

ADOPTION-
DELINQUENT ACCOUNT
CERTIFICATION: J.
Michael Read

other utilities, such as water that can be shut off for lack of payment, the only real recourse that the District has to collect delinquent charges is to certify them to the property taxes along with a \$25.00 processing fee. The billing and certification process is designed to allow ratepayers the opportunity to bring their accounts current before they are sent to the County Tax Assessor. Certification is a method for collecting delinquent charges from District customers who do not pay their bills.

There was a lengthy discussion among the Board, public, and Manager Read regarding the certification process and the impact of the current economic climate on ratepayers ability to pay their bills and the number of accounts being certified this year.

Mr. Lynn Fisher, Budget
Committee

Mr. Lynn Fisher, Budget Committee Member asked what happens if taxes are short paid. Does the District still recoup the certified amount? Manager Read answered Mr. Fisher stating, to the best of his knowledge the District receives payment proportionately as the taxes are collected.

Mr. Tom Foeller, 2949 SE
Walta Vista Court,
Milwaukie, OR 97267

Mr. Tom Foeller asked if the District refers struggling rate payers to social service agencies for assistance. Manager Read answered Mr. Foeller, stating that the District does offer a Low Income Rate Relief program, but that the District does not as regular practice refer people to outside social service agencies.

Director Wild asked how the District's certification list compares to other agencies. Manager Read answered Director Wild stating that the District does not have that information, but that he will follow up with the Board at their July 14, 2009, Regular Meeting with the requested information.

Director Woods read Resolution No. 09-09 by title only.

M/S Woods/Seigneur Approve the Certification of 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.

SYSTEM DEVELOPMENT
CHARGES: J. Michael Read
and Brett Arvidson

Manager Read gave a summary of the discussion from the Board's May 26, 2009 Work Session regarding System Development Charges (SDC's). Manager Read stated that the current systems development charge has been in effect since 1992. The District needs to update this charge to accommodate new growth. System development charges can only be used to build new capacity, not to replace existing units.

Mr. Arvidson, Manager of Planning and Engineering, stated that the District is proposing Phase 1A and Phase 1B. Mr. Arvidson explained the phases in detail.

After a lengthy discussion the Board requested that staff re-notice for a public hearing to be held at the July 14, 2009 Regular Meeting wherein staff will present a revised report detailing all of the new methodology for the new SDC charges. The new methodology includes the value of remaining capacity in the Outfall Diffuser and the Solids Processing Building. The Ordinance approving SDC's will be voted on by the Board at the September 15, 2009, Regular meeting in order to allow for the 90 day waiting period.

CH2MHILL CONTRACT:
Brett Arvidson

Mr. Arvidson, Manager of Planning and Engineering briefly outlined the Scope of Work that was included in the new CH2M Hill contract proposal for the treatment plant renovation project and introduced Mr. Dave Green, Consultant, CH2M Hill.

Mr. Green asked the Board if they had a chance to review the contract proposal and if they had specific questions they would like him to address.

President Savas expressed his concerns about the late delivery of the CH2M Hill Scope of Work and the fact that he did not have an opportunity to thoroughly read the information provided. President Savas asked Mr. Green to explain how receiving or not receiving stimulus funding would impact the proposed scope of work as well as the project budget.

There was an extensive discussion between Mr. Green, the Board, Mr. Arvidson, and Manager Read relating to the time frame of the different phases and the option to roll back the early out projects if stimulus funding is not acquired. Some Board members wanted to know the incentive and importance of approving the contract at this meeting. Mr. Green explained that being shovel ready is a part of being eligible for stimulus funding and that there is a lot of design work to be completed in order to be prepared to break ground and approval of the new contract is needed in order to proceed with the project.

There was additional discussion related to difference in cost and time with and without the early out projects and the breakdown of costs proposed by CH2M Hill.

Staff stated that they would like to be ready to start construction next spring and recommended the Board approve the contract so that the design process can stay on track with the proposed time frame.

President Savas expressed his concern again that he had not read the contract thoroughly enough to vote positively on this matter.

Director Wild stated that he saw no reason not to move forward with the vote so that the project could stay on schedule.

M/S Wild/Seigneur Approve the CH2M Hill Contract. The question was called and the motion passed with 4 ayes and 1 nay. Directors Wild, Woods,

Seigneur, and Martin voted aye, President Savas voted nay.

New City Options for
District Services: J. Michael
Read

Manager Read explained that Attorney Balfour was not available to attend the Board Meeting but that Attorney Balfour had informed him [Manager Read] about concerns regarding the possibility of the formation of a new city in Oak Grove. The major concern being that the creation of a City could extinguish the Special Districts. He then explained options such as the formation of a Water Authority or a Utility Board similar to the City of Canby or the City of Eugene as possible alternatives.

Thelma Haggenmiller, 3405
SE Westview Avenue,
Milwaukie, OR 97267

Ms. Thelma Haggenmiller updated the Board about recent discussions about the implications of a New City to Special Districts at the Oak Lodge Water District Board meetings.

There was a lengthy discussion among Manager Read, the Board, regarding this subject. Specifically, what the District's role should be in future discussions about the formation of a City in Oak Grove and whether or not Attorney Balfour should do some further research into alternatives other than those mentioned that will protect the interests of Oak Lodge Sanitary District.

Manager Read suggested that the Board appoint a Director to attend the meetings in the same way that they have participated in other community groups. Director Seigneur wanted to state for the record that the District's attendance in these meetings is to simply observe the process.

Director Woods suggested that staff find documentation of previous research on this topic. Manager Read agreed with Director Woods stating that he would look for additional information to provide to the Board.

By consensus the Board agreed that Attorney Balfour should further review the legal implications to the District should the formation of a city were to happen.

PUBLIC PROCESS
UPDATE: J. Michael Read

Manager Read updated the Board on the recent activities of the public outreach process including, among other things, meeting with students from New Urban High School, giving a presentation to North Clackamas Chamber of Commerce, River Rangers, the video the District created, and the Naturescaping Workshop the District hosted on June 6, 2009.

CONSENT AGENDA:
Approval

President Savas called for approval of the Consent Agenda.

Director Wild requested that on the second page of the May 12, 2009, Budget Meeting minutes that "*Sewer Development Charge*" be changed to "*System Development Charge*."

Director Wild requested that on page four of the May 12, 2009, Regular Meeting minutes that the statement referencing his comment about his email

reflect that he said, "home and business email addresses".

Director Wild requested that on the first page of the minutes of the May 26, 2009 System Development Charges Work Session, that the word "*mythology*" be changed to "*methodology*".

M/S Seigneur/Martin

Approve the Consent Agenda. The question was called and the motion passed unanimously.

MONTHLY REPORTS

There was some confusion among staff as to why there was no Surface Water Report provided in the Board's packet. Manager Read said he would resolve this matter and get a Surface Water Report to the Board as soon as possible.

Staff presented the Board with new models for the Monthly Reports. The Board accepted the change.

M/S Martin/Wild Approve monthly reports. The question was called and the motion passed unanimously.

CORRESPONDENCE REVIEW

The Board was provided a copy of correspondence from Clackamas County responding to the tree removal in the River Forest Creek Riparian Area, a letter to DEQ regarding Intended Use Plan Comments by the District, and a Letter from North Clackamas Chamber of Commerce regarding SDC's.

There was a discussion about the tree removal, specifically disagreements with Clackamas County over jurisdiction and responsibility of surface water problems within the District. Some Board members feel that the District should start billing Clackamas County for services to maintain watersheds.

GENERAL MANAGER REPORTS: J. Michael Read

Manager Read updated the Board on the status of the FY2008-2009 budget and the next step for FY2009-2010 budget.

DIRECTOR REPORTS

President Savas reported that there was no meeting of the Clackamas County Coordinating Committee.

Director Wild updated the Board on the MPAC meeting. There was discussion of funding and the possibility of stimulus funding. There was also a discussion of the future of the MPCAC. Other topics covered included Stringfield Park updates and the Watershed Council updates.

There were no other Director reports.

PROJECT STATUS REPORTS

Mr. Arvidson, Manager of Planning, and Engineering updated the Board on the status of projects for the District including the CM/GC process. He also noted that the State Revolving Loan Application check list is complete and

was turned in.

PUBLIC COMMENT
PERIOD

Mr. Lynn Fisher, Budget Committee, asked about downed trees near River Forest Lake. Staff explained that the trees are on private property and that the District has no control in the matter.

Mr. Fisher also wanted to know why the article in the Healthy Rivers newsletter regarding the sewage treatment process, "The Value of Sanitary Sewer Service," had no discussion of biosolids. Manager Read explained that due to space constraints with the newsletter, he had planned on drafting a separate article about the biosolids program in a later issue of Healthy Rivers.

OTHER BUSINESS

There was no other business.

DIRECTOR COMMENTS

Director Woods announced that the Board will need to appoint a new Jennings Lodge representative because he will no longer be serving on the Board.

Director Woods also noted that he wanted to make it clear he acknowledged that staff was looking for approval on the new Monthly Reports format and that the Board was happy with the new format.

President Savas acknowledged that Director Woods was stepping down from the Board and thanked him for his service and dedication to the District.

Director Martin asked about the June 3, 2009 letter to Kim Carlson of Oregon DEQ regarding the Intended Use Plan and the meeting Manager Read, President Savas, and Director Wild had with U.S. Representative, Kurt Schrader's staff members. Manager Read informed the Board that there had been no response as of yet to the letter, but that staff had met with Kurt Schrader's staff and they found the meeting to be beneficial.

BOARD REQUESTS

There were no requests from the Board.

MONTHLY EXPENSES

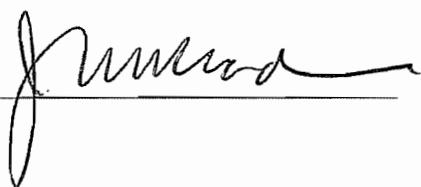
M/S Wild/Seigneur Approve the monthly expenditures for April 2009 for \$284,496.49. The question was called and the motion passed unanimously.

ADJORN MEETING

President Savas adjourned the Regular meeting of the Board of Directors at 8:53 p.m.



Paul W. Savas, President of the Board



J. Michael Read, Secretary