources. There are currently twenty-two customers of the sewer system including the RV parks which includes some year-round residents. Each customer has its own septic tank, but the effluent goes to the treatment plant by the bank rather than a drain field like most people's systems. This is because there is no room for a drain field on most customer's property. The original plan was to expand the sewer system up Riverview Avenue and across the river on East Mapleton Road to prevent waste from entering the river. However, the system currently stops at the bridge. If the sewer organization were to dissolve, each customer would be responsible for the waste they produce on their property. The first and preferred option presented by Willamette Partnership is merging the sewer district with the water district.

West said that there is no decision to be made at this meeting. She simply wanted to make the board aware of this proposal. There is a lot of work to be done on the part of the sewer district before any decision would need to be made or for it to be presented to the community for discussion. The sewer district is in a financially precarious position and is in the process of being re-recognized as a 501(c)(3) again after losing that status. She emphasized again that it will be a year or two before the sewer district has anything more to present to the board.

Ferkey asked if the funding would be combined if the organizations merged. Doran-Lee said she thought funds would be combined and would likely open the district to additional funding opportunities. Ferkey asked if employees would be combined as well. West said that the sewer district does not have any real employees right now as they file 1099s for its contractors. However, water district staff and sewer staff would be the same if the two organizations merged.

Raven said that she was concerned that the board may be overstretched if the districts merged. West said that most of the work is on the sewer side prior to any action, including restoring the organization's tax-exempt status. Someone is going to have to go through the last five years of the books and complete a report.

Ferkey said he did not necessarily want to be involved in the sewer system. Walker noted that in the past the sewer district contracted with the water district to operate the sewer. During that time the assistant operator was the primary contact for sewer operations. West said that right now sewer work consists of about 30 minutes a day of testing samples. Projects would be contracted out in the same way that large water district projects are. Ferkey asked if there were locates for the sewer. West said there are, but they go unaddressed because no one knows where the lines are located.

West said that she did not want to spend too much time on this topic because there is nothing for the board to act on at the moment. She just wanted to put it on the board and community's radar. Ultimately, merging the two districts will require a vote of the public.

Service Fee and Street Light Fee Increase

Doran-Lee wanted to clarify that the fee increase had not yet taken place. Walker confirmed that it had not and it would not be decided at this meeting. He said that the goal of this item at this meeting is to direct him to create a resolution to be considered for adoption at the next regular meeting.

West explained that an increase was delayed because there was a possibility that part of the loan that the district was approved for could have been turned into a loan. This was possible if certain projects in the state were not on schedule to be completed in time. She said that she had been informed a week or two prior that no funds would be available to reduce the loan amount. So, at present, she anticipates the district having to make payments on a \$1.5 million loan to complete the water treatment plant improvement project.

Raven said she did not think that there was too much to discuss as the district is somewhat locked into the increases based on circumstances. The street light fee increase, for example, is what is required to pay the monthly bill divided by the number of customers. West agreed and noted that Walker's proposal for the street light fee increase was sixty cents bringing the monthly fee to \$3.95.

West said that Walker also proposed an increase to the monthly service fee. She said she had her own proposal but asked Walker to explain his first. Walker said that during his completion of a proforma projection of the district's finances for the next five years, he assumed a service fee increase of 15 percent over the next three years followed by a 10 percent increase the subsequent two years. This was to meet Business Oregon's preference for having a certain level of financial flexibility in funds available to make loan payments. A 15 percent increase in the current residential service fee would equate to \$5.10 increase per month, or a total service fee of \$39.10 per month. However, this increase will not cover the annual loan payments due until five years out. In the meantime, the district will be using funds currently designated a contingency funds and the district's current cash balance to make up the difference.

Raven clarified that the reason the district would be using those funds is that it is essentially subsidizing the loan payments. West said that there is no way the district can subsidize the loan payments that much, which is the equivalent of \$14.90 cents per customer per month. She noted that the recent repair by the RV park plus the repair on Riverview cost the district close to \$70,000 and that if similar repairs are needed in the future there would be no way to pay for them while subsidizing customers with contingency funds and the district's cash balance. She suggested that

the board increase the service fee by \$10 this year and then \$10 next year to reduce the net impact on the budget from the loan.

Ferkey asked if there were any prediction on how these increases would affect the number of customers staying in the system. Walker said that his assumption when completing the proforma projection was an increase of one account per year. Ferkey noted that some customers have wells and just keep district water on for emergencies. An increase would incentivize them to just turn off their district water rather than pay \$44 per month. West said that if that happens then there will need to be larger fee increases in the future to make up for the lost revenue. She emphasized the need for sustainable revenue to provide water for the community and said that, at this point, she was not even sure the district would make it through the winter. She said that she instructed Walker to look into a line of credit in part for emergency repairs just in case. Another alternative, a bridge loan from RCAC, was discussed previously but the additional fees and requirements would make the somewhat lower interest rate less appealing.

Raven said that she thought that it would make more sense to increase the service fee by \$10 this year so the district does not have to subsidize loan payments with reserve funds. The board discussed the affect fee increases will have on the community given the poverty level. West said she thought that it was necessary to maintain the fiscal stability of the district but acknowledged that increasing the fee by \$20 in one year would be too hard on customers.

Doran-Lee said that she was skeptical of the decisions that were made previously to get the district in this position. West noted that a lot of the things financed by the loan got the district through very difficult times and paid for things needed to keep the district operating. Raven said that the district needs to accept its position now and deal with it moving forward. Doran-Lee asked if there was any way we can avoid incurring additional costs associated with the treatment plant project. Ferkey said that while the Westech skid works, the new skid is better. Walker and West said that the district is currently obligated to move forward by contract.

West asked either of the other board members would like to make a motion to increase the service fee by \$5.10 as suggested by Walker or her suggestion to increase it by \$10. She said that she would make a motion if neither of them did. Doran-Lee asked if Art Donnelly was aware of this proposal. Walker and West said that he was aware in broad terms that rates would need to increase. Doran-Lee said that she preferred to have his input on this prior to voting one way or another. Walker explained that there would be an opportunity for additional input prior to voting on the resolution itself. She also wanted to know if there were any other things that the district would need to raise rates for. West said that she cannot make that guarantee. She is just proposing what she thinks is required to keep the district running. Doran-Lee noted that without using any water, her bill will be higher than her electric bill. Walker said that he did not believe it would be necessary to increase rates any more this year. He said it was possible, but very unlikely. Kelly said she did not think the public knew what a mess this district was in.

Motion: Direct staff to prepare a resolution to increase the service fee by \$10 and the street light fee by \$0.60.

Motion made by Kelly, seconded by Doran-Lee. Motion approved unanimously.

Raven suggested the possibility of setting up some type of assistance program to help those who are struggling or will struggle with paying their bills. West said that would be something that the public could propose but she did not think there would be time for the board to work on it. Doran-Lee said she thought it was good idea to look into something like that. Ferkey said that may be something that outside money could go into as well. West said that the existing assistance administered by Lane County was out of money. Walker noted that the Central Lincoln PUD has a section of their bill for customers to add an amount to something called "Project Care" which is a possibility.

Oregon Pacific Bank Line of Credit

Walker said that West asked him to inquire about a possible line of credit from the district's bank, Oregon Pacific Bank. He received a letter of interest from the bank for a \$60,000 line of credit at the Wall Street Journal prime rate, which is currently 8.50 percent. Ordinarily, there is an additional 2 percent on top of that, but because we are a nonprofit organization, that is waived. Doran-Lee said that the interest rate is higher than the RCAC loan rate. Walker said that it is currently, however, it is very likely to go down as it is closely correlated with the Federal Reserve rate which is near its high since the year 2000. Since 2000 the rate has varied from about 3.25% to 9% and is likely to decrease in the near future. West said that with other fees included, the RCAC loan would be closer to six or seven percent. Plus, RCAC gives loans based on anticipated grant receipts which the district does not have right now as program for the ECWAG grant is still pending funding. Those present also discussed the loan fee of 0.25% or \$150 and a documentation fee of \$125.

West explained that she is 99 percent sure that the district's emergency grant application would be approved. In the meantime, she was not sure that the road above the plant would make it through this winter. The hope is that the district could get some mitigation work done prior to receiving funds but after approval of the grant. Grant related expenses are reimbursable by the grant within six months of approval.

Raven asked where the district is in actually getting approval for the line of credit. Walker said that the signing the letter of interest would begin the application process, however, he has provided all the requested information and was confident in approval if applied for.

West said she anticipated that the mitigation work above the plant would cost around \$30,000, maybe \$40,000.

Motion: Authorize Vanessa West to sign the letter of interest prepared by Oregon Pacific Bank to proceed with the application for the line of credit.

Made by Doran-Lee, seconded by Kelly. Approved unanimously.

Review of Master Plan Prepared by Civil West

Walker said that initially, Keven Shreeve with Civil West engineering wanted to be at the meeting for the review but was unavailable tonight. So, he suggested that we place the Master Plan on the agenda to begin the public review/input process on the document. Shreeve also said that he would like a meeting with board members to go through the document as well. Doran-Lee said she did not think she would be much help in that process and would go with what operations decided. West and Ferkey said that there are a lot of things they would like to add to it but, West said, the point of

the master plan is to have a plan to use for applying for grants. Walker said that the point of this item on this particular meeting agenda was to open the public comment process. He noted that he provided copies of the plan to the public at this meeting.

\$800,000 EPA Grant/Rice Road Project

Walker said that the application to receive funds has been submitted and the district is now waiting for feedback from the EPA. The target completion date is the end of next year, 2025. Ferkey asked if the project will go out to bid. Walker said that it would probably go out to bid sometime early next year.

Westech Rental Skid Update

West said that the district's attorney has informed her of Westech's offer and it is somewhat aggressive. Basically, they want everything and for the district to pay for it. West said she would like the board's input on directions for a counteroffer. She wanted to offer them the ability to purchase the skid for \$50,000 in eight months. Doran-Lee said that she did not want to commit to a timeline for no longer needing the rental skid as there have been too many delays on this project as it is. Her proposal is that they can purchase the skid for half of the insured value of \$75,000 one month after we no longer need it.

The board discussed the timeline for the new skid as it relates to a counteroffer. West said that the only real delay was that an old electrical permit needs to be inspected and closed before new permits can be issued. This is supposed to be inspected on September 16th. She believed that the new skid will be installed within six months. Doran-Lee said that if the past is any indication, there will be some sort of delay.

Walker noted that Donnelly had made it known that he would like to negotiate a settlement rather than take this to court. Doran-Lee said she was aware of that. Walker asked if West knew the details of Westech's offer. West explained what they were offering which Walker seemed like a lot.

Motion: Authorize Vanessa West to direct the district's attorney counteroffer with Westech purchasing the skid for \$75,000 and collecting their skid within one month of the new skid being operational.

Made by Doran-Lee, seconded by Kelly. Approved unanimously.

USDA/ECWAG Emergency Grant

West said that she had already given an update earlier in the meeting.

Employee Evaluations

Walker said that he did not send the draft evaluations to West and Doran-Lee in time to have a productive discussion about them. West said that she and Doran-Lee would review the documents in time for the next meeting.

Facilities on Forest Service Land

Ferkey asked what the restrictions are on working on district infrastructure on Forest Service land. West said that she was told that, in an emergency, the district can do what it needs to do and inform the Forest Service what it completed.

Lead Service Line Inventory

Walker said the district needs to inventory 20 percent of the unknown service lines to determine the material they're made of. This will be due on October 16th. Ferkey said that it may be a good idea to use a shop vac and generator to clean out meter boxes. Doran-Lee said that her son may have one that the district can use as well. Walker explained the process by which the service lines would be identified and said that the district side would be easy, but the customer side might be more time consuming. He said the 50 houses have already been randomly selected. West, Ferkey and Savage discussed their availability to complete some of the lead service line inventory over the coming weeks. Walker said he began writing a letter explaining the process to customers but it became a bit more convoluted than he expected. Ferkey asked if staff would need to enter homes in order to check the customer side service line. Walker said that it appeared that customers could identify it themselves. Ferkey asked if a particular customer who had recently replaced their line was on the list. Walker said he did not know. If there are any lead service lines identified, Walker said that there are restrictions and required notifications for working on and around that line. The board and staff discussed the particulars of individual service lines they were aware of.

Treasurer's Report

The board reviewed the financial statement prepared by B.R. Hornung, CPA, PC.

Billing Report

The board reviewed the billing report prepared by Walker. Walker said that he put out seven doorhangers and five customers had either made a payment or payment agreements. He said the previous two months he had tried sending certified mail notifications but people did not pick them up so he will be doing doorhangers going forward. At this point, two customers are scheduled for shutoff tomorrow. One is new to the shutoff list the other has a payment agreement that they have not kept up on. West and staff discussed the logistics of the shutoffs, including the location of the two meter shutoff tools and the status of those who were previously shutoff for non-payment.

Repairs Between Bank Building and Food Share

West said that she just received a bill from H&J Construction for the repairs completed between the bank and food share buildings. She said it looks to be just under \$70,000 total.

Lions Club Facility Rental

West said that she was told that the Lions Club Board will be discussing rules for tenants of the Lions Club building. She said there have been complaints about maintaining the cleanliness of the kitchen area and the bathrooms. She said that she has never seen kitchen in any worse condition than when the district left it. Raven said that the board could have its meetings in the office since there are usually not many members of the public attending aside from her. West said that she would like to be in a position to where more people attend meetings. She said that district does not really need an office as big as it has, and the office administrator could theoretically work from home or work from the plant once it has been finished. The bathrooms are used by the library and the public and suggested that the Lions Club could designate a bathroom for the district, and we would be responsible for cleaning it. Walker said that he would not mind keeping a closer eye on the bathroom and cleaning it from time to time even if it is public. West said that she wanted to attend their meeting just so they can hear from someone from the district. Doran-Lee said that meetings could be held at her coffee shop if it came to that.

Risk Management Report

Doran-Lee and West said that they liked the draft letter to SDAO that Walker had prepared.

Plant/System Update

Address earlier in the meeting.

Grant Committee Report

Walker said that Donnelly sent a brief report to be presented to the board. One note he asked Walker to fix apparently did not save to the document. The grant request was for 12 pallets of water, not 12 cases of water. Donnelly's report said that he received word that the district was awarded something, though he was not told what it was awarded. West and Doran-Lee discussed where they will be putting the water if the district receives it. The school said it could be stored on their property, but they do not have space in a building. West said that she wished that the district would have gotten a storage container for it.

Donnelly also noted that he will be attending grant training. Raven said she would be attending also. West said that if anyone else would like to attend the online training this is a good opportunity.

Walker then reviewed the other items on Donnelly's report including a cybersecurity grant to migrate the district's web address to a .gov address and an initial application for the Federal Readiness Leverage Fund to prepare for future federal grant opportunities. Donnelly also noted that he has three grants that he will be applying for in the next three months.

West said that it is difficult for the district's grant committee to keep up with the grant opportunities with the number of people who are willing to help.

Operations Report

Ferkey said that the district is as compliant with Oregon Health Authority regulations as is possible. The only outstanding item are the tests that can only be done during the month of October. West noted that she had missed a couple of staff meetings due to work commitments.

Emergency Committee

Walker said that he had completed the Vulnerability Self Assessment Tool but had difficulty getting that to Kim Anderson for review. He will need to follow up on that.

Finance Committee

Nothing to update.

Administration Committee

Nothing to update.

New Plant Update

West said that the last delay on construction beginning on the new plant is an old electrical permit that needs to be inspected before it is closed out. That inspection should take place on September 16th. Ferkey said that the contractor has been on site preparing and planning for construction, though not doing any actual structural work. West said that she is anticipating having some really good updates on the project over the next couple of months.

Meeting was adjourned at 8:14 p.m.