

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING
December 9, 2008**

- 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 6:31 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, Jim Martin and Doug Woods.
- STAFF PRESENT** Staff present were J. Michael Read, General Manager and Secretary of the District; Clark Balfour, Attorney for the District; Brett Arvidson, Manager of Planning and Engineering; and Faith Paddock, Administrative Services Manager.
- OTHERS PRESENT:**
Kim Rose, Oak Lodge Sanitary District Office Specialist
Leonard Waldemar, 5250 SE El Centro Way, Milwaukie, OR 97267
Jerry Foy, 15242 SE Fair Oaks Ave, Milwaukie, OR 97267
Lynn Fisher, 16133 SE River Rd, Milwaukie, OR 97267
- FY2007-2008 AUDIT:** Manager Read stated that the District is working to finalize the audit for 2007-2008, and that Mr. Rob Moody, CPA and Senior Partner, with Talbot, Korvola, and Warwick, the District's auditing firm will have a final audit report for the Board at their January 13, 2009, Regular meeting.
- In addition, the Comprehensive Annual Report (CAFR) is nearly complete. Once the Auditor has finalized their review and recommendations, the Board will receive a copy of the report.
- PUBLIC PROCESS
UPDATE: J. Michael
Read/Clark Work** Manager Read updated the Board on the public outreach process stating that the MPCAC Communications sub-committee is working with District staff and Barney and Worth to develop communications strategies for developing key messages; review documents; and assist with scheduling outreach activities. In addition, the sub-committee met on November 17, 2008, to discuss a customer survey. The committee has decided to proceed with a survey, the survey will be mailed with the December and January bills and be available on the website. The sub-committee has also selected a communication theme for the public outreach process: "Reinvesting for Healthy Rivers".
- On December 2, 2008, the MPCAC met to participate in discussions related to presentations made on project delivery mechanisms on financing alternatives for the District's treatment plant upgrade program. In addition to the discussions related to the financing alternatives, the production of a

video detailing the treatment plant expansion and upgrade program is underway. The video, once complete, will be approximately five (5) minutes long and will be available for presentations to groups on the District's outreach list, and the District's website.

ANNOUNCEMENT: J. Manager Read announced that a new agenda item, Economic Stimulus, will
Michael Read be discussion under Agenda Item No. 12, Other Business.

BUDGET COMMITTEE Manager Read reviewed with the Board the applications received from
APPOINTMENTS: J. District residents interested in volunteering for the Budget Committee. The
Michael Read District received three applications to fill two vacancies and one alternate
position on the committee. Applications were received from Ms. Leah
Robbins, Mr. Charlie Stephens, and Mr. Robert Fisher.

M/S Woods/Wild Appoint Lynn Fisher to Position No. 1, term expiring on December 31, 2011; appoint Charlie Stephens to Position No. 4 term expiring on December 31, 2010; and appoint Leah Robins to the Budget Committee Alternate position, term expiring December 31, 2011. The question was called and the motion passed unanimously.

Manager Read stated that staff is currently working on developing a Budget Schedule for 2009 and will present this information to the Board at their January 13, 2009, Regular meeting. Staff anticipates the first meeting of the Budget Committee to be at or near the end of January to discuss budget goals and orientation.

CONSENT AGENDA: Manager Read stated that staff amended the November 13, 2008, Regular
Approval meeting minutes since the mailing of the Board's packets. Director Martin contacted Manager Read and requested that page 3 of 8 of the Regular meeting minutes be changed to remove language related to the instability of the current economic situation; that language has been removed. A corrected copy of the Board minutes was included in the Board's meeting packet.

President Savas called for approval of the Consent Agenda.

M/S Wild/Seigneur Approve consent agenda. The question was called and the motion passed unanimously.

MONTHLY REPORTS: There was a brief discussion regarding the manhole rehabilitation on
Acceptance McLoughlin Boulevard.

INTERNAL REPORTS M/S Woods/Seigneur Approved the monthly reports. The question was called and the motion passes unanimously.

Director Martin asked if the District has observed any noticeable changes in the amount of delinquent bills each month. Manager Read stated that the District has noticed no statistical change in delinquent bills

**CORRESPONDENCE
REVIEW**

There was a brief discussion regarding a letter received from Oak Lodge Water District wherein the Water District stated that they are no longer interested in participating in the joint newsletter with Oak Lodge Sanitary District.

There was a brief discussion regarding correspondence received from Mr. J.F. Macdonald and Gayle Ryan relative to the Wastewater Treatment plant Upgrade Project. Director Martin stated that he would be happy to respond to the letter on behalf of the Board. The Board agreed with Director Martin's suggestion and agreed that he should draft a letter on behalf of the Board to Mr. Macdonald and Ms. Ryan.

**GENERAL MANAGER
REPORTS:**

Manager Read updated the Board on the FY2009 budget stating that revenue is slightly ahead of budget projections, with the General Fund expenditures slightly behind the anticipated projections for the same period. The Capital Fund as of October 31, 2009, is at 27.9%, with the SWM Capital Improvement Fund at 31.0%.

Manager Read stated that the employee's Strategic Planning committee is working to assist in the development of the District's vision, mission, and values, which will be presented to the Board for approval once a final draft is complete.

DIRECTOR REPORTS:

President Savas updated the Board on the recent developments with the C4 Committee stating that discussions at the last C4 meeting centered on Villages and Hamlets.

Director Woods stated that President Savas attended the Jennings Lodge CPO meeting in his absence. President Savas updated the Board on the recent activities of the committee.

Director Wild stated that Manager Read gave an update on the activities of the Master Plan Community Advisory Committee (MPCAC) under Agenda Item No. 4; therefore, Director Wild had nothing more to add to the discussion.

**PROJECT STATUS
REPORTS: Brett Arvidson**

Planning and Engineering Manager, Brett Arvidson gave a project status report related to the activities of the Treatment Plant Predesign Services. As part of his report, Mr. Arvidson stated that CH2M Hill has completed the Project Definition Report and supporting documentation; work has begun on the Schematic Design portion of the contracted services; and that land use permitting will begin soon.

Mr. Arvidson reported that the Stringfield Park project is complete, but that the District is waiting for the final billing.

PUBLIC COMMENT There was no public comment
PERIOD:

OTHER BUSINESS:
Director and Staff

Agenda Item No. 3 -
Economic Stimulus
Discussion

Manager Read stated that Oak Lodge Sanitary District has a \$50 million treatment plant expansion and upgrade project in predesign. The scope and cost of this project make it an excellent candidate project for funding through a stimulus package. Manager Read explained that the Federal stimulus might take several potential forms. There could be direct grants; low interest loans; or loan guarantees, which reduce the local cost for traditional revenue bonds. Further, Manager Read outlined recommendations for consideration by the Board in order to have a strategic plan in place to ensure the District is well positioned to receive stimulus if stimulus becomes available. The key elements to a strategic plan would include: 1) all appropriate applications are submitted in a timely manner; 2) at the national level inform leaders of congress of our project and our interest to be considered as recipients of stimulus; and 3) keep the design process on track. In addition, the following was recommended:

- The General Manager and Manager of Engineering and Planning develop a framework for communicating the technical and financial elements of the treatment plant expansion and upgrade project in a concise document.
- The District develop a Request for Proposals (RFP) for professional lobbying services for the purpose of developing strategies for communicating with our needs to members of Congress.
- Work with the District's public outreach consultant to create key messages and materials for presentation to members of Congress.
- Plan a trip to Washington in early 2009 to call upon the Oregon delegation and make whatever other visits are deemed appropriate.
- Provide testimony before Congress regarding the local need for stimulus funding, if such testimony can be arranged.

There was a lengthy discussion among the Board and Manager Read related to economic stimulus and the District's need to move forward with the projected schedule to renovate the treatment plant as if all funding is secure.

There was no formal action taken by the Board.

Chaney Property Purchase

Manager Read stated that in Executive Session of the Board there was discussion and consideration given to purchasing a piece of property adjacent to the treatment plant. The Chaney property located at 13717 SE Fairoaks Drive is being offered to the District and meets all of the criteria set forth in the Property Acquisition Policy. General Manager Read reported

that the Chaney family is prepared to sell the property to the District for \$350,000 so long as the transaction closed prior to December 31, 2008. There would be other considerations as well, including rent-free occupancy for a period after closing the transaction. Such time of occupancy would in no event occur past December 31, 2009. The Chaney family would also have the opportunity to remove appliances from the home and once the District had concluded use of the property for its construction purposes, the District would give the Chaney family an opportunity to remove other nonstructural items from the house prior to demolition. This would all need to be reflected in a sale agreement to be negotiated with the Chaney family. Considering the short time line between the date of this meeting and December 31, 2008, the General Manager would need authority to negotiate the Sale Agreement and close the sale.

After discussion, it was moved by Director Martin and seconded by Director Wild as follows:

M/S Martin/Wild Move to accept the offer from Dee Blaylock, who is acting as the Chaney family representative, to sell the property located at 13717 SE Fair Oaks Drive to the District for \$350,000.00. In addition, direct staff and District's counsel to move expeditiously to assure that the closing on the property occurs by December 31, 2008 and to include the considerations discussed in Executive Session. The question was called and the motion passed unanimously.

DIRECTOR COMMENTS:
Director

President Savas stated that he would like to see the District's newsletter run articles that enhance and emphasize the District's work in surface water management and involvement in projects such as the District's investment in Stringfield Park.

Manager Read stated that the first issue of the District's newly designed newsletter would be February 2009.

BOARD REQUESTS:
Director

Director Woods and President Savas stated that they would like to receive the information from the December 2, 2008, Master Plan Community Advisory Committee meeting.

There was a discussion among the Board, Manager Read, and Attorney Balfour about the MPCAC and appointing a liaison from the Board to officially participate in the committee meetings. Discussions centered on the number of Board members attending meetings; properly noticing meetings when more than two Board members attend meetings; the amount of Board involvement in meeting discussions; and issues related to questions about the Board deliberating toward decisions or just gathering information when two or more Directors show up for meetings of the MPCAC or SWMCAC.

At the end of the discussion regarding meetings and attendance, the Board by consensus agreed that the District would continue with their current

practice for Board attendance at citizen committee meetings and notice meetings as required under public meetings records laws.

MONTHLY EXPENSES

M/S Wild/Seigneur Approve the monthly expenditures for November 2008 in the amount of \$597,879.17. The question was called and the motion passed unanimously.

Adjourned 8:58 p.m.

Paul W. Savas, President of the Board

Attest:

J. Michael Read, Secretary