

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
July 14, 2009**

ADMINISTER OATH OF OFFICE, PRESENT CERTIFICATES OF ELECTION: Clark Balfour

Attorney Balfour presented a Certificate of Election and administered the Oath of Office to newly elected Director Paul Savas. Director Savas signed the Oath of Office, Attorney Balfour notarized the signature.

Director Seigneur was sworn in at the Administration office the first of July, 2009.

CALL TO ORDER

President Paul Savas called the Regular Meeting of the Board of Directors of Oak Lodge Sanitary District in Clackamas County, Oregon to order at 6:35 p.m. in the District office, 14611 SE River Road, Milwaukie, Oregon.

PERSONS PRESENT

Declaration of a Quorum: Directors present were Paul Savas, President; William Wild, Vice President; David Seigneur, and Jim Martin.

Staff present were J. Michael Read, General Manager and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; Doug Woods, Utility Worker and Faith Paddock, Administrative Services Manager.

OTHERS PRESENT

Tom Foeller, 2949 SE Walta Vista Court, Milwaukie, Oregon 97267
Jerry Foy, 15242 SE Fair Oaks Dr. Milwaukie, Oregon 97267
Thelma Haggenmiller, 3405 SE Westview Road, Milwaukie, Oregon 97267

ELECTION RESULTS: J. Michael Read

Manager Read updated the Board on the recent election results. Information regarding the election, terms of office, and the official votes was provided in the Board's meeting packets.

BOARD VACANCY: President Savas

President Savas stated that in May 2009 Director Woods was elected to his second term on the Oak Lodge Sanitary District Board of Directors. After the election, Director Woods applied and selected to fill a full-time regular position as an employee of the District. Due to his new position as an employee, Director Woods has chosen to not take the Oath of Office for a new term to eliminate any potential for conflict of interest. Due to his resignation, there is now a vacancy on the Board and the District is in the processing of advertising and recruiting interested individuals to fill this vacancy. To date the District has received two applications.

The Board recommended that staff continue to advertise the position vacancy and schedule a meeting later in August to begin the interviewing process of the applicants.

DISTRICT RECOGNITION OF DIRECTOR WOODS: President Savas & J. Michael Read
President Savas, members of the Board, and District staff thanked Director Woods for his service to the District as a Board member and welcomed him to his continuing service to the citizens of the District in his new role as an Oak Lodge Sanitary District employee. Director Woods was presented with a special plaque thanking him for his time and service to the District.

INTERGOVERNMENTAL AGREEMENTS: J. Michael Read
Manager Read stated that from time to time Oak Lodge Sanitary District enters into agreements with other public agencies when opportunities present themselves for collaboration and when these agreements offer opportunities to provide services at lower costs. Staff requests the Board approval for two intergovernmental agreements with Clackamas County: 1) Intergovernmental Agreement for Laboratory Services; and 2) Intergovernmental Agreement for Supervised Corrections Work Crews.

There was a brief discussion among the Board, Manager Read, and Field Operations Manager Jack Perry related to the supervised corrections work crews and the work they will be performing such as brush removal from ditches and around manholes.

M/S Wild/Seigneur Approve the Intergovernmental Agreement with Clackamas County Service District No. 1, a county service district for the provision of laboratory services. The question was called and motion passed unanimously with four (4) ayes.

M/S Wild/Seigneur Approve the Intergovernmental Agreement with Clackamas County for the cooperation of units of local government and State agencies under the authority of ORS190.110 which provides the basis for a cooperative working relationship for the purpose of providing supervised Corrections Work Crews to perform general labor at sites under the control of Oak Lodge Sanitary District. The question was called and motion passed unanimously with four (4) ayes.

SYSTEMS DEVELOPMENT CHARGE METHODOLOGY: Brett Arvidson
President Savas opened the public hearing for public testimony at 7:02 p.m. Jerry Foy complemented staff on their work on the methodology used in establishing the new systems development charge. In addition, Mr. Foy asked questions related to page three (3) of the draft report on SDC's for the District. Specifically, his questions centered on the initiation of Phase 1B which will raise the SDC's to an estimated \$7,201.00 from \$5,165.00

There was not other testimony.

President Savas closed the public hearing at 7:08 p.m.

The Board asked a few questions related to SDC's and the reaction from the Metro Homebuilders Association regarding the significant increase in costs for system development charges.

CM/GC REQUEST FOR
PROPOSALS: Brett
Arvidson

Mr. Brett Arvidson updated the Board on the wastewater treatment plant project request for proposals for CM/GC services. Mr. Arvidson stated that on April 17, 2009, the Board adopted findings allowing the use of a construction manager-general contractor method of construction for the renovation of the treatment plant. CM/GC is an alternative method of contracting compared to the traditional design-bid-build contracting method. Procurement of a CM/GC contract will utilize a request for proposal method that selects a contractor based on cost factors, qualifications and approach to the project. The request for proposals will utilize a selection committee process. The selection committee will recommended a finalist or finalists to the Board and then the Board can accept the recommendations, reject all proposals, or request further consideration. Staff recommends the Board authorize staff to advertise the Wastewater Treatment Plant Upgrade Project CM/GC Service Request for Proposal.

There was a brief discussion among the Board and Mr. Arvidson regarding the project schedule.

M/S Wild/Seigneur Authorize staff to advertise the Wastewater Treatment Plant Upgrade Project CM/GC Services Request for Proposals. The question was called and the motion passed unanimously with four (4) ayes.

PUBLIC PROCESS
UPDATE

Manager Read informed the Board on the recent developments of the Public Process Update.

President Savas asked Manager Read if he was available to attend the July 28, 2009, Jennings Lodge CPO meeting to address questions from the committee on the recent activities of the District. Manager Read stated that he is available to attend the meeting.

CONSENT AGENDA

M/S Wild/Seigneur...Approve the Consent Agenda. The question was called and the motion passed unanimously with 4 ayes.

MONTHLY REPORTS

Director Wild asked questions related to banking services, bio-solids handling and line extension expenses.

M/S Martin/Seigneur Approve the Monthly Reports. The question was called and the motion passed unanimously with 4 ayes.

CORRESPONDENCE
REVIEW

Manager Read read aloud a customer letter from Mr. John Smith, Jr. regarding his participation in the District's survey and thanking the District for the Fred Meyer gift card.

Mr. Arvidson, Manager of Planning and Engineering updated the Board on the District's participate in a test analysis for the detection of pharmaceuticals in the sewer system.

Mr. Arvidson addressed the Board with the latest developments of the stimulus funding and the distribution and intended use of those funds by the agencies who received funds.

There was a lengthy discussion among the Board, Mr. Arvidson, and Manager Read relative to the qualifications criteria used by the decisions makers to determine which agencies received funding. The Board felt that the District should follow up with the State Department of Environmental Quality regarding how they decided which agencies were eligible for funding. Manager Read stated that staff will follow up with the appropriate agencies to determine the criteria used in establishing the projects where stimulus funds were applied and why.

GENERAL MANAGER REPORTS

Manager Read updated the Board on the budget status for FY 2008-2009, revenue bond sale, certification and rates survey, and strategic plan update. Manager Read stated that the Leadership Team would be meeting in August for a leadership advance to go over in detail the draft Strategic Plan. Once the plan has been reviewed by the Leadership Team, the Board will receive a revised copy for review and approval.

As part of his report to the Board, General Manager Read reviewed the financing schedule for sewer revenue bonds with the Board and recommended the Board direct staff to work with our financial consultant and Bond Counsel to prepare the necessary materials for a GO Bond for the November 2009 election. Further, staff recommended the Board direct staff to identify public involvement activities necessary for an effective campaign to gain approval for the GO bond by the voters in November 2009.

There was no formal action by the Board; however, this will be a topic of discussion at the next Board of Directors Advance.

The Board, Manager Read, and Attorney Balfour discussed the process and certification of delinquent customer accounts.

DIRECTOR REPORTS

President Savas stated that the C4 Committee did not meet last month.

President Savas stated that the Jennings Lodge CPO meetings are experiencing a high attendance rate compared to past meetings. At the last meeting, the focused topic of discussion was the renovation of the treatment plant. Again, President Savas stated that if General Manager Read could attend the July 28th meeting that would be appreciated. In addition, President Savas will announce at the CPO meeting the current vacancy on the Board and encouraged those who are interested to fill out an application.

PROJECT STATUS REPORTS

Mr. Arvidson provided the Board with an update on projects related to the treatment plant renovation, status of the State Revolving Loan Application, and the Watershed Strategic Plan.

Director Martin asked about the selection process for the CM/GC. Mr. Arvidson stated that the details have not been worked out but that he would let the Board know about the process once it is decided.

PUBLIC COMMENT
PERIOD

Ms. Thelma Haggemiller commented on an email she received regarding the City of Albany and the cannibal process. She will forward the email to the Board of Directors for informational purposes.

OTHER BUSINESS

There was no other business.

DIRECTOR COMMENTS

Manager Read stated that a flyer was provided to the Board on the upcoming PNCWA conference.

BOARD REQUESTS

There were no Board Requests.

MONTHLY EXPENSES

M/S Wild/Seigneur Approve the monthly expenditures for May 2009 for \$384,521.73. The question was called and the motion passed unanimously.

AMEND THE MEETING
AGENDA/RECESS
REGULAR
MEETING/EXECUTIVE
SESSION

M/S Seigneur/Wild Amend the Regular meeting agenda to authorize an Executive Session to discuss Real Property Transactions under ORS192.660.2(e). The question was called and the motion passed unanimously.

M/S Seigneur/Wild Recess the Regular meeting. The question was called and the motion passed unanimously.

RECESS REGULAR
SESSION/RECONVENE
EXECUTIVE SESSION

President Savas recessed the Regular meeting at 8:27 p.m. and convened the Executive Session in accordance with ORS 192.660(2)(e) Real Property Transactions.

RECONVENE REGULAR
SESSION

President Savas reconvened the Regular meeting at 9:02 p.m.

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 9:07p.m.

Attest:

Paul W. Savas, President of the Board

J. Michael Read, Secretary