

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting
November 21, 2017

Board of Directors - Members Present:

Jim Martin, Chair
Susan Keil, Vice Chair
Nancy Gibson, Director
Kevin Williams, Director,

Board of Directors - Members Absent:

Lynn Fisher, Director,

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Jason Rice, District Engineer
Kelly Stacey, Finance Director
David Mendenhall, Plant Superintendent
Todd Knapp, Field Operations Superintendent
Laura Maffei, Cable Huston LLP, District Counsel,

Visitors Present:

Paul Gornick OLWS Budget Committee
Terry Gibson OLWS Budget Committee
John Klum OLWS Budget Committee
Greg Wenneson Local Resident
Steven Cade OLWS Budget Committee
Tom Foeller Local Resident
Paul Savas Clackamas County Commissioner
Mike Bezner Clackamas County Staff
Kathleen Meligan Local Resident
Jack Meligan Local Resident
Eric Hofeld Sunrise Water District Representative
Eugene Whitley OLWS Budget Committee
Thelma Haggemiller Local Resident
Greg Jones Former OLWS Contract Staff
Grover Bornefeld Local Resident
Carl Sander Local Resident
Vernon Emami Local Resident.

REGULAR MEETING

1. Call to Order and Flag Salute

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

2. Call for Public Testimony

After the pledge, Chair Martin called for public testimony. There was none.

3. Consent Agenda:

- **October 2017 Financial Reports**
 - i. **Approval of October 2017 Check Run**
- **October 17, 2017 Board Meeting Minutes**

Director Williams requested follow up about the Papé Handling cost of over \$13,000 from the last month's expenses – Finance Director Kelly Stacey responded that the charge was due to an equipment charge of a breaker attachment for the water backhoe.

Director Keil arrived at the meeting.

Director Williams moved to approve the consent agenda with the corrections as noted. Director Gibson seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

4. Budget Schedule FY 2018/2019

Finance Director Kelly Stacey proposed the budget schedule starting the week of March 20 before the board meeting. As this date does not work for some Budget Committee members, they will possibly move it to the next week or to Thursdays. The group will confirm date of change based on Kelly Stacey's rework of the budget schedule next month. Budget Committee will have a few opportunities to meet and go over certain allowable information before the official schedule of budget review begins. No other comments or questions. No action taken.

5. Janitorial and Landscaping Services Contract

District Engineer Jason Rice presented an updated contract from Relay Resources, which is a State of Oregon Qualified Rehabilitation Facility (QRF) that provides janitorial and landscaping services to the district. The new contract will add the water building and is priced at \$50,836.32, which is in line with other providers. Price includes janitorial services for three buildings and landscaping for the treatment plant and sanitary administration building. With the sale of the sanitary building, contract will be amended to reduce the overall cost and would be less for the renewal in 2019. Director Williams asked about contract language and Jason Rice confirmed that the language was within a standard legal framework.

Director Keil moved to approve the General Manager to sign a contract with Relay Resources for Janitorial and Landscaping services in the amount of \$50,836.32 for the calendar year beginning January 1, 2018. Director Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

6. First Reading of the OLWSD Rules and Regulations – Ordinance 01

District Engineer Jason Rice presented the new OLWS Rules and Regulations and introduced District Counsel Laura Maffei representing Cable Huston LLP. Jason Rice mentioned that Greg Jones supported this project during his temporary employment with OLWS last year and without his work we would not be ready to present the document. He took the three codes from Water/Sewer/Storm and put them into one document, separating out the District Design and Construction Standards, which the Board reviewed in September. After further revision, the presented product contains the final code. Issues for discussion are flagged and include: who owns the sewer laterals; SDC's and EDU's as they relate to accessory dwelling units and RV hookups; how the District provides assistance for low income households and families in the OLWS budget; and whether renters can qualify for the low-income program even if the owner would not qualify.

Questions from the Board: Director Gibson asked how many OLWS accounts are low income that also are rental units? Staff responded about 100 accounts are on the program, and they will follow up on how many are also low income. Vice Chair Keil asked about how the program will work for multi-family and staff responded that we could pull together a bill from the water meter plus the number of EDU's divided into the equation. Director Gibson mentioned the importance of SDC charges for ADU's. The consensus of the Board is to charge SDC's for ADU's – one SDC per Accessory Dwelling Unit.

Director Williams asked whether the budget cap was high enough for the low-income program in relation to the number of sewer accounts that were certified in 2016. Staff responded these accounts would receive a call in early December and the low-income program would be presented as an option. There is a good chance that more will sign up for the program and staff will track the numbers in case the budget cap needs to be increased. Vice Chair Keil requested staff provide more information on the number of certified sewer accounts for senior citizens who were also using qualified state support for the certified sewer bill through property tax assistance. Director Gibson reinforced the importance of the payment plan opportunity for households that need additional time.

Chair Martin asked when the Board would need to provide feedback and staff responded we are shooting for a second public reading of the document in January. Vice Chair Keil asked about how many laterals are crushed annually and what is the average cost of those laterals. Staff responded that OLWS usually finds out about damaged laterals during a house sale and if the lateral needs to be replaced the District usually pays for about 50% of the cost. In the last 2 years the District has paid for 4 or 5 laterals to be replaced up to the main, costing anywhere from \$6,000 up to \$15,000. There are some special cases such as laterals that need repairs based on Fats Oils and Grease put down the drain. Director Gibson compared the challenge of drawing lines on lateral ownership with the water equivalent of the meter or backflow device. Director Williams received confirmation that the District has lateral launch capability for its T.V. camera. Vice Chair Keil suggested bringing together the District's ability to protect the system through set standards like prohibiting substances in the pipe, cost recovery as under the FOG program, and dictating what homeowners would be allowed to plant near the laterals. The complication in this area

would be that homeowners would have to learn they owned their lateral and would be responsible for it and any repairs. Board made no decision on this topic, staff will bring back more information.

Vice Chair Keil asked about the ability of the District to charge a monthly Watershed Protection surcharge of 1.5 times total fee and staff replied that currently we have a few customers set up this way and that this would allow for other accounts to choose to have the District inspect and maintain the private stormwater facilities annually. Director Gibson asked about adding a System Development Charge for Watershed Protection and staff responded the District would also be able to apply SDC's under this document.

Chair Martin will email his comments. Vice Chair Keil pointed out a duplicative section and asked about the FOG section with regards to grease interceptors. Staff responded that currently the District is aware of when grease interceptors are required but they are inspected by the Clackamas County plumbing officials and not by the District. OLWS currently investigates mains that have issues with FOG but more often OLWS gets called when an issue arises because of a blockage. The OLWS inspector works with accounts to ensure they are cleaned regularly enough to avoid blockage as well as to identify the drains which have/need grease interceptors for the accounts. Education and voluntary compliance is important, and the District works with customers to get them to do the right thing before code enforcement comes up.

Director Gibson asked about Table 10.19 and staff replied the habitat buffers could be changed and this needs to be reflected as part of the stormwater and watershed protection conversation with Clackamas County. Chair Martin brought up the question about seasonal water turn offs and the fee charged for this service (from page 25). OLWS charges if the water is turned off more than once within a 30-day period. This issue will be looked at to confirm costs and District policy goal. If the Board makes substantive changes to the document, it will mean that the first reading would be pushed off until the changes could be reviewed by the public. Motion was tabled until further review. Typos and any other questions will be sent to Jason Rice for follow up.

7. River Road/Walta Vista Bridge Project Update

Chair Martin requested public comment. Local Resident Vernon Emami recently purchased 17206 SE River Road and spoke in favor of adding the Walta Vista bridge to the stormwater system.

District Engineer Jason Rice presented the two bridges project for the River Road and Walta Vista Bridge, which is at 30% design moving to 100% design with costs funded in partnership with Clackamas County. Jason Rice explained the table showing Options 1-6 with the impacts of various scenarios in regard to recouping the costs of the project and in relation to the timing of the Boardman Wetlands Complex Project. Mike Bezner, Clackamas County's Assistant Director of Transportation, stated that funding for construction had never been planned and the County's commitment is \$800,000 towards design. Construction would be funded by OLWS rates and additional grants, and the County would like commitment from OLWS before proceeding. Jason Rice asked for input from the Board.

Vice Chair Keil asked for how either project could cut costs and whether the public understood the costs. Chair Martin was at the meeting and shared the committee was charged to make the best decision for the community and this was their proposal. Mike Brezner responded that doing a culvert compared with a bridge would save about a million dollars out of 3.5 million for the two bridges together and suggested just doing the River Road project as a culvert. Jason Rice mentioned that the bridge was presented as both fish and wildlife passage and that a culvert would be flood control.

Director Gibson asked for confirmation that one of the reasons for Boardman was originally to focus on retention upstream and staff responded that Boardman would affect this area minimally. Director asked about how many fish friendly culverts were in place and reminded the group that salmonids used to be present in the Boardman basin. As a water quality agency, where does that put OLWS? Laura Maffei responded that the OLWS is responsible for the MS4 permit and that the Stormwater Management Plan influences these decisions.

Local Resident Carl Sander from 3131 SE Walta Vista Court addressed the Board, stating that he has been waiting for years for a final decision about what he can/should do with his property in relation to the project and has felt hamstrung by the extended delay.

Paul Savaas, Clackamas County Commissioner addressed the Board, stating that he was involved in the former OLWD and OLSD when the Jennings Lodge culvert and Stringfield Park bridge passage and park projects. He stated that the Walta Vista project was an OLSD goal set over many retreats to help with water quality and flooding in the basin back to 2009. More information was shared. He reiterated his support for the project on behalf of historical knowledge from Clackamas County's perspective, and shared that if OLWS was no longer interested in the project the choice would be amicable to the County.

Chair Martin asked for clarification of responsibility for the project. Commissioner Paul Savaas responded that if the road fails, the County is responsible for the road and right-of-way; this project is an opportunity for partnership and to upgrade a facility that will need to be upgraded in time. Vice Chair Keil reiterated the question from the perspective of water quality as compared with water quantity and made the point that OLWS should stay on the "quality" side in our investment of money from ratepayers. Commissioner Savaas pointed out that he originally joined the OLSD Board to represent both quality and quantity and that the County does not collect money for either quality or quantity in the District. He stated that previously OLSD did both quality and quantity.

Local Resident Tom Foeller from 2949 SE Walta Vista Court addressed the Board stating that he originally got involved with OLSD to help support both water quantity and quality and that relations with Clackamas County had improved over time. He mentioned that the Boardman Basin was identified as an important place to start with regards to improving "pinch points" in the District and because of the Metro superfund remediation money through the Nature in Neighborhoods capital grants program. He reminded the group of the importance of habitat restoration for the Boardman project along with water quality and quantity; and that there is a lot of history behind this work as was represented in the OLSD strategic plans as well as the Stormwater Management Plan.

Local Resident Terry Gibson mentioned that OWEB might be a potential funder through the Clackamas Partnership. OWEB will not fund anything that the County is required to do by law (culverts must be replaced up to the level of fish passage) but would fund project enhancements. Vice Chair Keil stated that OLWS was generally supportive of the project but the increased expense might be prohibitive at this time unless the project was scaled back. She asked again if we could address both water quality and quantity if we scale back part of another project in order to afford the bridge project. Jason Rice stated that removing the boardwalk from the Boardman Wetlands project would save a substantial amount, but many community residents are in favor of public access to the project.

Further discussion of the bridge project with regards to the culverts and the property at the confluence. Chair Martin would like to find options that would move the projects forward. Director Williams was surprised that "Lake Jennings" would not be fixed by the Boardman Wetlands Project and mentioned that he thought the District should be supporting quantity issues including flooding along the trolley trail and that the public must be involved in making these decisions. Director Gibson reminded the Board that Jennings Lodge does not have any parks and the Boardman Wetlands Project is very important to Jennings Lodge residents because there are no other parks in their area. She added arriving at the plans for these proposed projects had involved the public in significant ways and through extensive public process. Chair Martin requested staff come back with more information and the Board suggested staff do another public poll. Clackamas County staff Mike Bezner responded that he would work to update project options for the Board.

General Manager Sarah Jo shared information about the whitepaper to clarify legal authority with regard to management of water quantity. Laura Maffei from Cable Huston LLP is reviewing current and historical documents and shared that under ORS 450 OLWS has "authority over drainage" but that "drainage" leaves a lot open for interpretation, and that the County Service District has authority over flooding. Under the MS4 permit OLWS has to control stormwater for water quality, but not necessarily for water quantity. The goal is to clarify the legal framework through the whitepaper. Tom Foeller reiterated the substantial and large amount of public input which got the District to this point, particularly with regards to the Boardman Wetlands and to honoring our partnerships. The Board will revisit this issue with more information and alternatives.

8. Department Reports

Finance Report: Finance Director Kelly Stacey shared the information as listed in her staff report of the Board packet. Director Williams asked about two recent billing issues and staff responded there were some issues with meters not registering properly in the Gladstone area, but these have been resolved. The red tag notices were misdated, and that issue was also corrected.

She mentioned the special Board meeting on December 5th in order to vote on the RFP for the financial institution to handle the refinance of a revenue bond.

They will likely be adding dividers to the main office space to provide some separation for the billing staff, and are working to bring EDEN to the front counter so all billing staff will be

able to support customers with both water and sewer/stormwater bills. There were no other questions from the Board.

Field Operations Report: Field Operations Superintendent Todd Knapp shared the information as listed in his staff report of the Board packet, including the installation of an earthquake valve to the Valley View reservoir project and they are nearing the end of the project. He pointed out the additional time spent on the grease in lines – 16% in the numbers. Director Williams pointed out the helpful nature of the cross training for water and sewer staff – as operations needs increase for sewer in the winter they typically decrease for water, and vice versa in the summer season. There were no questions from the Board.

Plant Operations Report: Operations Superintendent David Mendenhall shared the information as listed in his staff report of the Board packet. He is getting used to how the water reclamation facility reacts to bigger rain events and more groundwater. As shown on the Effluent Water Quality Report OLWS is exceeding permit in both drier conditions and also now that we have entered the wet season. District Engineer Jason Rice mentioned that staff will circle back to the public concerning Cannibal in coming months. David Mendenhall shared that because of the additional capacity of the plant we are able to have more flexibility with regards to solids movement and storage. There were no questions from the Board.

Technical Services Report: District Engineer Jason Rice updated the Board on the information as listed in his staff report in the Board packet. For now, he will be focusing in on issuing the RFP's for both the Water and Sewer Master Plan consultants and other tasks as outlined in his report. There were no questions from the Board.

9. Call for Public Comment

Jack and Kathleen Mulligan provided public comment concerning property address 19555 SE Cottonwood Street. The lot has been vacant after demolition in early 2003. They had multiple approved inherited permits with no sunset provision, and were later told that they needed to apply for a replacement dwelling permit for a replacement EDU. They were sent to other agencies because the Clackamas County Tax office had lost the records, along with water and other agencies, including sewer SDC records. Luckily his neighbor used to own the property/former house and the County accepted it as qualified replacement records. There is a clear lateral into the property going back much earlier than 2002. He requested a waiver of the SDC charge based on the District Code 207.13 Charges for Service Reconnection – an inspection and other charges may be required and 208.08 Charges for Service Changes additional SDC's may be reassigned if EDU's are added. He requested a refund for his recently paid SDC. The Board asked about whether the lateral was capped, if the SDC was likely ever paid, and whether we have a record of the connection for the property. Staff did not find record of EDU payment, but there is photo proof of the house on April 2003 and demolition soon after. Board proposed to refund the SDC charge of \$5,165.00. No further discussion.

Director Williams moved to refund the recent System Development Charge of \$5,165.00 to Jack and Kathleen Mulligan. Vice Chair Keil seconded the motion.

Ayes: 4
Nays: None
Motion carried: 4-0

Grover Jeffrey Bornefeld addressed the Board after attending the Oak Grove Public Library Board meeting. He is on the Jennings Lodge CPO Board and was concerned about the permitting and responsibility for water management on the new permit on Blanton. He mentioned the drainage issues along the Trolley Trail. He asked for enforcement, accountability and responsibility for the flooding and asked when can this issue be resolved with Clackamas County. The Board mentioned that they have updated the new OLWS General Manager on the flooding issues in the District and that OLWS is preparing a whitepaper to address the issues of stormwater responsibility. District Engineer Jason Rice stated that OLWS staff is responsible for reviewing the plans with regards to runoff and water surface issues, which are supposed to be mitigated to a higher standard than pre-development but at times OLWS is not informed of onsite changes and cannot regulate the stormwater issues. The point of the public comment was regulation of stormwater needs enforcement, and the Board agreed that regulation needs to be enforced and proposed a presumptive approach. The Board will revisit this issue in coming meetings.

10. Business of the Board

Director Gibson updated the Board on the North Clackamas County Water Commission and the new Intergovernmental Agreement. The conversation was robust and there was some consensus towards a draft IGA near the end of January. In addition, at the C4 meeting SDC's and construction excise taxes are being discussed for either County-wide or at the local city level. Clackamas County is looking at "right sizing" System Development Charges to encourage the development of affordable housing.

Director Williams updated the group on his submitted report focused on the Jennings Lodge Community Planning Organization meeting and on developments in our area. He had nothing further to add.

11. Adjourn

Chair Martin adjourned the regular meeting at 9:32 p.m.

Respectfully submitted,

Sarah Jo Chaplen
General Manager

Jim Martin
Chair, Board of Directors

Date: _____

Date: _____