

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting 6:00 p.m.
July 16, 2019

Board of Directors - Members Present:

Kevin Williams,	Secretary/Vice President
Lynn Fisher,	Treasurer
Paul Gornick,	Director
Mark Knudson,	Director,

Board of Directors - Members Absent:

Susan Keil,	President/Chair
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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
Kelly Stacey,	Finance Director
Todd Knapp,	Field Operations Superintendent,

Visitors and Consultants Present:

Laura Westermeyer,	District Attorney, Cable Huston LLP
Grover Bornefeld,	Local Resident
David Gray,	Local Resident
Eric Hofeld,	Sunrise Water Authority
Matthew Westergaard,	OLWS Staff
Michael Gradt,	Local Resident
Punky Scott	Local Resident.

Regular Board of Directors Meeting

1. Call to Order and Flag Salute

Vice President Kevin Williams called the meeting to order at 6:00 p.m. and requested Director Paul Gornick to lead the pledge of allegiance. He welcomed new Director Mark Knudson to the Board of Directors for Oak Lodge Water Services.

2. Call for Public Comment

David Gray, 1234 SE River Forest Lane requested an informational update on the status of the sale of the building and acquisition of a new space for the consolidated District. General Manager Chaplen stated the District has hired a real estate company and an architectural company to research and inform OLWS on how to proceed. The consultants will present to a sub-committee multiple options with a 50-year time horizon, after which a decision will be made. The timeline is to see information and make a directional decision within a few months. There were no additional comments from the public.

3. Consent Agenda

- June 2019 Financial Reports
 - Approval of June 2019 Check Run
- June 21, 2019 Board Meeting Minutes

Vice President Williams turned over the Consent Agenda to Finance Director Kelly Stacey. Director Gornick asked about the wastewater revenue being short \$300,000 and Kelly concurred this was the expected amount. She commented the year end roll up was still incomplete but would wrap up in the next few weeks. Director Gornick asked about the Xylem Water Pumps check as well as the check to Tasso Custom Homes and staff responded yes, the Xylem check was for the water pumps and the Tasso check was the refund of a deposit provided to the District in place of a Construction Bond. Vice President Williams asked why we had checks to two different paving companies, Portland Road and Driveway and Bachman Paving. Staff responded Portland Road and Driveway outbid Bachman Paving for a project at the Water Reclamation Facility. The Board asked if we usually spend that amount for Porter Yett and if it was cold mix asphalt and staff responded yes, that is typical for the District because of jobs with long patches. The Board suggested looking into using the state contract to lower the price on the purchase of cold mix. Treasurer Fisher gave a positive comment on the lower annual amount of the penalties and late charges as noted in revenue account 4215. He asked about why miscellaneous revenue was at 809% over budget and staff responded it is because of pass through money from North Clackamas Parks and Recreation for the Boardman Wetland construction project. Director Gornick praised the work and presentation of data in the consent agenda on the aggregate financials in relation to the year-end numbers. He reflected on the positive revenue associated with the System Development Charges (SDCs) and staff stated this was due to infill and in part to the large development that went in this year on the Evangelical Retreat Center.

Treasurer Fisher commented on the minutes asking about why page two states "A motion was made to approve Resolution No. 2019-04..." and it was not attributed to anybody and asked why it was not attributed to somebody. Kelly responded multiple staff listened to the tape multiple times and could not figure out who it was, including District lawyer Tommy Brooks who was sure there was a motion and he directed staff to say, "A motion was made..." because it was on there but we could not figure out who made the motion. Treasurer Fisher said ok. Director Gornick stated in his report to the Board in the C4 Retreat the first day should have been devoted to "transportation" and the second day to "housing".

Director Knudson asked if he should vote on the Consent Agenda, including the minutes, and Treasurer Fisher mentioned that he abstains from voting when he misses a meeting.

There were no further questions.

Director Gornick moved to adopt the consent agenda with corrections to the minutes as noted. Treasurer Fisher seconded the motion.

Ayes: 3

Nays: None

Abstain: 1 (Director Knudson was not present for the June meeting)

Motion carried: 3-0

4. Fiscal Year 2019-2020 Budget Correction – Resolution 19-05

Finance Director Kelly Stacey stated the administrative services fund was left out of the originally approved resolution although it was included correctly in the public notice and was correctly listed in the budget document. The Resolution before you states the same correct amounts, which will be readopted and re-appropriated with the administrative services fund listed. The only difference to Resolution No. 19-05 is the administrative services fund is listed. There were no further questions.

Treasurer Fisher moved to approve Resolution No. 19-05 and readopt the corrected budget for the Fiscal Year beginning July 1, 2019 in the total amount of \$38,364,305. He also moved to appropriate the funds in the corrected categories and amounts as shown in Resolution No. 19-05 for the Fiscal Year beginning July 1, 2019. Director Gornick seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

General Manager Chaplen shared her gratitude for the Budget Committee and for all of the work that goes into passing a budget. She commented on a nearby Oregon city that had to shut its doors this year because their budget was not passed in a timely fashion.

5. GIS Data Migration and GIS Professional Services Contract

Technical Services Coordinator Gary Floyd provided an overview of the District's Geographic Information System (GIS) stating he is responsible for verifying the GIS data. He is requesting support to verify the water, wastewater, and stormwater data. ESRI (the District GIS toolset) has a data model called the "water utility network", which centralizes data structures in order to make them more web friendly. Both Clark Regional and Water Environment Services (WES) have conducted similar data migration processes and he would like OLWS to make the transition with the support of Flo-Analytics. Along with the data migration the District will also receive support in catching up with entry of updated service connections and create a streamlined workflow. Flo-Analytics will also provide consultation and verification services to help address issues like the merging of two different account numbers from each separate District which now needs to be unified after the consolidation. The Board asked if some of this work was in preparation for the new Asset Manager Position and staff responded yes. The Board asked what type of consultant selection process staff had used, and staff responded we received recommendations from Clark Regional and WES, as well as it being within the District's purchasing guidelines for professional services based on the total contract amount. **Treasurer Fisher moved to approve our General Manager to sign a contract with Flo-Analytics in the amount of \$63,565, for GIS Data Migration and GIS Services. Director Knudson seconded the motion.**

Ayes: 4

Nays: None

Motion carried: 4-0

6. Solids Piping Project Design Contract

OLWS Civil Engineer Haakon Ogbeide provided an overview of the solids piping project to the Board of Directors. He explained the goal of the project was to increase the functionality of the Water Reclamation Facility since the plant no longer uses the Cannibal process. He presented his staff report as listed in the Board Packet. Plant Superintendent David Mendenhall added additional comments. He described that the project would add piping and valving to allow the flow of the biosolids to flow through the aerobic digesters and into the belt press. We have been using the former Interchange Bioreactors (IBRs) in a different way than designed in order to make the solids part of the process more effective and efficient. The goal of changing the flow process is to streamline the solids part of the plant process, save electricity usage and put the extra tanks on standby when we do not need them. The Board commented they hoped Cannibal would be figured out someday and staff mentioned we would be leaving in that part of our process technology in place if Cannibal is ever made to work. The Board asked if the proposed amounts were in this year's budget and staff responded yes, there is \$200,000 in the budget and this request will be for most of the engineering costs. Construction costs will range near \$75,000.

Director Knudson moved to approve our General Manager to sign a task order not to exceed \$165,788 for engineering of the Solids Piping Project. This task order will be part of the existing 2019 – 2022 On-call Services Contract with Murraysmith. Director Gornick seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

7. Surplus Disposal Fiscal Year 2019/2020

Field Operations Superintendent Todd Knapp requested OLWS Vehicle #18 – 1993 Vactor and Vehicle #03 – 1997 Ford Ranger be approved by the Board as surplus vehicles. The declared value of the vactor is roughly \$20,000-30,000 but a recent sale of a similar vehicle was \$5,000. The 1997 Ford Ranger was listed in the Kelley Blue Book between \$3,200-3,900. The Board asked what the sale process entails, and staff responded we would either sell it through the state or sell it independently on Craigslist with a price/or best offer. The Board asked whether we could join with another entity in a group sale, for example with the City of Portland, and encouraged staff to get the most money for the District.

Director Gornick moved to declare surplus the 1993 Vactor and the 1997 Ford Ranger. Treasurer Fisher seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

8. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey outlined her Board report stating the FY 2019-2020 Budget has wrapped up and they are already beginning to think about next year. Finance is prepared for auditors to be on site in July. Audit preparation has been extensive because the auditors are new and need to get to know the District. Our next meeting with the auditors will be in August,

during which they will provide suggestions on how we can improve. They commented, so far, we are doing a very good job for being a new/consolidated entity.

Finance implemented the new Lockbox system for the June 30th bill. The template the bank provided had the incorrect bank account number, so the bank is redoing the template for the next billing period. The Board asked who the Lockbox provider is, and staff responded it was Wells Fargo, which is already our bank. OLWS staff Rebecca Reece and Elaine Murray attended the Springbrook conference this summer. They both thought the training was worthwhile.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp presented information from his report, highlighting the new decant facility for dry spoils located at Valley View Reservoir. Full decanting for wet spoils will still take place at the Water Reclamation Facility. He pointed out the photo in the Board Packet. He illustrated the water service relocation on Torbank Road, the exhaust fan at Valley View pump station, and the dry rot issues at the Oak Lodge pump station located at Clackamas River Water's Treatment plant. He commented on the increase of water use this month. The Board asked about the activity on Creighton Avenue, which Jason Rice will describe.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall updated the Board on his report as provided in the Board Packet. The plant operators experimenting with shifting down to one clarifier, which did not provide quite enough capacity, particularly during rainfall. Staff brought the second clarifier back online. The next experiment is running just two aeration basins and two clarifiers, which is currently working well. They repaired the influent gates on the Ultraviolet (UV) system and still have two others to repair. They updated the Madison Farms biosolids management sludge hauling agreement, which had expired. The Board asked where Madison Farms was and staff responded Hermiston, Oregon. The new Flygt pumps arrived and will be installed after some modifications. The field operations and maintenance crew provided maintenance on the wet wells. They removed and cleaned up the UV bulb racks and channels. He described the work focused on the new Portable Gate Driver. David illustrated the rainfall and flow to the plant and how it affected the District's Effluent Water Quality. The Board asked about the monthly average and whether it is calculated on the calendar month and staff said yes, it is tested three times a week, is calculated regularly, is based on the calendar month and is reported to the Oregon's Department of Environment Quality.

- **Technical Services Report:**

District Engineer Jason Rice presented information from his staff Board report, highlighting the upcoming Trolley Trail Festival on August 24th from 11 a.m.-4 p.m. He invited members of the Board to come out and join staff at the OLWS table. He commented on the Creighton Avenue sewer repair as being part of the Silverleaf repair project and the contractor taking longer than expected because of very large boulders backfilling the roadway, with the size and weight of the boulders likely causing the failure of the pipe. The District's regular TV inspection program found the break in the pipe, causing significant Infiltration and Inflow. The job was larger than expected and will cost more but was directly due to the large pipe failure. The Board asked how

large the pipe liner is and which contractor performed the lining and staff answered 18" and the contractors were Emery & Sons along with GT Excavating, LLC. He will submit information to the Board along with TV inspection and other regular inspection measures. Field Operations staff Todd Knapp commented this area was at the top of former OLWS staff Trevor Lierman's list of priority spots to repair in the sewer system. The Board asked if the District documents trouble areas in an asset management system which captures and prioritizes capital projects. Staff responded yes, the District's asset management system is called Lucity which is informed by field inspection data. General Manager Chaplen added staff will be adding the water data into Lucity and training field staff to utilize the data management side of the system. She mentioned the District still has work to do to strengthen this area of our operations.

Jason continued with an update of Boardman Wetland work being in full swing including fixing the sewer line and putting in the outdoor classroom. If work is completed, there will be a grand opening in October. The Board asked about the Jennings Avenue low spot and staff responded one of the failures in the sewer line is underneath that low spot, which is the first area that the contractors want to repair. After the sewer line is repaired, another contractor would come in and reform the curb, the sidewalk, remove the asphalt and repair the area. The Board asked if we had approached the adjacent homeowners to discuss their responsibility for maintenance in their part of the wetland and staff answered no, they are waiting until the project is complete in order to show the homeowners which area they need to maintain for sediment and describe the responsibility for their part of the property. There was more discussion about the history of the property and adjacent homes in relation to the project, as well as plans for the future.

For the water master plan, we are nearing completion of plans for emergency water interties in the event the Clackamas River was taken offline. The plan should be completed soon. He is wrapping up the Belt Filter Press design and it is being readied for construction bid. The Board asked to add the Gladstone Intergovernmental Agreement to the Parking Lot list. The Board asked about the Concord Homeowners Association (HOA) stormwater (SWM) fee pond and staff responded the HOA has yet to vote on whether to remove themselves from the 1.5 SWM fee. They completed rehabilitation on the pond. One HOA member joined the stormwater master plan subcommittee. The subcommittee will have a planning meeting in August.

The Board mentioned that Ginny Van Loo was invited to be in the committee, but not in the budget committee. She also mentioned that her area of the District seems to have additional chlorine in their drinking water. Staff will follow up to flush that line and sample the water.

- **Human Resources Report:**

Human Resources and Payroll Manager Aleah Binkowski-Burk updated the Board that the District renewed its workers compensation insurance with Special Districts Association of Oregon (SDIS). We are paying a very similar amount to the past but only because some classifications were lowered. OLWS has a modification rate of 1.3 because of one claim in 2017 which was expensive and has just rolled onto this claim year. We have examined the cause of the injury to consider improvements to our practices but have found no changes to recommend. Next year our modification rate may increase dependent on changes at the state level. The Board asked about the \$7,000 line item set for Board member insurance coverage and staff

responded the line provides a minimum place holder in the event of an accident to Board members while on District business.

Aleah provided an update on the hiring process for the Asset Resource Specialist Position, stating there were eight first round interviews, four of which will be interviewed a second time. A final decision will be made in the next few weeks. The Board asked where the position fits in the organization and staff responded the position reports to David and works closely with Technical Services, Field Operations, Maintenance and Plant Operations. They will work with Gary and the GIS contractor. The next hire will be the District Recorder.

The Board appreciated OLWS staff for their hard work.

9. Call for Public Comment

Grover Bornefeld introduced himself and commented on the addition of ~100,000 people in Clackamas County and expressed his concern for what he sees as the lack of planning for that influx. He pointed to the Board as leaders in the Oak Lodge area, along with the Clackamas County Commissioners. He asked the question, "What can we do between now and 2040 to improve the community and address the housing shortage." He wants the area to be out in front of the housing issue. He announced the Jennings Lodge CPO Community Picnic on July 23 from 5-8 p.m. at the Jennings Lodge school, which will be held in partnership with North Clackamas Parks and Recreation District in the future. He also let the Board know there is a community member, Leslie Sharp, working on a document that describes where our tax money goes in unincorporated Clackamas County, and what it goes for. The Board thanked Grover for his comment and let the group know we are gathering data to help inform this question.

There were no additional comments from the public.

10. Business from the Board

Treasurer Fisher attended the Clackamas River Water Commissioners meeting where they swore in their new officers. Sherry French will serve as President, Naomi Angier as Secretary, and Rusty Garrison as the Treasurer. They approved a few contracts, a consent agenda, and ended the meeting in forty minutes. He attended the Oak Grove Community Council meeting and heard from Kay Weaver of Villages East discussing resources for aging in place. Two Metro staff attended to present information on the Regional Conservation mapping strategy for White Oak trees and wildlife corridors. There were several land use applications and updates from committees including MAPIT, Historic Downtown Oak Grove (HDOG), and the Oak Grove Lake Oswego (OGLO) bike pedestrian bridge committee.

Director Gornick updated the group on the Sunrise Water Authority meeting, which was in part conducted during a power outage. There was an appeal against a \$25,000 System Development Charge (SDC) from a homeowner who was purchasing a property in a large lot subdivision. Because of several unique circumstances, the SDC was much higher than usual

but were standard based on the components of the system. The Board denied the appeal for a waiver. Director Gornick went over the other items listed on his Board Packet notes.

Vice President Williams attended Jennings Lodge Community Planning Organization meeting where they conducted a community forum to discuss the Mcloughlin Area Plan (MAP) and how neighborhoods can prepare to participate in the planning process through MAPIT. They brought in John Legarza from the Clackamas County Economic Development Commission and Alisa Pyszka from Bridge Economic Development, who emphasized to the group the importance of getting businesses and business property owners involved for visioning and development. The neighborhoods are in the beginning of the process and need as many different constituents at the table as possible to inform the vision. The process could take 10-15 years, which was discouraging to some. The meeting went into regular business and ended with a report on the annual picnic, which will be on Tuesday, July 23rd from 5-8 p.m. at the Jennings Lodge School playground. There was one land use application for 4 units to be added to an existing 12-plex. The application was approved with the condition that the units will be reserved as affordable housing, which Clackamas County cannot mandate under their current rules.

Director Knudson asked about how committee assignments get made and General Manager Chaplen commented next month the current assignments will be shared and updated depending on individual interests, schedules, knowledge, etc. President Keil requested to be present for that discussion.

There was no further Board business.

11. Adjourn Regular Board Meeting

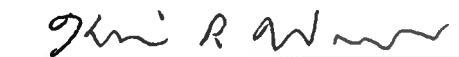
Vice-President Williams adjourned the regular Board meeting at 8:40 p.m.

Respectfully submitted,



Susan Keil
President, Board of Directors

Date: 8-20-19



Kevin Williams
Secretary, Board of Directors

Date: 08-20-19