

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE REGULAR MEETING
February 10, 2009**

- 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 6:32 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; Brett Arvidson, Manager of Planning and Engineering; Jack Perry, Operations Manager; and Faith Paddock, Administrative Services Manager.
- OTHERS PRESENT Brad Smith, 13621 SE Fair Oak Drive, Oak Grove, OR 97267
Jeff Voreis, OLSD Accountant
Peter Stember, Portland Rehabilitation Center/Pacific Imaging
Kim Rose, OLSD Office Specialist
Katie Koellermeier, OLSD Office Specialist
Lynn Fisher, 16133 SE River Rd, Milwaukie, OR 97267
Leonard Waldemar, 5250 SE El Centro Way, Milwaukie, OR 97267
Libby Barg, Consultant, Barney and Worth
Clark Worth, Barney and Worth
Dave Green, Project Manager CH2M Hill
- RESOLUTIONS – BANK
ACCOUNT
INFORMATION Manager Read explained that this matter is being brought before the Board because of the recent audit of the District wherein it was determined that the segregation of duties within several business processes needed to be addressed. The District’s audit firm suggested and the Board agreed that the District needs to remove certain individuals from having the ability to sign on the District’s accounts.
- RESOLUTION NO. 09-02:
ADOPT M/S Wild/Seigneur Adopt Resolution 09-02 in the Matter of a Change in Authorized Signers of U.S. Bank National Association a Depository of Oak Lodge Sanitary District. The question was called and the motion passed unanimously.
- RESOLUTION NO. 09-03:
ADOPT M/S Wild/Seigneur Adopt Resolution 09-03 in the Matter of a Change in Authorized Signers of Wells Fargo Bank a Depository of Oak Lodge Sanitary District. The question was called and the motion passed unanimously.
- RECORDS
MANAGEMENT
PROJECT: Kim Rose, Katie Staff and Consultant, Peter Stember updated the Board on the activities of the Records Management Program. This project involved contracting with Pacific Imaging Solutions & Portland Habilitation Center to develop a records retention schedule following State and Federal guidelines and a

Koellermeier, Peter Stemmer storage solution for archiving documents. Staff worked with the contractor for the past year to develop a Records Management Program for OLSD. The Board was presented with staff's recommendations for processes and procedures for the project. In addition, staff reported on upcoming Solve It Days for the District and the training of employees on the new processes and procedures for past, current, and future records management for the District.

The Board asked questions related to accessing information online; file restrictions and protection of information and documents; and scanning documents in the future when space at OLSD facilities is limited.

Manager Read thanked staff and Mr. Stemmer for their management and participation in this project.

PUBLIC PROCESS
UPDATE: Manager Read

Manager Read updated the Board on the recent activities of the Public Outreach Process. The District's Consultant, Barney & Worth produced a video detailing the District's treatment plant expansion and upgrade program, with the theme of "Reinvesting for Healthy Rivers".

Libby Barg, Consultant for Barney and Worth explained that the video will be used as a presentation tool for community groups and the District's website so that the message regarding the treatment plant expansion project is consistent and informative.

The Board reviewed the five (5) minute video.

President Savas stated that overall the video was very well done, but that it would be a good idea to run the video by the sub-committees and possibly tweak a few minor parts of the video before distributing it to the public. Particularly, President Savas would like the video to address past investments made in the upgrades of the treatment plant, including a statement about the portions of the existing structures that will be reused in the project. President Savas expressed his concerns about the public's impression that all investments made to the treatment plant thus far will be lost with the expansion project and could be viewed as stranded investments. He feels it is important to add a few statements to the video addressing these concerns.

Concerns expressed from other members of the Board were the delay in distribution of the video if it had to be re-recorded; the costs involved in re-recording the video; and where in the video this new information could be incorporated. Some members of the Board felt that the video was viewed by a number of people and well received; therefore, the District should move forward with distribution of the video in its current format. There was a suggestion made that perhaps a project summary script detailing the points made by President Savas accompany the video and handed out when it is shown. The script could be available on the District's website as well. This information might also address the issue of how the District was able to

reduce the overall cost of the project from \$80 million to \$50 million. The consensus of the Board after further discussion is was that the video is ready for distribution and can be put on the District's website.

Manager Read reported that the District's newsletter was mailed with the billing statements this month and that the Master Plan Community Advisory Committee will meet on March 19, 2009. The meeting on the 19th will focus on the design of the treatment plant upgrades and the financing of the project.

Clark Worth, Barney & Worth, updated the Board on the results of the Customer Survey mailed out to District ratepayers in December and January, which asked customers questions related to customer services, storm water management, capital programs, community education and involvement, and financial advice. The results of the customer survey will be available on the District's website and will be covered in an upcoming edition of the newsletter. In addition, Mr. Worth reviewed with the Board the results of the Stakeholder Interviews.

There was a brief discussion regarding the District's Surface Water Management Program and community education opportunities.

STRATEGIC PLAN:
Manager Read

Manager Read reviewed with the Board the key elements of the District's strategic plan stating that the Board will have an opportunity at their Board Advance in March to review and discuss the finalized draft of the proposed plan. When the strategic plan is approved and completed, the document will become the "road map" for achieving the District's Vision. It will serve as the foundation for the annual Budget: the Public Outreach Activities: staff structure and professional development; and the relationship with our customers and other interests groups.

CONSENT AGENDA

President Savas called for approval of the Consent Agenda.

Director Wild requested the minutes of the Special Meeting on January 29, 2009, be removed for discussion.

M/S Wild/Woods Approve the Consent Agenda. The question was called and the motion passed unanimously. Director Seigneur was not in the room when the Board voted on the approval of the Consent Agenda.

Director Wild stated that on page 5 of 7 of the meeting minutes of January 29, 2009, the last sentence of bullet 3 on that page is incomplete.

Mr. Lynn Fisher stated that he was listed as having attending the January 13, 2009, Regular meeting of the Board and he did not attend that meeting.

Staff will make the necessary corrections to the January 29, 2009, and January 13, 2009, meeting minutes.

M/S Wild/Seigneur Approve the January 13, 2009, Executive Session minutes. The question was called and the motion passed unanimously.

MONTHLY REPORTS

President Savas called for approval of the Monthly Reports.

Director Woods asked questions related to the check history report. Specifically, he wanted to know about a check issued to Diana Gaffield for sewer backup. The Board asked questions relative to the frequency of sewer back up events and what factors determine the District's responsibility in those events.

M/S Woods/Seigneur Approve the Monthly Reports. The question was called and the motion passed unanimously.

CORRESPONDENCE REVIEW

The Board received a copy in their meeting packets of the letter from the Clackamas County Clerk regarding upcoming elections, and a copy of the letter from the OLSD Board to Clackamas County Board of County Commissioners regarding the Trolley Trail Right-of-Way.

There was no discussion regarding correspondence.

GENERAL MANAGER REPORTS:

Manager Read updated the Board on the revenue and expenses for the District. In addition, the Board received the Budget Calendar for this year and information relative to the Project Delivery Alternative Selection process.

There was a lengthy discussion among the Board, Manager Read, and Dave Green, Project Manager CH2M Hill related to stimulus funding, SRF (State Revolving Fund), and the Department of Environmental Quality.

Manager Read stated that at the Board's January 13, 2009, Regular meeting the Board failed to formally adopt the FY 2007-2008 Audit Report and CAFR (Comprehensive Annual Financial Report). Therefore, staff is requesting that the Board make a formal motion approving the audit report and CAFR for the record.

M/S Wild/Seigneur Accept the FY 2007-2008 Audit Report and the Comprehensive Annual Financial Report for fiscal years ended June 30, 2008 and June 2007 and direct staff to evaluate methods and implement recommendations made in the audit. The question was called and the motion passed unanimously.

DIRECTOR REPORTS

President Savas updated the members of the Board on the recent developments with the Clackamas County Coordinating Committee (C-4) and the Jennings Lodge Community Planning Organization.

Director Wild stated that there was no meeting of the Master Plan Community Advisory Committee (MPCAC); therefore, there is no report.

PROJECT STATUS
REPORTS: Brett Arvidson

Mr. Arvidson, Manager of Planning and Engineering, stated that the land use application for the expansion of the treatment plant has been submitted and hearing on the application is scheduled for April 19, 2009. There will be a neighborhood meeting scheduled within the next three weeks to give the plant neighbors and interested parties an opportunity to review the application and understand how the process will work. Staff along with CH2M Hill is working on the Environmental Assessment to meet the SRF loan criteria.

PUBLIC COMMENT
PERIOD

There was no Public Comment.

OTHER BUSINESS

There was no Other Business.

DIRECTOR COMMENTS:

Director Wild asked if staff is aware of a paving project on McLoughlin Boulevard this summer and if so how will that paving project affect District manholes. Staff is not aware of any paving projects scheduled and stated that if ODOT was planning to pave this summer they would have to provide notification in advance to the District before constructing around District owned manholes.

President Savas stated that there is lag time in the dissemination of information to the Board compared to information that is shared with the MPCAC and sub-committees. President Savas asked that staff poll the Board to find a day and time that would work best for a special meeting so that the Board can be caught up on recent developments with the treatment plant expansion project. Manager Read stated that he would poll the Board this week.

Director Woods stated that the Annual SDAO (Special District's Association of Oregon) Conference was well attended and informative.

There was a brief discussion among the Board and Mr. Arvidson related to the Department of Environmental Quality and the fact that the Master Plan, which was submitted to DEQ a long time ago has not been reviewed or approved.

Manager Read stated that staff will work with its IT Consultant to have email accounts set up for the Board, wherein the Board will be able to access through the District's server an email account specific to them.

BOARD REQUESTS

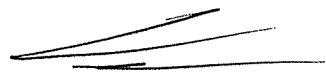
There were no Board Requests.

MONTHLY EXPENSES

M/S Wild/Seigneur Approve the monthly expenditures for January 2009

for \$952,645.35. The question was called and the motion passed
unanimously.

Adjourned 9:05 p.m.



Paul W. Savas, President of the Board

Attest:

J. Michael Read, Secretary