

PACIFIC CITY JWSA BOARD OF DIRECTORS
BUSINESS MEETING MINUTES

September 4, 2007

Chairman Kellow called the meeting to order at 5:02 pm, in the Authority's meeting room.

Directors present were Dick Carter, Doug Olson, Larry Rouse and Carolyn McVicker.

Guests present were Betty Robinson, Ielean Rouse, Jack Brooks, George Baumgardner, Tom Rasch and Tim Hirsch.

Staff Present: Tony Owen, Ray Cloud and Michelle Hughes

MINUTES:

A. 08/07/07 Business Meeting Minutes.

Motion

Director Olson moved to approve 08/07/07 Business Meeting Minutes. Director Carter seconded, and the motion carried with five ayes.

FINANCIAL REPORT

A. Accounts Payable: 8/15, 8/28 and 9/4/07.

Motion

Director Carter moved to approve the payables for 8/15, 8/28 and 9/4/07. Director Rouse seconded, and the motion carried with five ayes.

B. Fiscal Year 2007-2008

As presented

MANAGER'S REPORT

Mr. Owen stated that PCJWSA would be participating in the Household Hazardous Waste Event on September 8, 2007 from 9:00 am to 3:00 pm.

Mr. Owen reported that the Pelican Pub has requested renewal of their Industrial Waste Permit for another year. Mr. Owen recommended it be approved.

Motion

Director Carter moved to renew the Pelican Pub Industrial Waste Permit #07-01 for a period of twelve months. Director McVicker seconded, and the motion carried with five ayes.

UNFINISHED BUSINESS

A. Pacific Sunset Development

Mr. Owen reported that Mr. Rasch has requested final approval and Mr. Owen stated that he could not recommend the final approval. Mr. Owen stated that the pump station cost breakdowns were not submitted, the plat has not been completed, and easement confusion needed to be cleared up. Mr. Owen continued that DEQ would not allow PCJWSA put any sewage in the pump station until which time PCJWSA has all of the easements in place and PCJWSA has ownership of the property. Chairman Kellow asked Tom Rasch if he had an update and Mr. Rasch said that Tillamook Planning had everything they needed and are working on it. Mr. Rasch asked for approval with conditions and the Board of Directors after discussion declined but said they would call a Special Meeting when the items were in place.

B. Ridge Road Water and Sewer

Mr. Owen said there was nothing new to report.

C. Bond Levy – Horn Creek

Mr. Owen stated that he had received updated cost estimates from Parametrix which have not been reviewed yet, although one issue arose in the Master Plans was the water capacity at 600 gallons per minute only, not the 900 or 1200 gallons per minute. Mr. Owen continued that the higher estimates given to the Board of Directors prior were using 1200 gallons a minute not the 600. Mr. Owen said that when PCJWSA goes out for bid on the project the suppliers should bid on 600, 900 or 1200 gallons per minute and the higher units may bring cost savings. Mr. Owen said that the building and emergency power were not included in the Master Plans which could bring the Horn Creek Project up over the 3.3 million dollar estimate. Discussion ensued regarding the price escalations, items not included in the Master Plans and the water rights of Horn Creek.

D. Seawatch Phase II & III

Mr. Owen stated that construction is underway.

E. Beachy Bridge

Mr. Owen said that the mandatory Pre-Bid conference was scheduled for September 5, 2007 at 9:00 am and four contractors that have purchased bid sets.

NEW BUSINESS

None

GUEST QUESTIONS AND COMMENTS

None

UNSCHEDULED

None

CHAIRMAN/DIRECTOR COMMENTS

Director Olson said that an email was sent to the Board of Directors before Mr. Owen went on vacation regarding an error that made in payroll that needs to be discussed. Mr. Owen said that there were two employees that were accidentally overpaid through oversights. Mr. Owen said that one employee was overpaid by about \$500.00 and another was overpaid by about \$700.00. Mr. Owen recommended that since it was not the employees' fault that PCJWSA would be unfair in demanding repayment but that it was a Board of Directors decision. Director Rouse said that it was a sticky situation and that there is a philosophy of fairness and asked what about the other employees. Mr. Owen responded that the other employees have not taken issue with this error and they are not upset about it. Director Rouse asked what happens the next time this is public money. Mr. Owen responded that in seventeen years this has never happened before. Director Olson said he agreed with some of the comments and mistakes do happen but it is one thing in a private organization and quite another in a public organization. Director Olson said it needs to be paid back and it might bring up an audit exception. Director Olson said that the amount that they were overpaid should be deducted back through their payroll so that it would come out even at the end of the fiscal year.

Motion

Director Olson moved to have the two employees have their salaries adjusted over the remaining pay periods of this fiscal year in an amount equal to that, which was accidentally overpaid. Director Carter seconded.

Discussion

Mr. Owen stated that he did discuss the issue with the auditors; they were made aware of the situation. Mr. Owen continued that they were given a copy of the memo that was distributed to the Board of Directors and the Lead Auditor said that this was not an unusual situation and that different people

handle it differently and that normally on small amounts such as this the Districts or City's typically write it off. Ms. McVicker said that if there was a law that PCJWSA would be violating that the Board of Directors make sure they are doing the right thing and if it is not known it should be checked out. Ms. McVicker continued that she was not sure that an honest mistake in this amount going back and collecting it helps PCJWSA or its employees. Director Olson said he had no problem with finding out through legal council the law but it should not necessarily have a bearing on the vote tonight. Director Rouse restated that it was not the Board of Directors money but the peoples. Discussion continued until a vote was taken.

The motion carried with three ayes and two nays.

Chairman Kellow recessed the regular meeting at 5:46 pm

The PCJWSA Board of Directors approved these minutes on October 2, 2007 by the following votes:

Aye_____ Nay_____ Abstain_____ Absent_____

ATTEST:

Doug Kellow, Chairman

Tony Owen, Authority Manager