

**Oak Lodge Sanitary District
MASTER PLAN COMMUNITY ADVISORY COMMITTEE
Wastewater Treatment Plant Pre-Design Project
Public Outreach Project
Summary of October 28, 2008 Meeting**

The October 28, 2008, meeting of the Oak Lodge Sanitary District Master Plan Community Advisory Committee (MPCAC) convened at 6:05 pm in the Conference Room of the District Administration Building at 14611 SE River Rd, Milwaukie, Oregon.

Committee members attending this meeting were Matt Anderson, Myron Martwick, Leonard Waldemar, Margaret Pritchard, Tom Foeller, Jerry Foy, G, Leah Robbins, Brad Smith, and Charlie Stephens; and William Wild attending as representative from the District Board of Directors.

Members absent were Greg Leedy, Henry Schmidt, Bob Murch, and Leah Robbins. District staff members attending were J. Michael Read, General Manager of the District; and Brett Arvidson, Manager of Planning and Engineering.

Consultants attending were Clark Worth of Barney & Worth, Inc.; Ben Schonberger of Winterbrook Planning; and Michelle Burkhart of CH2M Hill.

Members of the Oak Lodge Sanitary District Board of Directors attending the meeting were Paul Savas, President of the Board; Jim Martin, and Doug Woods, members of the Board of Directors; and William Wild, Board representative to the MPCAC.

Members of the public attending were Eric and Susan Shawn, neighbors of the wastewater treatment plant.

1. Welcome

General Manager of Oak Lodge Sanitary District, J. Michael Read, welcomed the attendees to the meeting. He explained that the Committee would be scheduling future meetings as needed in relation to the steps of the treatment plant rehabilitation project. Later on in the meeting staff will discuss the major steps of the project and the probably timing of future meetings. Michael explained that the November meeting of the Board of Directors will be held on Wednesday, November 12, because of a conflict with the Veterans Day holiday. Michael introduced Board of Directors representative to the Committee, William Wild, to speak to the Committee regarding the special meeting of the Board of Directors held on the previous evening.

2. Board Activities

William Wild described the special Board meeting as completely focused on the Public Outreach project. The Public Outreach program was reviewed item by item, noting those places where there has been a lack of significant progress. A

timeline was then developed to bring the Board closer to a selection of a Financial Advisor to be in place in February 2009. Michael Read has been tasked with the responsibility of collaborating with Barney and Worth to the Public Outreach Plan to reflect the Board's concerns from the previous night, and carry the plan out through 2009. He will also negotiate and collaborate with Oak Lodge Water District on the newsletter to try to come up with a new design and look. The Public Outreach Plan will be updated to reflect the concerns of the Board.

William discussed the concept of a dividend to ratepayers. William stated that if the residents of the District were considered to be shareholders in the District, and then consider the money that was not spent in the annual budget, subtracting the funds that were forwarded to the Capital Improvement Plan, took the amount of money that was left over and divided that amount by the number of ratepayers, then that amount would be their "dividend". William stated that Michael will be crunching some numbers to see what that figure might be. MPCAC members asked if that figure would be returned to the ratepayers. Michael stated that the budget states, for example, that \$500,000 would be forwarded at the end of the fiscal year to the Capital Improvements Fund, and the balance of the budget would be expended for operations. Michael explained that the point of this discussion by the Board was to find ways to emphasize that the District is owned by the residents, not by the Board or by staff. The Board wants to emphasize to the residents that they have a share in the District.

Thelma Haggemiller expressed her opinion that this line of thought should not be made public, but should remain within the Board and the Committee. She feels that it will be misunderstood. Thelma requested that the Public Outreach Plan return to the promises made to the public by those who opposed the Clearwater Project and explain the promises that have been proved to be true and work to fulfill others. William reported that the Board had discussed the fact that after the Clearwater Project was turned down by the voters there was a long lag time without significant communication with the broader public, and that now that the plant rehabilitation project is going forward how the current progress and plans should be communicated. The Board wants to reassure the 80% of the public that voted against the proposal that they were heard.

Gerry Foy requested that no reference be made to the Clearwater Project election due to the amount of misinformation disseminated by public groups not affiliated with Oak Lodge Sanitary District. He wants to stress that the District is moving forward with a positive attitude, and that rates will remain low in relation to the rest of the area.

Jerry Foy and Thelma Haggemiller disagree on this point. Thelma wants to stress that Oak Lodge Sanitary District will not have to pay for development in other areas of Clackamas County. Jerry feels that because the public was led to believe that the District's treatment plant was in need of only minor repairs to be

in good operational condition and in truth was in need of a complete rehabilitation we will be inviting a firestorm of condemnation from the public.

Myron Martwick feels there are valid points made by both Committee members, and that this Committee can claim that the District did the right thing because even though a large expenditure is necessary in order to rehabilitate the plant, the District has made significantly more progress at this point than has been made in the balance of Clackamas County. He feels that the positive points can be stressed and that the citizens will take them well. As far as the issue of misinformation, Myron feels that the District's management stated that the plant needed only maintenance to continue to run and any changes would be necessitated by changing rules from DEQ.

William feels that there has been a long gap between information disseminated at the time of the voting measure and the current time. He stressed that the Board feels it is imperative that accurate information be given to the public as soon as possible. Jerry feels that we should stress that we have relatively low rates and have maintained local control and that should be stressed, and the Measure not be mentioned to avoid looking back and to encourage looking forward.

Tom Foeller stated his opinion that the ratepayers need to understand the process that is going on in order to support the conclusions. He feels that this discussion is based on what information needs to be presented to the ratepayers, and that we need to disseminate accurate and current information as widely and as soon as possible. William stated that this was the Board's concern as they feel that there has been too long of a lag between the vote on the Clearwater measure and the dissemination of information.

Paul Savas, President of the Board of Directors, stated that at the time of Clearwater vote he did not have good information. He stated that at the time the District was spending \$1 million per year on maintenance and upgrades of the wastewater treatment plant, and they thought that they could keep up with the needs of the plant by continuing spending at that level. Now there is a need for a bond sale to raise the necessary funds for the rehabilitation of the wastewater treatment plant, and this needs to be fully explained and justified to the ratepayers.

Margaret Pritchard stated her opinion that staying with explaining the planned project as progress for the community and as a positive step is important. She feels that it is important to avoid negative talk and that the Committee avoids disputes over water under the bridge.

Clark reported that the Communication Sub-Committee is set to meet in November and they will discuss this further.

3. Good Neighbor Plan

Clark Worth introduced the Good Neighbor Plan portion of the meeting. Michael Read gave a recap of the Treatment Plant Neighbors Meeting held on October 16 as part of the District's ongoing Public Outreach effort. At the meeting staff and consultants gave information to the neighbors living in the area of the wastewater treatment plant on the proposed layout of the re-developed plant, explained the efforts made to minimize impact on lines of sight and on noise pollution from the plant, and requested input from the neighbors on various aspects of the plant. William Wild said that those neighbors he spoke with after the meeting expressed their appreciation for the information being provided to them and the effort taken to keep them involved in the process.

Thelma Haggemiller urged the staff and consultants to consider putting in a pedestrian path along District property immediately in the interest of pedestrian safety. Brett stated that there is a pedestrian path planned as part of the project, and that once the District has completed the Land Use process with Clackamas County it would be possible to start that part of the project.

Clark asked that this discussion be made part of the Good Neighbor Plan currently under consideration. He further discussed the elements of the revised Good Neighbor Plan currently under consideration. The elements that were brought up at the Good Neighbors meeting were the pedestrian path, monitoring of truck traffic during construction, neighborhood impacts during construction, variety in plantings in the landscape, and an ongoing communications component in the Plan. The neighbors requested an e-mail notification list for communicating information on what to expect during the construction period, and perhaps beyond that time frame. Those ideas have been included in the revised Plan presented at this meeting.

Clark asked the Committee if they were ready to pass the Plan on to the Board in this state or if there were more changes to be made. Discussion followed on the location of trees within River Villa Park next to the treatment, and whether or not they would be removed. Brett explained that there are ongoing discussions with North Clackamas Parks and Recreation District (NCPRD) regarding transitioning of landscaping from the treatment plant into the park and how best to manage the plantings and the habitat within the park as it impacts the treatment plant.

Resident Susan Shawn requested that the District be sure to coordinate with the Parks District, and Brett reassured that staff has an ongoing relationship with the NPCPR staff and will be sure to continue with that conversation and coordination.

Tom Foeller stated that he feels the Committee has a document that is flexible, meets the goals of the Committee, has taken into consideration all suggestions of the Committee members and the neighborhood, and contains provisions for future use and adaptations. He recommends that the MPCAC pass the Good Neighbor Plan on to the Board of Directors with a recommendation that it be approved and

adopted. There was no objection to Tom's suggestion; the Good Neighbor Plan will be sent to the Oak Lodge Sanitary District Board of Directors for their review with a recommendation for adoption.

4. Looking Ahead – Next Steps in Treatment Plant Upgrade

Michael Read then turned the meeting over to Manager of Planning and Engineering Brett Arvidson to review the timeline now in place for the treatment plant upgrade.

Brett stated that at their last meeting the Board of Directors accepted the Project Definition Report from CH2M Hill. That is a milestone indicating that there is a good view of the overall scope of the project. The next stage in the process is Schematic Design, which adds another level of detail to the engineering drawings, starts to deal with ancillary issues, and start actual drawing production. After the Schematic Design will be Detail Design which entails preparation of actual documents, following that will be the bid phase, and finally construction of the project.

Construction is scheduled to begin in May, 2010, about 18 months from now. In order arrive at that point the District must complete other processes. One is the Land Use Process through Clackamas County for the project. A second is debt financing to allow the District to pay for the project. The debt finance process is expected to take approximately 5 months.

In January the District must start the project delivery phase, which entails determining exactly how to implement the project. Staff and the Board will consider the options and make a decision on the process to follow. Project pre-design is expected to be completed by the end of February 28, 2009, at which point the project design will be 30% complete. The major decisions will be made and it will be time to start the detail design and complete the drawings for the project. In April 2009 a financing option will be selected from the various options. The Land Use process is beginning now, and a decision is anticipated in June 2009. The design will be complete in December 2009. Conventional project acquisition would take 4 months to advertise, bid, and then award the project

In the meantime the District must follow the legal steps to allow it to sell the bonds that will produce the funds with which to pay for the project.

Brett noted that the schedule is tightening, and all of parts are now coming together. He stated that the District would like input from the Committee on how the project is to be run, e.g. design/build, bid design, or another method.

Jerry Foy stated that he would like to see a committee look at the project methodology specifically. Jerry believes that the committee would need to start deliberation before final design. Brett stated that decision would take place in January at the same time the Schematic Design process is completed. Thelma

suggested that Leah Robbins, who was not able to attend this meeting, be considered for the committee, if it is formed, because she has expressed interest in seeing all options explored in the procurement process. Brett stated that at that point there will be a lot of detail available for planning.

The next step will be selection of the financial mechanism for funding the project. Various options will be explored to find any funds available for projects as well as what type of bonds would best serve the District and its ratepayers. Brett stated that Western Financial Group has been selected as the financial consultants to help the District with that part of the process. Michael stressed that there is a lot of uncertainty about what the financial scene after the first of the year. It may be that some funds that come available for investment in infrastructure. Michael and Brett stressed that the District wants to be able to be flexible as far as the project goes to be able to take advantage of any opportunities that might appear.

Ben Schonberger from Winterbrook Planning explained on the Land Use portion of the project. Winterbrook Planning is the consultant hired by the District to shepherd the project through this process. Because Clackamas County labels the wastewater treatment plant a “service use” in the residential area it is automatically a Conditional Use. There is a fairly elaborate land use process to follow with the County to receive approval for the treatment plant upgrade. Ben will be responsible for preparing and submitting an application to Clackamas County based on the plant design. The current design level is sufficient for the application process. The application will address the required criteria such as the characteristics of the site are suitable for the proposed use and transportation and safety issues. During the process the County will send out multiple notices to everyone. A public hearing will be held at the County in front of the Hearings Officer at which time Winterbrook Planning will present the District’s case for approval of the request and the Hearings Officer will listen to comment from those persons attending the hearing and wishing to be heard. The decision of the Hearings Officer can be appealed. Ben expressed appreciation for the District’s proactive attitude and initiative working with the community throughout the master planning and pre-design process.

Thelma asked for how long the permit would be valid. Brett explained that the District will ask for a Master Plan approval, which will be good for ten years. When it is time to start another phase of construction the Master Plan will be revisited at the County but would not need to repeat the Hearings Officer portion of the process. Ten years is the longest time period available.

Jerry Foy asked what level of detail will be required as far as surface and stormwater requirements. Ben and Brett explained that the actual calculations will not be required; the standard letter from the County will require that the project meet the requirements of Oak Lodge Sanitary District.

Clark Worth stated that the committee, staff, and consultants all have people

involved in the process that have good understanding of what is needed. He noted that the Land Use application will be a detailed and formidable document and key points of the process will be brought to the Committee for review and communicated to the neighbors.

In response to a question regarding the current permitted status of the wastewater treatment plant, Brett explained that the plant is clearly an allowed use in the neighborhood, but it is a Conditional Use and must meet those requirements. Ben explained that the use is allowed in the area conditionally, and as long as it remains the same there is no need for an additional permit. However, once there are any major changes in the use, such as the re-construction of the treatment plant, additional permitting is required. Clark Worth explained that the blanket Master Plan permit is a way to put a lot of effort into the process one time, and then be able to work off of that master plan for the next ten years as long as the construction meets the general guidelines of the Master Plan permit.

Brett then reviewed the financing process. First the method of financing is selected. Next a bond feasibility statement is prepared and a series of legal steps is followed to allow the District to get a bond rating. After the bond rating is acquired the actual bond sale is scheduled. The Committee will be kept informed during this process. The process will begin in the middle of December and will be discussed through January.

5. Next Steps

Clark asked if the next scheduled for Tuesday, December 2, would work for the Committee. The Committee generally agreed that would be acceptable.

Michael stated that a general information report on alternative project delivery mechanisms explaining the various opportunities for facility acquisition would be presented to the Committee at that meeting. He also reminded the members of the Committee of the District's Volunteer Recognition Event to be held November 6 at the Wings of Freedom Museum at The Bomber, beginning at 6:00 pm.

Michael discussed the new look planned for the District's newsletter. He will be working with the Oak Lodge Water District staff and Board to come up with a style, appearance, and name that will work for both Districts. The Water District is happy to be updating the look and feel of the newsletter.

Margaret Pritchard reported that the Rose Villa Green Committee has scheduled Brett to participate in their next meeting. The Committee is a group of 20 retired engineers that reside at Rose Villa.

6. Adjourn

The meeting adjourned at