

**OAK LODGE SANITARY DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
Systems Development Charges Work Session
May 26, 2009**

CALL TO ORDER President Paul Savas called the Special Meeting of the Board of Directors of Oak Lodge Sanitary District in Clackamas County, Oregon to order at 5:00 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 were J. Michael Read, General Manager and Secretary of the District; Brett Arvidson, Manager of Planning and Engineering; and Faith Paddock, Administrative Services Manager.

OTHERS PRESENT Randy Goff, Economist, HDR Engineering
Leonard Waldemar, 5250 SE El Centro Way, Milwaukie, Oregon 97267

SYSTEMS DEVELOPMENT CHARGES: Brett Arvidson, Randy Goff, HDR Engineering Mr. Arvidson provided the Board with background on the District's current Systems Development Charge, which has been in effect since 1992. Oak Lodge Sanitary District intends to modify the District's SDC's from \$1,667.00 to \$5,023.00. The Board was provided a draft report on the proposed SDC's modification and resulting rates Phases 1A and 1B.

Mr. Arvidson then introduced Randy Goff, Economist, for HDR Engineering. Mr. Goff reviewed with the Board the District's methodology used to determine the new System Development Charges and offered his opinion on the proposed approach and stated that this approach is most appropriate for Oak Lodge Sanitary District.

There was a lengthy discussion among the Board, Mr. Goff and Manager Read regarding inflationary indexing, finance charges, interest costs and cost recovery, EDU's and anticipated capacity. Some Board members expressed concerns whether the calculations used in determining the new SDC's would be reasonable to cover actual costs in 10-20 years. Manager Read explained that the methodology recovers real costs to the District over the 20-year period because it includes actual costs plus interest over the period.

Director Martin and President Savas asked for some additional information on the calculations used in the methodology and inflation indexing. Manager Read stated that staff would provide the requested information as soon as feasibly possible.

The Board will continue discussions on Systems Development Charges at their June 12, 2009, Regular meeting.


PUBLIC COMMENT
PERIOD

There was no public comment.

President Savas thanked Mr. Goff for his participation in the discussion.

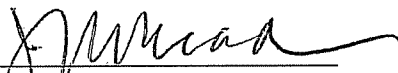
ADJOURN

President Savas adjourned the work session at 5:54 p.m.



Paul W. Savas, President of the Board

Attest:



J. Michael Read, Secretary