



and Terry Gibson received 2 ayes.

President Wild called for a vote on the nomination of Terry Gibson for the position of Director to fill the existing vacancy through June 30, 2011.

M/S Foeller/Martin Appoint Mr. Terry Gibson to the position of Director to fill the existing vacancy through June 30, 2011. The question was called and the motion passed with 4 ayes; Director Savas recused himself.

FISCAL YEAR 2011-2012  
BUDGET : J. Michael Read

General Manager Read reviewed with the Board the current roster of Budget Committee members and terms.

Budget Committee  
Appointments

President Wild called for nominations.

M/S Van Loo/Martin Nominate Henry (Hank) Michalke as Budget Committee member to Position No. 4. The question was called and the motion passed with 4 ayes; Director Savas abstained.

Budget Calendar

M/S Foeller/Van Loo Retain Henry Schmidt as Budget Committee member to Position No. 5 and appoint Charlie Stephens as the Alternate Budget Committee member. The question was called and the motion passed with 4 ayes; Director Savas abstained.

Manager Read reviewed the 2011 Budget Calendar with the Board. He stated that a preliminary budget committee meeting addressing the budget philosophy would be scheduled within the next couple of weeks. A notice confirming the meeting will be sent to the Board and Budget Committee as soon as a date is selected.

M/S Martin/Foeller Approve the 2011 Budget Calendar. The question was called and the motion passed unanimously.

SURFACE WATER  
MANAGEMENT  
STRATEGIC PLAN: Clark  
Worth; Michael Read; Brett  
Arvidson

Clark Worth with Barney and Worth gave a presentation to the Board about the District's past activities of the SWMCAC (Surface Water management Citizen's Advisory Committee) and the strategic planning process. The presentation highlighted briefly the committee's recommendations for moving forward in a proactive process. Recommendations for moving forward included adopting an Intergovernmental Agreement with Clackamas County for sharing responsibilities; adopting a systems development charge for surface water management ; public education programs that raise awareness; and a Boardman Creek imitative.

Manager Read reviewed the study work and public input from the SWMCAC. The recommendations included:

- Dedicate staff to the SWM Program
- Clarify District legal authority
- Improve responsiveness to Customers

- Update development codes
- Develop a SWM public education program
- Meet new regulatory requirements
- Negotiate in IGA with Clackamas County
- Adopt a SWM Systems Development Charge (SDC)
- Implement the Boardman Creek Initiative

Manager Read stated that once the Board has accepted a plan, District staff would implement the provisions of the plan through operational, capital, and financial planning initiative.

Terry Gibson spoke on behalf of the SWMCAC about the draft Strategic Plan and stated there was general agreement from the committee to move forward with the plan. Specifically, agreement was with the work needed on the Boardman Creek initiative, the plan funding and facilities, code provisions, the MS4 permit, and public education. The funding options topic was the only area where there was mild disagreement amongst the committee members.

Tom Civiletti supported Mr. Gibson's statements. He commented that the committee was in favor of increased water quality requirements, improvements for Boardman Creek, and supported moderate rate increases over the next ten (10) years. The committee further discussed the fact that the current rate is not sufficient to cover the needed strategic plan programs; thus, the need for additional funds will be required. In addition to rate increases, the committee supports reviewing debt funding options to cover the more expensive projects like Boardman Creek. The District should focus on the least expensive projects first. The committee believes there is a lack of understanding by the public about the District's surface water management program. Further, Codes and Ordinances need to be kept up to date with current information on the website.

Director Van Loo asked if SWMCAC members discussed how much surface water management rates might need to increase. Mr. Civiletti stated that rates could possibly increase from the current \$6.00 to about \$11.00 over the next ten (10) years. He commented that committee members felt public awareness and education programs about expenditures and projects is one way to keep ratepayers knowledgeable about District activities.

Eric Shawn, Co-Chair North Clackamas Urban Watershed Council, stated the watershed council supports the general direction of the strategic plan. The council looks forward to the restoration of the watershed and the Executive Committee of the Watershed Council is very interested in hearing the District's responses to the questions raised in the written materials presented by Barney & Worth. The Council would appreciate an opportunity in the future to comment on the strategic plan.

Susan Shawn asked about comments made about the prioritizing of capital

projects and if there is a list of original projects and proposed future projects. She stated she has never seen a list. President Wild asked Mr. Arvidson if the list of capital improvement projects is listed on the District's website. Mr. Arvidson responded, no. President Will suggested that list be posted as soon as possible.

Manager Read explained how the projects in the strategic plan were originally prioritized based on the River Forest Creek initiative; however, this new plan list is prioritized by projects relative to the Boardman Creek initiative. Manager Read further stated that staff would provide written responses to any questions raised by the Watershed Council and that staff would put a list of projects on the website.

Tom Civiletti made a few recommendations about better community education. Getting the word out about the strategic plan and what the District does for residences regarding surface water management is important.

Bernard Masterson stated that there was a discussion at the last SWMCAC meeting about how to sell a rate increase to District customers and the importance of a good public relations program to garner support by ratepayers.

Director Savas mentioned that the Stringfield Park project could showcase how successful these types of projects can be. He also mentioned getting easements on private property being a challenge in this endeavor.

Director Foeller stated that he felt the forming of a sub-committee to launch a communications outreach plan could be very successful during this process. This was very beneficial with the sanitary sewer planning project.

Director Martin stated that outreach to community CPO's and committees will be important. We need feedback. The District needs to find out what the community's expectations will be for surface water management.

Director Van Loo recommended that builders and contractors affected by increased SDC's be brought into the discussions about the program.

President Wild asked the committee representatives if there was anything they could see that was overlooked in the draft plan. If so, the Board would like to be made aware of these issues before moving forward with approval of the strategic plan.

The response to President Wild's question was that the education process needs to be first and foremost with the components of public education receiving the highest priority. There are concerns the District is behind the curve when it comes to educating the public. Distinguishing between public education and getting support for rate increases will be very important to

achieving the plan goals.

There was a brief discussion about the customer survey done two years ago. This information derived from the survey was helpful in understanding what the ratepayers are looking for as far as information and understanding of District programs.

M/S Foeller/Van Loo Accept the Surface Water Management Strategic Plan with the provision that public education outreach be a top priority and clearly defined within the plan. The question was called and the motion passed unanimously.

TROLLEY TRAIL: Brett Arvidson

Mr. Arvidson reviewed with the Board the information contained in the Board's meeting materials and explained the need for an Intergovernmental Agreement with North Clackamas Park and Recreation District for the Trolley Trail Drainage improvements.

There were some questions from the Board relative to easements, the construction costs, and design.

M/S Martin/Van Loo Authorize the General Manager to sign a contract Intergovernmental Agreement with the North Clackamas Park and Recreation District for the Trolley Trail improvements. The question was called and the motion passed with 4 ayes; Director Savas recused himself from the vote due to a conflict of interest.

GENERAL MANAGER REPORTS: J. Michael Read

Manager Read updated the Board on the budget and various projects.

PLANNING AND ENGINEERING PROJECTS: Brett Arvidson

Mr. Arvidson updated the Board on the Planning and Engineering projects. A project status report was provided in the Board's meeting packets.

There was a brief discussion among the Board, Mr. Arvidson, and Mr. Green, CH2MHill regarding Phase 1B of the treatment plant renovation project.

CONSENT AGENDA

President Wild stated that on page 2 of 4 in the January 18, Regular Meeting minutes the language in paragraph five regarding C4 and MPAC representatives needs to be reviewed and amended. President Wild stated that there were no nominations for an alternate representative for either the C4 or MPAC committees. It was the Board's intent to appoint an alternate representative at a later date. Staff will review the tape and amend the minutes accordingly.

M/S Foeller/Martin Approve the Consent Agenda with the recommended changes to the January 18, Regular Meeting minutes as requested by President Wild. The question was called and the motion passed

unanimously.

CORRESPONDENCE  
REVIEW

The Board and legal counsel reviewed an email from Cathie Blosser regarding her recommendation that the District considering waiving fees for neighbors being inconvenienced by all the building noise during the treatment plant renovation project.

After a brief discussion and concerns expressed by the Board, the Board agreed to continue with the good neighbor plan as implemented and not pursue waiving fees for neighbors near the plan renovation project.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS/PARKING  
LOT

Manager Read reviewed with the Board the Action Items and Parking Lot List. Specifically, he and the Board discussed ways to address meeting with Oak Lodge Water District to evaluate benefits of establishing a closer relationship.

Director Van Loo inquired about the status of HB3700. Manager Read explained that the District is currently in an RFP process for banking services, and the provisions of HB3700 will be reviewed and addressed during the RFP process.

Director Martin asked that an item be added to the Parking Lot for developing a succession plan for critical positions within the organization.

DIRECTOR REPORTS

There was no report for the Jennings Lodge CPO meeting.

Director Wild reported on the C4 meeting discussions and changes to the meetings schedule. He also reported on the MPAC Caucus and asked that this be a regular item under Directors Reports.

Director Foeller stated that he received an invitation for February 24<sup>th</sup> on how Metro works with Counties and Cities. President Wild encouraged everyone to attend if they have the time.

Director Martin updated the Board on the Oak Lodge Community Council meeting discussions.

There was no report for the Clackamas County Chamber of Commerce.

OLD BUSINESS/NEW  
BUSINESS: Directors and  
Staff

President Wild asked staff to add two items to the March 8, 2011, Regular Meeting agenda: 1) Appointment of representatives to MPAC and C4 Committees; and 2) Discussion of Director assignments to Citizen Advisory Committees.

Director Savas updated the Board on future efforts of Clackamas County and the drainage issues on McLoughlin Blvd.

RECESS REGULAR  
MEETING/CONVENE  
EXECUTIVE SESSION

The regular meeting was recessed at 8:37 pm to Executive Session called pursuant to Pursuant to ORS 192.660(2)(i).

RECONVENE THE  
REGULAR MEETING:  
President Wild

President Wild recessed the Executive Session and reconvened the Regular meeting at 9:35 p.m.

GENERAL MANAGERS  
EMPLOYMENT  
CONTRACT

M/S Foeller/Van Loo to approve the Fourth Amendment to Agreement for J. Michael Read's employment agreement. The question was called and the motion passed unanimously.

ADJOURNED

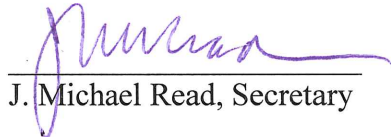
President Wild adjourned the Regular Meeting at 9:35 p.m.



---

William Wild, President of the Board

Attest:

  
\_\_\_\_\_  
J. Michael Read, Secretary