

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting
February 20, 2018

Board of Directors - Members Present:

Nancy Gibson, President
Susan Keil, Vice President/Secretary
Lynn Fisher, Treasurer
Jim Martin, Director
Kevin Williams, Director,

Board of Directors - Members Absent:

None,

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Aleah Binkowski-Burk, Human Resources and Payroll Manager
Jason Rice, District Engineer
David Mendenhall, Plant Superintendent (absent)
Kelly Stacey, Finance Director
Todd Knapp, Field Operations Superintendent
Tommy Brooks, District Counsel, Cable Huston LLP
Laura Maffei, District Counsel, Cable Huston LLP,

Visitors Present:

There were no visitors present.

REGULAR MEETING

1. Call to Order and Flag Salute

Board President Nancy Gibson called the regular meeting to order at 6:00 p.m. and led the pledge of allegiance.

2. Call for Public Testimony

After the pledge, President Gibson called for public testimony. There were no comments.

3. Consent Agenda

- January 2018 Financial Reports
 - i. Approval of January 2018 Check Run
- January 16, 2018 Board Meeting Minutes

Director Williams asked about Check #40583 on the check reconciliation list – what is KS State Bank? Finance Director Kelly Stacey responded that it was for Kansas State Bank as

the first payment on the vector. How many payments are left? There will be 6 payments left. Vice President Keil asked about the Janitorial Services payment, commenting that it seemed high. Finance Director Stacey said she looked at it and will be following up and responding to the Board; she mentioned that all of the expenses that are very high – over 130% of Budget are being looked at to make sure they transferred correctly into the new system. Treasurer Fisher asked about overall expenditures and mentioned that they totaled only about 44% of expenditures but that we are at 67% of the way through the year. For many of the totals, it seems like totals are very behind. Staff is following up to delve into what is happening, and they will be following up on cost savings since the consolidation. Staff will run a report to total the overall savings as soon as the budgets are being combined and savings are being realized. Treasurer Fisher asked about the expense #544 Hawkins, Delafield and Wood of the check run. Finance Director Stacey responded that it was an Attorney cost associated with the Bond Refinance, which they return to the District as part of the refinance. Director Martin asked about check #40645 which was an SDIS charge – staff response that it covers the District's annual general liability insurance, which includes internet security, buildings, trucks, and that it reflects a smaller amount than the two separate districts used to pay. Vice President requested a presentation about insurance costs and what they cover. President Gibson requested an analysis and presentation about cost savings as reflected in combined insurance costs. General Manager Sarah Jo Chaplin commented that this would be a good idea, in particular to show important patterns coming up with regards to insurance needs/benefits.

Director Martin moved to approve the consent agenda. Treasurer Fisher seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Call for Public Testimony because a member of the public joined the meeting:

President Gibson called for recently arrived public testimony to present early. MITRA ANOUSHIRAVANI at 5240 SE KING GEORGE CT addressed the Board concerning the Boardman Wetland project. She has a young family and wants to take advantage of the project from an access perspective, in particular access to the planned playground. There are only 5 parking places in the project and there is no good walkability along the streets leading to the playground. She will be speaking out publicly and is requesting the attention and support of the Board concerning this issue. She would like to create a coalition to make Addie a more walkable place, possibly even a trail from Risley Park. President Gibson responded that Oak Lodge is not a City and that we need to go through the C4 Commissioners to create change. The planned parking lot is part of an approved planned development and sidewalks come under roads. Roads come under Clackamas County, and she encouraged the Mitra to attend a C4 meeting and bring up this issue. She mentioned that we will be bidding the project with the boardwalk in but with the possibility of taking it out due to costs. She will bring up the resident's concern and encouraged her to start writing letters to the County as well as encouraging her to attend MAPIT meetings and join that coalition.

4. Second Reading of Rules and Regulations: Ordinance 18-01

District Engineer Jason Rice presented the second reading of the Rules and Regulations, recapping the issues around ADU's, low income support, and District ownership of laterals. This reading presents new formatting and proposes a second hearing and adoption.

Vice President Keil commented that she was pleased with the thoughtful presentation of the document and is ready to move ahead. Director Martin appreciated the opportunity to review the document again with perspective. Director Williams suggested that we track conflicts with the code so that we can review them next year as we update the code.

Director Williams moved that the Board conduct a Second Reading of Ordinance No. 18-01 by title only and conduct a Public Hearing. Director Martin seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

President Gibson opened a Public Hearing for Ordinance No. 18-01 and requested public comment.

There was no public comment.

Seeing no public comment, President Gibson closed the Public Hearing for Ordinance No. 18-01.

Treasurer Fisher moved to read Ordinance No. 18-01 by title only. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Treasurer Fisher moved to approve Ordinance No. 18-01. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

5. 2018 Water Master Plan Consultant Contract

District Engineer Jason Rice presented the 2018 Water Master Plan Consultant Contract. With the District consolidation, OLWS budgeted for the next water master plan, the last one being 10 years old. Three great companies applied, and the District selected Water Systems Consulting for the project. President Gibson asked about water availability and whether the plan considers other resources for water in the future and in the case of emergency. Their models will consider it based on whether the data calls for it, and this may require a follow up contract. Vice President Keil asked about page 7 and the identification of the seismic geohazards and whether this concerns the OLWS facilities.

Staff responds yes, this work would help identify and address any issues of concern and that the District has been keeping up with long term goals around geohazards. Vice President Keil asked if the plan would be ready for the 2019-2020 Budget development process? Staff responds yes, we could push for the schedule to be completed by the next Budget cycle.

Discussion: Treasurer Fisher commented that \$60,000 of this money would be spent this year and asked about where the \$150,000 could be found in the budget. Staff responded the amount would be found in the Capital Improvement Projects and that some of the costs associated with that line should be up in the Engineering costs. He then asked about the costs of the seismic issue with regards to the recent seismic upgrading of the water tanks. Staff responded that the District would decide what needs to be addressed in the future and make decisions about the needs of the plan. Vice President Keil highlighted the importance of the cost of services analysis for water, and that the last one was done 10 years ago.

Director Martin moved to approve our General Manager Sarah Jo Chaplin to sign an Engineering Services Agreement with Water Systems Consulting in the amount of \$185,720. Treasurer Fisher seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

6. Request for Oak Lodge Water Services District Representative for Concord Community Stakeholders (CCS) organization.

General Manager Sarah Jo Chaplen presented the request that OLWS be represented in the Concord Community Stakeholders (CCS) organization. The head of the group asked that OLWS represent surface water management, in particular limiting the amount of impervious pavement in the District. They meet about every three months, and Treasurer Fisher represents the DAB at those meetings and volunteered to represent OLWS as a resource and liaison to the group. Discussion about the role that OLWS would play at these meetings, including viewing the District as a resource for the group but not a directive voice.

Director Martin moved that the Board be represented as part of the Concord Community Stakeholders. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Director Williams moved that the Board appoint Board member Lynn Fisher to represent the Board to the Concord Community Stakeholders. Director Martin seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

7. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey reported that utility billing on Accela goes live next week with joint billing, and that staff are very busy preparing for the transition. Accela staff complemented the OLWS utility billing staff in particular the technical knowledge being brought to the project. After three bids for the 2017-18 Audit, OLWS will be going again with Pauly Rodgers. Director Williams asked about the 363 non-paying customers about how many will not pay before water shut off. Staff responded that most will likely pay and that communications have been good with most people. Director Williams asked about how we will communicate and support those who can not pay. Staff responded that OLWS will share information at the upcoming Jennings Lodge CPO meeting and will work to support customers in keeping up with their bills.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp highlighted the photos, map and goals around numbers. Challenges of meeting goals include weather and field conditions. Some manholes have not been checked in ten years. The Carmel Court water main project has been completed and are working with the county to correct the paving/drainage issue by installing a catch basin. Moving ahead staff is considering a possible water meter change out program which will increase flexibility around reading meters.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall commented on innovative and collaborative thinking with regard to operations, in particular the T.V. sewer collections team found out that the camera was able to take submerged footage and then close the gate valve. Vice President Keil asked about specific content around the clarifier blankets, and staff responded that settling issues were addressed through samples and calculations which supported the overall flow and target holding of solids. He highlighted the graphs with regards to water, flow, and drainage, mentioning that the difference around flows because of ground saturation and infiltration. Continuing with reduction of solids inventory, the lines show the daily samples and monthly averages continuing to support what the new permit will require for maximum daily limits.

- **Technical Services Report:**

District Engineer Jason Rice clarified the expiration of the Master On-call Contract for the District and getting bids for the new on-call contract in time for the April Board meeting. He has been working on the Capital Projects and the 2018 Master Water Plan. Staff has been busy with permits and outreach and are starting to recognize the efficiencies of the consolidation as they have time to perform the duties they were hired to carry out.

8. Call for Public Comment

Call for public comment.

Audience asked about the Boardman River Road project. Jason Rice responded the County brought a team together to work on a culvert replacement on River Road and OLWS will figure out how much we will participate and how to make it happen. The County will have to meet many of the state standards on fish passage, etc. even without OLWS support, and they are figuring out how to meet the resource needs of the project. The Board members asked about why OLWS would be a partner in the bridge business and staff responded that community input had encouraged the District to participate in this project in particular, in the future, and at some level of support/maintenance/ownership/lost opportunities (like sidewalks on Addie Street). The Board reiterated that the District is not a City and that we need to consider our role in infrastructure for the area.

9. Business from the Board

Director Martin had no business to share because both meeting dates changed.

Vice President Keil had no business to share.

Director Williams highlighted the last Jennings Lodge CPO meeting in his report. There will be a new crosswalk with strobe light put in for traffic/pedestrian safety at Boardman and McLoughlin Boulevard.

Oak Grove Community Council meeting with a variety of topics. There were updates from the Oregon Main Street program, new OGC website, MAPIT representation, the new Park Avenue Station Grant, and that LUART (Land Use Application Review Team) is still going strong.

Director Gibson highlighted the C4 meeting around transportation discussion: new proposed Federal match of 20% and the County asked shouldn't the Federal Government be responsible for widening the lanes of Interstate 205? Regional Water Providers is moving ahead, and she is now the alternate for IMPACT in partnership with Don Trodard from Clackamas County. Vice President Keil asked about the excess funds being rolled over in the Consortium Budget, and that the rates seemed to be going up 14.6% and whether the excess funds should be rolled over or should they be applied to help smooth over the rate increase? President Gibson clarified there would be flat dues for the year and the "carryover" fluctuates based on staff resources allocated, and this year they were larger due to the hiring of outlined FTE. Vice President Keil asked if the strategic plan was complete with regards to reciprocal President Gibson responded this is a work in progress and another iteration will include more reciprocals between organizations.

10. Recess to Executive Session

Convene Executive Session under ORS 192.660 2(f) to consider information or records that are exempt by law from public inspection and ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

The Chair convened the Executive Session at 7:39 p.m.

The General Manager provided remarks about her interactions with Special Districts Insurance Services (SDIS) and how the District's legal team has worked with SDIS. Chris Duckworth gave an overview of various employment-related legal strengths and risks outlined in a memo he presented to the Board regarding the District's employment policies. Geoff Sinclair provided information regarding the District's insurance policies.

The Board was presented with a scenario of a current employee who had been found by an independent investigator to have violated the District's employment policies. Mr. Duckworth gave an overview of that employee's situation in light of the various strengths and risks outlined in his memo, along with an overview of the District's options for addressing that employee's violations.

No decision was made during the Executive Session. There was consensus that the General Manager should continue to work with the District's employment attorney and bring back a final recommendation for the Board.

The Chair adjourned the Executive Session at 9:02 p.m.

11. Adjourn Executive Session- Board may take action if necessary.

No action was taken.

12. Adjourn Regular Meeting

President Nancy Gibson adjourned the regular meeting at 6:58 p.m.

Respectfully submitted,



Sarah Jo Chaplen
General Manager

Date: 04/17/18



Nancy Gibson
President, Board of Directors

Date: 04/17/2018