

**OAK LODGE SANITARY DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
January 12, 2010**

- 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, Oak Grove, Oregon.
- PERSONS PRESENT                Declaration of a Quorum: Directors present were Paul Savas, President; William Wild, Vice President; David Seigneur, Jim Martin and Tom Foeller.
- Staff present were J. Michael Read, General Manager and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; Jack Perry, Field Operations Manager; and Faith Paddock, Administrative Services Manager.
- OTHERS PRESENT                 Henry Schmidt, 14201 SE Bunnell Street, Milwaukie, Oregon 97267  
Lynn Fisher, Budget Committee  
Jerry Foy, 15242 SE Fair Oaks Dr. Milwaukie, Oregon 97267  
Dave Green, CH2M Hill Consultant
- ELECTION OF OFFICERS  
AND APPOINTMENTS  
FOR 2010                            President Savas called for nominations for President of the Board for 2010.
- President Savas nominated Vice-President William Wild for President of the Board for year 2010.
- No other nominations were made.
- President Wild accepted the nomination for President of the Board and personally thanked former President Paul Savas for his support, dedication, and service to Oak Lodge Sanitary District as Board President since 2005.
- Newly elected President William Wild called for nominations for Vice President of the Board for 2010.
- Director Savas nominated Director Jim Martin for Vice-President of the Board for 2010.
- No other nominations were made.
- President Wild called for a vote on the nominations of William Wild for President and Jim Martin for Vice President for 2010. The question was called and the motion passed unanimously.
- M/S Foeller/Martin Appoint Oak Lodge Sanitary District General Manager J. Michael Read to serve as District Secretary for the year 2010. The question was called and the motion passed unanimously.

M/S Foeller/Savas Appoint Oak Lodge Sanitary District General Manager J. Michael Read as Budget Officer for the fiscal year 2010-2011. The question was called and motion passed unanimously.

CONTRACT  
AMENDMENT WITH M.A.  
MORTENSON COMPANY:  
Brett Arvidson

Manager of Planning and Engineering, Brett Arvidson stated that the Board on December 8, 2009, approved the CM/GC contract with Mortenson Construction. As part of the preconstruction services, Mortenson is evaluating the overall project schedule and the advantages of early procurement of project elements. In reviewing the standby generator portion of this project, several units may be available at discounted prices in an estimated savings of \$25,000.00 to the District. The overall package estimate is approximately \$1 million; therefore, early procurement of the standby generator is recommended. Staff is asking the Board to authorize the General Manager to negotiate and sign a contract amendment with M.A. Mortenson Company for early purchase of a standby generator/switchgear to take advantage of cost savings.

There were questions from the Board regarding reimbursements available from Portland General Electric (PGE) on the generator purchase. In addition, the Board and staff discussed maintenance of the generator under the PGE reimbursement plan, service, and availability to PGE for future usage.

Director Savas asked if Mortensen Construction has established a Request for Proposal Process (RFP) on the purchase of a generator. Manager Read answered Director Savas stating that; yes, Mortensen Construction would have a formal RFP process for this purchase.

Director Savas asked if PGE has a recommendation as to the type of motors, etc. that would work best in a standby generator of this size. Brett Arvidson explained that the District is talking with three major manufacturers, which are Cummins, Caterpillar, and Kohler, and all three have relationships with PGE.

There was further discussion regarding noise control and if this has been taken into consideration as part of the evaluation process of the generator.

M/S Foeller/Seigneur Authorize the General Manager to negotiation and sign a contract amendment with M.S. Mortensen Company of early procurement of the standby generator/switchgear. The question was called and the motion passed unanimously.

DEQ CWSRF LOAN  
AGREEMENT: Brett  
Arvidson

Mr. Arvidson updated the Board on the recent activities of the Department of Environmental Quality State Revolving Loan (SRF) process. The District received notice of eligibility on October 23, 2009. In order to execute the

loan agreement, the Board must adopt a resolution accepting the document. Mr. Arvidson reviewed the highlights of this type of funding compared to other sources of funding. Staff recommended the Board adopt the Resolution 10-01 accepting and executing the loan agreement.

Director Savas asked if the letter that was supposed to be sent to DEQ last month regarding the District's interest in stimulus funding has been sent. Manager Read answered Director Savas stating that Mr. Arvidson has communicated directly with the appropriate parties at DEQ, and an email was sent in January. Staff anticipates drafting follow up correspondence to DEQ, which will be sent by the end of January and before the February deadline.

M/S Seigneur/Martin Adopt Resolution 10-01 executing the Department of Environmental Quality State Revolving Loan. The question was called and the motion passed unanimously.

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT: J. Michael Read

Manager Read stated that the Board received the Comprehensive Annual Financial Report (CAFR) in the Board packets for their review and comments.

There was a brief discussion about the audit report and on the one material weakness stated. In addition, there was discussion about the District's process this year for requesting proposals from other auditing firms to conduct the 2009-2010 fiscal year audit. Manager Read stated that the District would be participating in a formal RFP process and soliciting proposals from other auditing firms.

BUDGET COMMITTEE  
APPOINTMENTS: J.  
Michael Read

M/S Savas/Martin Appoint Leah Robbins to Budget Committee Position No. 2 expiring on December 31, 2012; reappoint Leonard Waldemar to Budget Committee Position No. 3 expiring on December 31, 2012; and appoint Rick Dyer to the Budget Committee Alternate position vacancy. The question was called and the motion passed unanimously.

FY 2010-2011 BUDGET  
PROCESS AND  
SCHEDULE: J. Michael  
Read

M/S Seigneur//Martin Approve the Fiscal Year 2010-2011 Budget Calendar. The question was called and the motion passed unanimously.

MUTUAL AID  
AGREEMENT: Jack Perry  
and J. Michael Read

Jack Perry, Manager of Field Operations provided an explanation to the Board of the Mutual Aid Agreement and the benefits to the District if the Board approves participation in the ORWARN program. The Oregon Water/Wastewater Agency Response Network (ORWARN) is a mutual aid and assistance program by which utilities collaborate and coordinate their resources to provide assistance during emergencies.

There was discussion regarding the list of agencies currently participating in the program and costs if any to the District should the Board approve the

request to participate in the program.

Attorney, Clark Balfour explained that the list provided in the Board's packets is not all encompassing of the agencies currently participating in the ORWARN program and that this program is a broader emergency response program to provide more Statewide resources in situations of natural disasters, etc. Mr. Balfour explained that there really is no downside to the District participating.

Some Board members expressed their concerns relative to the District's participation in such a program and what agreement(s) would take precedence in emergencies; the ORWARN or the current Intergovernmental Agreement the District has in place currently with many water and wastewater utilities. This could be very confusing to staff if it is not clear which agreement takes priority over the other. Another concern is that Clackamas County is not on the list.

The Board recommended deferring this item until the next Board meeting on February 9, 2010, to confirm that Clackamas County is a participating agency in ORWARN and to review current IGA's to determine obligations under those current agreements.

M/S Savas/Martin Defer this Agenda Item until the February 9, 2010, Regular Meeting of the Board. Staff is to provide to the Board a more up to date list of current participants in the ORWARN program and copies of other existing agreements the District has with other agencies. The question was called and the motion passed unanimously.

DISTRICT COLLECTION  
SYSTEM MAINTENANCE  
PLAN: Jack Perry/J.Michael  
Read

Jack Perry, Field Operations Manager, updated the Board on the recent activities of the District collections system field crews since July 1, 2009. Over the past year, field operations staff have made considerable progress with catching up with the collection system maintenance and inspection. Because a considerable backlog of work exists, the General Manager asked Mr. Perry to draft a maintenance plan which would outline the District's program to bring the collection system into compliance. The draft collection systems maintenance plan was included in the Board's packets for review and comment.

There was a lengthy discussion among the Board, Manager Perry, and Manager Read regarding an assessment of the system and how long it will take crews to do a complete analysis of the collections system. Questions were asked like; how long it will take to be in compliance with cMOM requirements; what are the incurred costs to the District to reach compliance; and what staffing levels and equipment are needed to meet the projected timeline.

A majority of Board members expressed their concerns regarding not having a good assessment of the current condition of the system. Some members

thought that by December 2009, a more comprehensive report would have been provided by Mr. Perry regarding the systems condition, repairs needed, potential costs for repairs, a timeline, and a projected needs assessment of staffing levels and equipment requirements to complete the work. In addition, some members were curious about the pretreatment program and the amount of resources needed to manage the program.

Some Board members asked that District staff provide monthly reports that are more detailed and show how many feet of sewer lines have been cleaned, how much still needs cleaned, and how many grease lines are managed and cleaned on a monthly basis. The reports need to show assessment and progress for each month representing the District's work to bring the collections system into compliance including when the deferred maintenance will be complete.

Members of the Board conveyed their thanks to field crews for the hard work thus far on the collections system.

TV TRUCK RFP AND  
RENTAL  
AUTHORIZATION: Jack  
Perry, Field Operations  
Manager

Manager Read stated that the District owns a 1983 closed circuit television (CCTV) truck, which was purchased to provide the capability to inspect the collection system to determine condition and to locate areas for repair or other service. The current TV truck is 27 years old. The District has an immediate need for a new CCTV truck and intends to provide funding in the FY 2010-2011 budget to procure one. Staff recommends the Board authorize staff to proceed with an RFP for procurement of a CCTV vehicle in FY2010-2011. Staff further recommends that the Board authorize the General Manager to enter into a month-to-month rental agreement with Cues for their demo vehicle at the rate of \$10,000 per month until the truck can be purchased July 1, 2010.

Manager Perry explained that staff's request for a new CCTV vehicle is so that an adequate assessment of the collections system can be done. The District's current equipment is not adequate for a good assessment or for mapping of the system.

There were questions from the Board related to the capability of mapping and if additional costs would be incurred for ARC View GIS mapping software. Manager Perry stated that the cost for this sophisticated software is approximately \$20,000.00 and is not included in the cost of the vehicle.

Some members of the Board did not support the idea of the District renting a CCTV vehicle on a monthly basis for \$10,000 per month and suggested staff begin the RFP process to purchase a vehicle. There were additional questions from the Board relative to contracting out services for TVing sewer lines and laterals, and other contracted services.

M/S Martin/ Authorize the District to proceed with an RFP/ for the procurement of a CCTV vehicle in FY 2010-2011 and that the General

Manager be authorized to enter into a rental agreement with Cues to rent their demo CCTV vehicle at the rate of \$10,000.00 per month until the District procures a CCTV through the RFP process. The motion failed to pass for lack of a second.

M/S Savas/Seigneur Authorize the District to proceed with an RFP for the procurement of a CCTV vehicle in FY 2009-2010 fiscal year. The question was called and the motion passed unanimously.

Director Savas expressed his concerns related to requests for the purchase of newer equipment for the maintenance of the collections system and he wanted to know if the Board could expect to see future requests for the purchase(s) of high-end equipment like the CCTV truck.

Manager Perry stated that the recently approved Vactor/Combination truck would last the District about five years before it will have to be replaced. Other assets such as company vehicles will have to be replaced when the expected period of time the depreciating asset is no longer productive is reached.

#### GENERAL MANAGER'S PERFORMANCE REVIEW PROCESS

President Wild moved the discussion about the General Manager's Performance Review Process to later in the meeting.

#### PUBLIC COMMENTS PERIOD

Jerry Foy expressed his opinion on the infrastructure of the collections systems report and stated that he feels the Board needs to have a better understanding of the system. He suggested the Board have a workshop with Brett Arvidson, Manager of Planning and Engineering so that Mr. Arvidson can provide training in this area.

President Wild called for approval of the Consent Agenda.

Director Savas stated that he would like the December 8, 2009, Regular Meeting minutes to be amended on page 4, in the third paragraph. The amended sentence will read: "President Savas stated that he agreed that Mrs. Haggemiller had worked hard for this, however, he stated that the entire MPCAC had also worked hard and that many citizens deserved thanks in this effort."

Director Martin stated that the "Parking Lot" items be removed if complete and carried over to the next meeting minutes if not complete.

M/S Martin/Seigneur Approve the Consent Agenda. The question was called and the motion passed unanimously.

There was a brief discussion about the monthly reports. Director Savas and President Wild asked that the monthly sewer and surface water reports have

more detail and provide the Board with more information about what has been done to repair, assess, and maintain the systems each month. Manager Read answered the Board stating that staff would provide a draft report at the February 9, 2010, Regular meeting to see if the proposed draft report will be sufficient going forward.

M/S Savas/Seigneur Approve the monthly reports. The question was called and motion approve reports.

CORRESPONDENCE  
REVIEW

There was no correspondence to review.

GENERAL MANAGER  
REPORTS

Manager Read updated the Board on the FY 2010 budget and expenditures. In addition, Mr. Read reminded the Board about the work session scheduled for January 28<sup>th</sup>, from 5:30 – 9:00 p.m.

DIRECTOR REPORTS

Director Savas updated the Board on the recent activities of the C4 Committee. In addition, Director Savas stated that because of the holiday there is no new report for Jennings Lodge CPO.

President Wild stated that the C4 Bylaws requires a Committee Representative be appointed each year by their respective Board, therefore, he recommended this Board reappoint Director Savas as the District's representative on the C4 Committee.

M/S Seigneur/Martin Request staff to draft a letter to the C4 Committee regarding the reappointment of Director Savas as the representative for Oak Lodge Sanitary District on the C4 Committee. The question was called and the motion passed unanimously.

President Wild expressed concern about conflicting language in the C4 Bylaws regarding alternates for special districts. Director Savas explained that in the past there has not been an alternate but agreed to ask for clarification on this matter at the next C4 meeting.

Director Martin stated there is no report for the Oak Lodge Community Council.

President Wild updated the Board on the District's Advisory Committee.

There was a brief discussion about Barney and Worth's participation in future MPCAC meetings.

PROJECT STATUS  
REPORTS

Brett Arvidson, Manager of Planning and Engineering updated the Board with a projects status report. Specifically Mr. Arvidson addressed the IFA meeting and loan application process for the treatment plant construction project; the January 28<sup>th</sup> work session; and the status of the State Revolving

Loan Application process.

OTHER  
BUSINESS/DIRECTOR  
COMMENTS

Director Savas asked when staff will be drafting a letter to DEQ regarding stimulus funding. Manager Read stated that the letter would be going out around the end of January, but before the February 17<sup>th</sup> deadline date. Director Savas asked that the Board be copied on the emails and draft letter.

Director Savas mentioned that given the size of the Board meeting agendas and the fact that sometimes the Board does not have enough time to fully discuss important agenda items, he feels the Board should consider having an additional meeting each month to spend more time discussing items of importance.

President Wild answered Director Savas stating that he would like an opportunity to work through some of these kinds of issues with the General Manager in the next few months. Specifically, how to limit the number of agenda items by consolidating discussion items where appropriate to provide more time where necessary to talk about significant matters. He would like to explore alternative ways to control the length of future agendas.

There was a brief discussion among the Board and Manager Read regarding the length of the Board meeting agendas.

President Wild and Attorney Balfour provided the Board with an update on House Bill 222-510.

President Wild mentioned that Manager Read and Director Foeller need to get their pictures taken to display in the lobby.

M/S Savas/Seigneur Appoint Director Foeller as the voting representative for Oak Lodge Sanitary District and President Wild as the alternate voting representative at the Special Districts Association of Oregon conference. The question was called and the motion passed unanimously.

President Wild suggested some conference sessions for Director Foeller to attend.

MONTHLY EXPENSES

M/S Wild/Seigneur Approve the District Expenses for the month of November 2009 in the amount of \$334,063.12. The question was called and the motion passed unanimously.

PARKING LOT

- Request for Proposals for a change in auditing firms for FY 2009-2010.
- Barney and Worth participation in the WRAC.
- Where is WRAC going?
- Advisory Committee Name (not DAC) – *complete*
- Water consumption at Oak Lodge Sanitary District Administration building – *complete*

- Board Action Form – *complete*
- Thank citizens who helped with education of public regarding the GO Bond Measure and assisted in its passage – not complete
- Strategic Plan List – not complete
- January 28, 2010, Board Workshop - *complete*

Adjourned 9:26 p.m.

*Paul W. Savas*

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Paul W. Savas, President of the Board

Attest:

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J. Michael Read, Secretary