

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

November 8, 2011

CALL TO ORDER

President William Wild called the Regular Meeting of the Board of Directors of Oak Lodge Sanitary District in Clackamas County, Oregon to order at 6:02 p.m. in the District office, 14611 SE River Road, Oak Grove, Oregon.

PERSONS PRESENT

Declaration of a Quorum: Directors present were; William Wild, President; Ginny Van Loo, Terry Gibson, Tom Foeller and Attorney, Clark Balfour, District Counsel (Vice President Martin was absent).

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; Mark Walter, Operations Manager; Randy Leniger, Biosolids Technician; Larry Strong, SSS/SWM Line Maintenance Technician; Marty Guenther Pollution Prevention Specialist; Dan Runckel, Operator; and Kyle Mellinger, Operator.

Others Present: Lynn Fisher and Leonard Waldemar.

**PLEGE OF
ALLEGIANCE:**

President Wild led the pledge of allegiance.

**CALL FOR PUBLIC
TESTIMONY:**

President Wild called for Public Testimony about agenda items. There was none.

**RESERVES POLICY
REVIEW: J. Michael
Read**

Mr. Read stated that the District has adopted a Reserves Policy, which was provided in the Board's packet. That policy requires the District to achieve reserves according to the table established at the time of the policy. Mr. Read explained that because the District is in the midst of constructing the Water Reclamation Facility improvements project, the District has assumed 48.4 million in debt, which requires significant rate funding to pay debt service. Given the District does not have certain information available at this time such as next fiscal year budget numbers for personnel costs, materials, maintenance repairs, legal services, etc. this complicates determining the rate increase needed for sewer services next year. There is a good chance the rate increase next year will be higher than anticipated in the rate model.

There were questions from the Board regarding the treatment plant project costs and the reduction in overall water consumption the past couple of years by ratepayers, thus decreasing revenue for the District.

GENERAL
MANAGERS ANNUAL
PERFORMANCE
REVIEW: Director
Foeller

Director Foeller reviewed for the Board last year's process for conducting the General Manager's annual performance review. Director Foeller presented a draft plan schedule for conducting the review this year, which outlined the history and asked specific questions of the Board related to their desire to move forward using the same format. He also asked for their input on changes to the questionnaires or the proposed schedule. Currently, the schedule would be to have the surveys out to external parties and internally to the leadership team by mid - December. The Board should send their nominations of the individuals they want to include in the evaluation process to Director Foeller by November 18th. Director Foeller will send a reminder email out this week to the Board requesting their recommendations.

There was a brief discussion about the employee's annual survey and whether or not the information from the survey should be used in evaluating the General Manager's performance. President Wild stated that it was never the Board's intent to use the employee survey for this purpose; however, the Board does review the employee survey each year.

Director VanLoo stated that she is excited to see the comparisons with last year's results and comments to this year's survey. She is confident in the improvements made over the past year.

GENERAL MANAGER
REPORTS: J. Michael
Read

General Manager Read reported on the budget status stating the revenue for the District is down most likely due to the number of property vacancies and lower water consumption usage in the area. In addition, to the budget status report Manager Read updated the Board on the progress with the SWM ordinance plan and outreach programs. The General Manager reviewed and gave a status report on his goals and expectations:

- Clackamas River Basin Council CRBC meeting on October 30th
- Endorsement and participation in the Watershed Event
- FY2012-2013 anticipated rate increase
- Neighbors meetings on September 15th and October 24th
- Upcoming Oregon Legislature session in January and forward looking tools to help the Board understand future financial challenges and impacts such as healthcare and retirement costs.

Director Gibson asked when the watershed signs designed by Hank Schmidt would be done. Manager Read stated that the signs are in production.

PLANNING AND
ENGINEERING
REPORTS: Brett
Arvidson

Mr. Arvidson reported to the Board on construction improvements of the Water Reclamation Facility.

- The Phase 1A of the WRF (Water Reclamation Facility) building permits is finalized.
- Conducted a neighborhood meeting on October 24, 2011 to review rock removal activities
- A neighborhood meeting to Discuss Phase 1B was conducted on September 15, 2011.
- No news on the MS4 Permit

Mr. Arvidson updated the Board on the Walta Vista Project. The District applied for this project to be added to the Portland Harbor Mitigation Project list. If successful, there could be mitigation credits applied to the Walta Vista project. The District has scheduled a neighborhood meeting on November 15, 2011 to inform the neighborhood of the initial project schedule and scope.

Director Foeller stated that he had received his letter regarding the meeting.

OPERATIONS
REPORTS: Mark
Walter

Mr. Walter reported on the status of the following:

- Cross training and process training with teams in new treatment plant software
- Safety-focus training for Lock Out Tag Out and Confined Space Entry. He stated that there are significant changes to confined space entry regulations, which may require more employees whenever there is entry to a confined space.
- Identifying assets in the GIS mapping system
- Lab results and data will be moved from Clackamas County and contracted to a new laboratory
- Operations staff working with CH2M Hill consultant related to the programing the remote pump stations. SCADA system issues are being identified by CH2M Hill
- Accepted an offer from the City of Lebanon for the bar screens \$30,000.00

Director Foeller asked questions related to the sanitary sewer report.

President Wild asked about the number of meetings, trainings, and workshops that OPS staff is attending. He wondered with all the training if crews are getting much time in the field. Manager Walter explained that when he was hired, Operations was behind in many areas. The Board is seeing the results of that with all the training that is taking place right now and the OPS group has been much focused the past 3-4 on the

treatment plant start-up. He realizes that balance is needed and things should be back on track very shortly.

ADMINISTRATION
REPORTS: Faith
Paddock

Ms. Paddock reported to the Board regarding the following:

- Low Income Rate Relief: there have been no recent changes.
- Staff met with CWET to evaluate the success of the teachers' workshop.
- Staff has two classroom presentations scheduled with Candy Lane Elementary School this month
- Staff has a meeting scheduled on November 19 to continue the discussion and process refinement for permitting.
- Staff is working with ATS Assured Technology Solutions to bring the District into compliance with the new PCI Compliance requirements.
- Staff delivered to Rex Putnam the boots, ponchos and camera for their project.

Director Foeller stated that he was appreciative of the information on the SSS Report related to staff costs in processing permits.

President Wild commented that the stringency of the PCI Compliance Standards and the costs associated with providing convenience bill pay might need to be reviewed periodically to analyze costs versus the number of customers utilizing the services. Ms. Paddock stated that the District does track this information and she would include it in the Administration Staff Report each month for the Board's review.

CONSENT AGENDA:
President Wild

President Wild stated that there were no minutes in the Board packets. Ms. Paddock apologized and stated that staff would make sure those minutes are included in the December Regular meeting packet.

There were a few questions from the Board regarding the monthly expenses and clarification was provided by staff.

President Wild called for approved of the monthly expenses.

M/S Foeller/VanLoo Approve the monthly expenses for September 2011. The question was called and the motion passed unanimously.

PUBLIC COMMENT

Mr. Lynn Fisher commented based on his observation that little appears to be happening in the collaboration department about finding synergies between the water and sewer Districts. He wanted to know if any thought has been given to finding a third party consultant to facilitate discussions between the two parties. He also asked if in the new sewer ordinance updates provisions are specified for the "snowbirds" who leave the area in the winter; thus, affecting their water usage consumption for the period

November through April. He stated that sewer bills calculated for the new year on water usage in those months makes sewer bills for "snowbirds" practically free.

President Wild stated that if there are going to be new provisions then the sewer ordinance would have to be changed. This will be reviewed for the upcoming ordinance changes.

Mr. Waldemar stated that the water district padlocks the meters if people notify them that they are leaving town for 6 months or longer.

Manager Read stated that the District is looking at a rate program specific to this issue that will be based on accounts with minimal water usage.

Attorney Clark Balfour asked Mr. Waldemar for clarification about the water district padlocking meters.

CORRESPONDENCE
REVIEW: J. Michael
Read

There was no correspondence to review.

ACTION
ITEMS/PARKING LOT

The Board will hold their Annual Board Advance on December 9, 10, and 11.

DIRECTOR REPORTS

President Wild

President Wild provided his monthly report to the Board relative to meetings he attended. Many of the meetings discussion with MPAC and C4 are related to transportation

Director Martin

There was no report

Director Gibson

District Gibson updated the Board on the Jennings Lodge CPO meeting where discussion centered on business on McLoughlin Blvd. A presentation by Tom Saltzman regarding water programs was well received by attendees. Director Gibson spoke about the District's future participation in the watershed event and collaborating in local community events.

Director Van Loo

Director Van Loo stated that she has received notification from the North Clackamas Chamber of Commerce of her appointment to the Public Policy Team. President Wild and other members extended their congratulations to Director Van Loo. She updated the Board on the meeting discussions with the NCCC.

Director Van Loo stated that the Elks Lodge would vote again at the end of the month on whether to sell their property to Clackamas County.

Director Foeller

Director Foeller updated the Board on the Oak Grove Community Council meeting discussion.

OLD BUSINESS

Director Foeller asked if the Board wanted to discuss the Employee Financial Reward Policy. Ms. Paddock stated that the Board received a copy of the policy at their October meeting. President Wild stated, "no" that the policy does not fall under the Board's purview.

NEW BUSINESS

There was no new business.

7:55 p.m. Recessed regular meeting to Executive Session

8:47p.m. Regular Session reconvened.

M/S Foeller/Gibson: I move to authorize the General Manager and District Counsel to obtain a full release of all claims from the Shawns in exchange for District payment of \$3,240 representing six month's rent for premises to conduct business and for personal respite. The question was called and the motion passed with a 3 to 1 vote. Director Van Loo voted Nay on the motion.

The Regular Meeting was adjourned at 8:59 pm



President William Wild

Attest:



J. Michael Read, Secretary