

the proposed budget for fiscal year 2007-2008.

Further, President Savas requested the following change be made to the May 8, 2007, Regular meeting minutes.

Amend the May 8, 2007, Regular meeting minutes on page 4 and add the word "expressed" to complete a statement made by President Savas.

M/S Seigneur/Woods Approve the May 1, 2007, Executive Session minutes; approve the May 8, 2007 Regular meeting minutes as amended; approve the May 8, 2007 Budget Committee meeting minutes; and approve the May 15, 2007, Special meeting minutes. The question was called and the motion passed unanimously

There was no further discussion regarding the meeting minutes.

MONTHLY REPORTS: President Savas called for discussion and approval of the Internal Monthly
Acceptance Reports.

Internal Reports Director Woods asked questions pertaining to expenses reflected in the April 2007 monthly reports. Specifically Director Woods asked about payments to Bainbridge Associates and to Clackamas County for the Park Avenue project.

External Reports M/S Woods/Seigneur Approve the April 2007 Internal and External Monthly Reports. The question was called and the motion passed unanimously.

PUBLIC COMMENT
PERIOD There was no public comment.

CORRESPONDENCE
REVIEW There was no correspondence for review.

SANITARY SEWER
SYSTEM MASTER PLAN
ADOPTION: Kent Squires,
CH2M Hill, Brett Arvidson
There was a brief discussion between President Savas, Manager Squires, and CH2M Hill consultants Michelle Burkhart and Dave Green regarding the review of the collection system and if there are any undefined needs within the system that may have been missed during the master plan analysis of the District's sewer and collections system. Concerns about a statement in the Budget Message that there are areas of undefined needs in the collection system prompted much discussion. Consultants assured the Board that the collection system is in much better shape than the treatment plant but that ongoing maintenance of the system under the District's capital improvements program will be needed to ensure proper integrity of the overall system.

The Board asked of Mr. Arvidson, Manager of Planning and Engineering, about the overflow issues at River Forest Lake last year. They asked if the Master Plan analysis detected the problems when reviewed and if a solution was offered to remedy the problem. Mr. Arvidson stated that the issues at Pump Station No. 1 and the overflows in trunk B experienced last year were determined in the master planning effort and have been resolved.

President Savas asked about Section 11, page 11, of the Master Plan document that references a kilowatt-hours requirement; President Savas wanted to know what process would be responsible for the dramatic increase in electrical usage. Ms. Burkhart responded to President Savas stating that the aeration basin capacity, digester facilities, and headworks facilities will require significantly increased energy usage.

Discussions continued regarding the types of disinfection and the alternatives available to the District for the treatment of wastewater.

M/S Petersen/Woods Adopt the draft Sanitary Sewer System Master Plan as prepared by CH2M Hill. The question was called and the motion passed unanimously.

CLACKAMAS COUNTY
COORDINATING
COMMITTEE: President
Savas

President Savas stated that the Clackamas County Coordinating Committee meeting topics focused primarily on the Retreat agenda and the proposal to increase the number of County Commissioners from 3 to 5.

CLACKAMAS COUNTY
SERVICE DISTRICT No. 1
COMMUNITY
ADVISORY COMMITTEE
REPORT: President Savas

President Savas stated that there is a meeting scheduled for the CCSD No. 1 Advisory Committee for June 21, 2007.

JENNINGS LODGE
COMMUNITY
PLANNING
ORGANIZATION (CPO)
REPORT: Director Woods

Director Woods reported on the Jennings Lodge Community Planning Organization meeting. According to Director Woods, there was some discussion at the meeting regarding a property on Rose Street and some recent construction on the property where developers may have re-routed a stream and placed it into a pipe. District staff has visited the site to make a determination whether a stream had been redirected and placed in a pipe. It appears there is no stream on the property and drainage has been installed correctly.

ANNOUNCEMENT

President Savas announced that he would be deferring agenda item numbers 8 and 9 for discussion later in the meeting.

APPOINTMENT OF

Manager Squires stated that the resignation of Mr. Jim Cannici has created

BUDGET COMMITTEE
MEMBER AND/OR
ALTERNATE: Kent
Squires

an opening on the Budget Committee that will need to be filled. The District has received an application of interest from Mr. Henry Schmidt. Further, the Board recently appointed Budget Committee Alternate Hunter Coleman in a succession of efforts to fill Budget Committee positions.

M/S Storment/Seigneur Appoint Alternate Budget Committee member Mr. Hunter Coleman to position No. 4 to fill the vacancy created by Mr. Jim Cannici. The question was called and the motion passed unanimously.

M/S Seigneur/Petersen Appoint Mr. Henry Schmidt to the Alternate Budget Committee member position created by the appointment of Mr. Hunter Coleman to position No. 4. The question was called and the motion passed unanimously.

INVESTMENT POLICY
ANNUAL
REVIEW/ADOPTION:
Kent Squires

M/S Storment/Woods Readopt the existing Investment Policy as written to be effective immediately. The question was called and motion passed unanimously.

RESOLUTION NO.07-04
ADOPTION-
DELINQUENT ACCOUNT
CERTIFICATION: Kent
Squires

Manager Squires explained the delinquent account process under Oregon Revised Statutes and the procedure for certifying accounts.

M/S Storment/Seigneur Approve Resolution No. 07-04 in the matter of certifying delinquent accounts to the Clackamas County Assessor for collection on the tax roll pursuant to ORS 454.225. The question was called and the motion passed unanimously.

RIVER FOREST LANE
PUMP STATION 4
IMPROVEMENT
PROJECT BID (NO. 07-
002) AWARD OR
REJECTION: Kent Squires
and Brett Arvidson

Manager Squires explained the Pump Station No. 4 project and how the bids for the project came in much higher than anticipated. The Board was made aware at their May 8, 2007, Regular meeting about the bids received on this project. Bids were received from Stettler Supply, Inc. for \$183,980.00 and from PRC, Inc. for \$198,940.00.

M/S Storment/Seigneur Award the River Forest Lane Pump Station No. 4 Improvements Project to Stettler Supply, Inc. the low bidder in the amount of \$183,980. The question was called and the motion passed unanimously.

PROJECT STATUS
REPORTS: Brett Arvidson

Mr. Arvidson reported that River Forest Lake water sampling would continue through the month of June. Once all of the data has been collected, an analysis report will be created. The draft report will be available for the Board in August 2007. Other projects currently in process are listed under separate agenda items.

JULY REGULAR BOARD
MEETING DATE –

President Savas stated that due to conflicting schedules there have been requests from some Board members to move the July 10, 2007, Regular

RESCHEDULE
DISCUSSION: President
Savas

meeting of the Board of Directors to the third Tuesday of the month, July 17, 2007.

M/S Storment/Woods Schedule the July Regular meeting of the Board of Directors of Oak Lodge Sanitary District for July 17, 2007, at 6:30 p.m. The question was called and the motion passed 4 ayes, 0 nays, and 1 abstention. Directors Savas, Woods, Seigneur and Storment voted aye. Director Petersen abstained.

MASTER PLAN
IMPLEMENTATION
PROCESSES,
SCHEDULES,
MILESTONES DATES,
AND DECISION POINTS:
Kent Squires

Manager Squires stated that Director Seigneur had requested staff construct work products related to the Sanitary Sewer System Master Plan; primarily associated with schedules, timelines, and the decision-making process. This information included a proposed implementation plan process and related detail.

The Board complimented Manager Squires for constructing the timelines and constructing the implementation plan processes in a format that is easy to follow and understand.

The Board directed staff to move forward with development of a strategic plan outline.

The Board tentatively set a Special Meeting for Thursday, July 18, 2007, to discuss the strategic implementation plan for the Master Plan.

HEADWORKS
BARSCREEN
REPLACEMENT
PROCUREMENT-
REQUEST FOR
PROPOSAL AWARD:
Brett Arvidson

Mr. Arvidson stated that the District has received three proposals for the Bar Screen Replacement project. The proposals will be used in the selection of the equipment manufacturer, and a separate contractor will perform the installation of the equipment. Proposals were received from the following vendors:

Vulcan Industries \$180,726.00
Infilco Degremont, Inc., \$296,207.00
WSG and Solutions, Inc. \$286,933.00.

M/S Seigneur/Storment Authorize staff to issue a purchase order to Vulcan Industries, the low bidder, in the amount of \$180,726.00. The question was called and the motion passed unanimously.

DISTRICT DIRECTOR
ELECTION RESULTS
CONFIRMATION: Kent
Squires

Information was provided to the Board regarding the election results. On May 15, 2007, an election was conducted to elect two candidates to 4-year terms on the Oak Lodge Sanitary District Board of Directors. Mr. William Wild received 1290 votes and Jim Martin received 1500 votes.

M/S Petersen/Seigneur Move to declare that William Wild and Jim Martin have been elected to 4-year terms on the Board of Directors beginning July 1, 2007, and are qualified to hold office. The question was called and the motion passed unanimously.

OAK LODGE SANITARY
DISTRICT
PROCUREMENT
PROCESS AND
AUTHORITY: Kent
Squires

Manager Squires briefed the Board on the General Manager's expenditure authority and reviewed in summary the procurement processes, and the current purchasing authority policy.

President Savas recessed the meeting at 8:18 p.m. for a break.

President Savas reconvened the meeting at 8:27 p.m.

BUDGET FOR FISCAL
YEAR 2007-2008
ADOPTION: Kent Squires

President Savas opened the public hearing at 8:29 p.m.

Mike Grant
13704 SE Maloy Avenue
Milwaukie, Oregon 97267

Mr. Grant stated that he is a current Budget Committee member and his recommendation to the Board is to approve the budget for 2007-2008 as presented.

The budget hearing was closed at 8:35 p.m.

Adopt Resolution No. 07-
02: Adopting the budget

M/S Storment/Seigneur Adopt Resolution No. 07-02 adopting the 2007-2008 fiscal year budget as approved by the Budget Committee on May 8, 2007. The question was called and the motion passed unanimously.

Adopt Resolution No. 07-
03: Making Appropriations

M/S Storment/Petersen Adopt Resolution No. 07-03 appropriating necessary funds for fiscal year 2007-2008. The question was called and the motion passed unanimously.

CONTINUED - OAK
LODGE SANITARY
DISTRICT
PROCUREMENT
PROCESS AND
AUTHORITY: Kent
Squires

President Savas opened discussions regarding the need for the District to have a purchase authority policy and the Board's involvement in the approval of purchases exceeding a proposed threshold of \$50,000.00. Copies of a draft policy prepared by staff and President Savas were disseminated to the Board for review and consideration.

Some Board members felt that as long as the expenditure is part of the approved fiscal year budget then it is not necessary for the Board to be involved in approving purchases. Other Board members expressed their concerns regarding having a more secure process for purchasing and establishing better business practices.

M/S Storment/Petersen Defer approval of the Purchase Authority Policy until the July 17, 2007, Regular meeting when the two newly elected Directors can participate in the discussion and approval of a new policy. The question was called and the motion passed 4 ayes to 1 nay. Directors Woods, Seigneur, Petersen, and Storment voted aye, President Savas voted nay.

Myron Marwick
15122 SE River Forest Dr.

Mr. Myron Martwick stated that he agrees with Director Seigneur and there should be a policy in place for purchasing District equipment.

Milwaukie, Oregon 97267

Mike Grant
13704 SE Maloy Street
Milwaukie, Oregon 97222

Mr. Mike Grant stated that he feels a policy is a good idea and that the procurement procedure should be the guideline by which the policy would be enforced.

Leonard Waldemar
5025 SE El Centro Way
Milwaukie, Oregon 97267

Mr. Leonard Waldemar expressed his concerns related to the Board being involved with the purchasing process at the level described in the draft policy. The Board and the General Manager should work together to keep the lines of communication open when discussing purchases.

CAPITAL EXPENDITURE
APPROVAL POLICY –
DISCUSSION/ADOPTION:
President Savas

Information regarding the procurement process was provided to the Board in the meeting packets. There was no discussion regarding this information.

OTHER BUSINESS:
Directors and Staff

Manager Squires presented outgoing Board members, Chuck Petersen and Elton Storment with plaques of appreciation for their years of service to the District.

Director Petersen expressed his gratitude to District staff stating how much he enjoyed working for the District.

President Savas requested the Board meet on July 2, 2007, at 6:00 p.m. for the Administering of the Oath of Office to the two new Directors and to hold an Executive Session. The Board agreed to meet on July 2, 2007, at 6:00 p.m.

DIRECTOR COMMENTS:
Directors

Director Storment expressed his appreciation to the Board and to District staff.

BOARD REQUESTS


There were no requests from the Board.

MONTHLY EXPENSES

M/S Woods/Seigneur Approve the April 2007 expenses in the amount of \$405,437.77. The question was called and the motion passed unanimously.

ADJOURN REGULAR
SESSION

There being no further business to come before the Oak Lodge Sanitary District Board of Directors, President Savas adjourned the meeting at 9:16 p.m.



Paul W. Savas, President of the Board

Attest:

R. Kent Squires
R. Kent Squires, Secretary