

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING
September 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 6:30 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 were J. Michael Read, General Manager and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; Faith Paddock, Administrative Services Manager; Jack Perry, Operations Manager; and Dave Benfield.
- OTHERS PRESENT** Henry Schmidt, 14201 SE Bunnell, Milwaukie, Oregon 97267
Leonard Waldemar, 5025 SE El Centro Way, Milwaukie, Oregon 97267
Jerry Foy, 15242 SE Fair Oaks Drive, Milwaukie, Oregon 97267
Lynn Fisher, 16133 SE River Road, Milwaukie, Oregon 97267
- RECOGNITION** Manager Read welcomed back Jack Perry, Operations Manager from his tour in Iraq and President Savas gave special recognition to Dave Benfield, Interim Operations Manager, for assisting the District during the time when Mr. Perry was deployed.
- PUBLIC PROCESS:**
Approval Manager Read updated the Board regarding recent events in the District. Specifically, the MPCAC picnic and key communications and strategies developed by Barney & Worth related to the public relations portion of the Master Plan. Manager Read stated that the District's new website is up and running and that staff has received a number of positive emails from the public about the website. Further, a special edition newsletter has been mailed to District ratepayers regarding the treatment plant renovation and topics relative to the master planning effort. The District is currently working with Barney & Worth and Oak Lodge Water District to design and format a new quarterly newsletter, redesign of the quarterly newsletter is expected to be complete sometime near the end of 2008. In addition, Mr. Read stated that he gave a presentation on September 2, 2008, to the Kiwanis club.
- Manager Read stated the Project Definition Report from CH2M Hill will be available for the Board's review in a couple of weeks and he wanted to know if the Board is interested in having a work session on September 30, 2008, from 4:30 – 6:30 p.m. to review the report. The work session would be held prior to the Master Plan Community Advisory Committee (MPCAC)

meeting scheduled for 6:30 p.m.

President Savas called for approval of the Consent Agenda.

CONSENT AGENDA:
Approval

Director Woods stated that on page 5 of the August 12, 2008, Regular Meeting minutes "RECESS REGULAR MEETING/RECONVENED EXECUTIVE SESSION" should be changed to read, "RECESS REGULAR MEETING/CONVENED EXECUTIVE SESSION".

M/S Wild/Seigneur Approve the August 12, 2008, Regular Meeting minutes with recommended changes; the August 12, 2008, Executive Session minutes; and the August 4, 2008, Special Meeting Minutes with the Board of County Commissioners. The question was called and the motion passed unanimously.

MONTHLY REPORTS

There was discussion between Director Woods, Manager Read, and Brett Arvidson, Manager of Planning and Engineering regarding the operations reports, the purchase of the Hydro-cleaner, and the manhole rehab project on McLoughlin Blvd. Further Director Woods asked questions related to checks issued to the Department of Environmental Quality for surcharge fees and investments in Fannie Mae.

M/S Woods/Seigneur Approve the monthly reports for the month of July. The question was called and the motion passed unanimously.

CORRESPONDENCE
REVIEW

President Savas stated that to date the District has not heard anything back from Clackamas County regarding the District's letter to the Board of County Commissioners related to planning for growth in the county.

There was discussion among the Board and Mr. Arvidson regarding the Portland Tribune – Faster city growth, news article and the anticipated economic growth and population statistics for Oak Grove. In addition, there was discussion regarding the capacity built into the design of the treatment plant and flexibility in the current design to expand if necessary.

GENERAL MANAGER
REPORTS: J. Michael Read

Manager Read reviewed with the Board the FY 2007-2008 and 2008-2009 Budget status reports related to revenue, the general fund, and that capital improvements funds for both sanitary sewer and surface water management.

Manager Read stated that the Board of Directors held a Strategic Advance on August 8th and 9th, where they began to develop foundational components of the strategic planning process. It is important for the District to develop a strategic planning process to serve as a road map to achieve continued successes with our business. In addition to the Board's retreat, the District's Management Team will be attending a Management Advance meeting on October 7th and 8th at the Alton L. Collins Retreat Center in Eagle Creek to further discuss the strategic planning process.

Manager Read reported that he had a meeting with the Director of the Clackamas County's Department of Transportation and Development to discuss the situation regarding the removal of trees on Arista Drive. The District was billed by Clackamas County for the removal of the trees in the amount of \$3,755.76, which was paid. At the Board's meeting in August 2008, the Board asked District staff to investigate these expenses. Staff did investigate the expenses and after meeting with Clackamas County the conclusions were as follows:

- 1) The District was responsible for damage to the cottonwood tree, which subsequently resulted in the removal of that tree but at no charge to the District.
- 2) It is unlikely that District staff had any responsibility for damage to the roots of the remaining trees on the property.
- 3) The exceptionally wet weather period most likely was a major contributor to the trees coming down.

There was a discussion among the Board and Manager Read regarding other options for reimbursement or credits back to Oak Lodge Sanitary District.

M/S Seigneur/Martin Approve the payment of \$1,877.88 to Clackamas County, which is half the expenses for the costs associated with the tree removal on Arista Drive. The question was called and the motion passed unanimously.

GENERAL MANAGER PERFORMANCE MEASUREMENT

Directors Wild and Martin updated the Board on the progress they are making in developing a draft procedure for reviewing the performance of the General Manager. There was discussion between the Board about the various types of performance appraisals and which type of appraisal process might work best for the District. Director Martin stated that he would like to find out what other District's are doing as far as performance measures. Director Wild asked that the other Board members review the information provided and email him their recommendations and suggested changes to the draft procedure. Director Wild will bring a finalized version of the procedure to the October 14, 2008, Regular meeting for further discussion and approval.

DIRECTOR REPORTS

President Savas stated that the C4 Committee did not meeting this month; however, the C4 retreat would be held on September 18 and 19. Both President Savas and Manager Read will be attending.

Director Woods stated that he attended the recent Jennings Lodge Community Planning Organization (CPO) meeting and that the focus of the meeting was how the committee might revitalize the meetings for improved attendance and active participation.

There was a lengthy discussion among the Board and Manager Read related

to the Master Plan Citizens Advisory Committee and how the District is currently using its mailing address. There have been suggestions by both the MPCAC and the MPCAC sub-committee regarding changing the District's mailing address to use the address as Oak Grove or Oak Lodge. Barney & Worth is currently investigating with the US Postal Service any implications that could arise from the District changing its mailing address. Many feel that the change in address would allow the District its own identity and there appears to be universal support from the sub-committee to change the mailing address. Discussions continued about the boundaries within the District and its history. It was recommended that the District contact Pat Kennedy with Clackamas County to find out additional information about the naming of Oak Grove.

President Savas did not feel comfortable making a decision about the address change until information is received from Barney & Worth regarding the possible address change implications.

M/S Wood/Seigneur Approve changing the physical mailing address of Oak Lodge Sanitary District from Milwaukie, Oregon to Oak Grove, Oregon with the understanding that staff will continue to investigate with Barney & Worth any mailing address change implications with the US Postal Service, and that staff will report back to the Board at the October 14, 2008, Regular meeting any implications with the USPS including costs associated with reprinting billing statements, letterhead, envelopes, etc. The question was called and the motion passed 4-0. Directors Wild, Woods, Seigneur, and Martin voted aye, President Savas abstained.

PROJECT STATUS
REPORTS

Mr. Brett Arvidson, Manager of Planning and Engineering, stated that the District is expecting a draft Project Definition Report within the next two weeks for the Treatment Plant Predesign. There is an MPCAC meeting scheduled for September 30, 2008, from 6:30 – 8:30 p.m. and the Board agreed earlier in the meeting to hold a Board work session that same day from 4:30 – 6:30 p.m. The Board will be contacted and copies of the Project Definition Report will be made available as soon as the documents are received from CH2M Hill.

Mr. Arvidson reported that the Bar Screen Replacement Project has a change order for \$4,537.63 for additional costs associated with conduit excavation and installing a drain to remove groundwater from a submerged electrical bank; relocating an existing control power transformer to facilitate operations; and installing an intrinsically safe relay circuit on an existing electrical level to be in electrical compliance.

Mr. Arvidson reported on the Stringfield Park project stating that the grading is going well and that the contractors should be pouring concrete for the bridge abutments soon, which has to be done first before the installation of the bridges.

Mr. Arvidson reported that the Digester Cleaning Project is going well.

PUBLIC COMMENT
PERIOD

There was no Public Comment.

OTHER BUSINESS

There was no Other Business.

DIRECTOR COMMENTS:

Director Martin commented on the length of the monthly Board meetings. Director Martin suggested that perhaps consideration should be given by the Board to keep their Regular meetings to a specific amount of time and attempt to end meetings at or near 9:00 p.m. When constructing the agenda for the meeting the length of time for discussion on specific agenda topics should be considered and the Board should work diligently to adhere to the timeframe allotted for those discussions. Members of the Board gave their opinions on the length of the meetings and suggestions were made on how the Board might construct the meeting where discussions and information share is done in such a way as not to limit dialogue on important subjects, but that the Board has a goal of keeping meetings to roughly two hours.

By consensus the Board agreed that one of their goals will be to conduct business at the Regular meetings within a two hour time frame and target 9:00 p.m. as the ending time for those meetings

BOARD REQUESTS

There were no Board Requests.

Manager Read updated the Board on his recent discussions with the City of Gladstone related to the portion of Gladstone that was annexed from the District some time ago, and where the District has been charging retail rates for wholesale service of treatment. An agreement is being drafted between the District and the City of Gladstone regarding the use of retail service, time, materials, and equipment.

MONTHLY EXPENSES

M/S Wild/Seigneur Approve the monthly expenditures for July in the amount of \$ 492,688.32 . The question was called and the motion passed unanimously.

Adjourned 8:15 p.m.

Paul W. Savas, President of the Board

Attest:


J. Michael Read, Secretary