

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting
September 19, 2017

Board of Directors - Members Present:

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

Board of Directors - Members Absent:

None,

Oak Lodge Water Services Staff Present:

Jason Rice, Acting General Manager
Kelly Stacey, Finance Director
David Mendenhall, Plant Superintendent
Todd Knapp, Field Operations Superintendent
Clark Balfour, District Attorney,

Visitors Present:

Sarah Jo Chaplen,	Incoming OLWS General Manager
Ernie Platt,	Sunrise Water Authority
Lara Christensen,	OLWS Staff
Dirk Hicks,	Local Resident
Bjorn Moran,	Oregon Resident
Myron Martwick,	Local Resident
Steven Cade,	Budget Committee
Paul Gornick,	Budget Committee
Tom Hopkins,	Local Resident
Scot Constane,	Oregon Resident
Scott Kappes,	Local Resident
Jessey Cereghino,	Oregon Resident
Kim Swan,	Clackamas River Water Providers.

REGULAR MEETING

1. Call to Order and Flag Salute

Jim Martin called the regular meeting to order at 6:00pm and Vice Chair Susan Keil led the pledge of allegiance. After the pledge, Chair Jim Martin briefly introduced the incoming General Manager for Oak Lodge Water Services, Sarah Jo Chaplen.

2. Call for Public Testimony

Myron Martwick, River Forest Dr, asked about the changes to the manhole near River Forest Lake. Acting General Manager Jason Rice responded that OLWS looked into the

idea to raise the elevation of the manhole but did not move forward with that idea because it might cause overflows into homes. OLWS continues to investigate how to best adapt the engineering and water flow to solve the direct overflow into the Lake. OLWS has requested from DEQ to overflow at another location and into the Willamette River, and that would not affect the lake.

Dirk Hicks spoke about acquiring title for a property at 5028 El Centro Way on 08/23/2017. He set up water and sewer on 08/21/2017 and received a bill several days later for \$300+ dated 08/23/2017. The bill issuance date is 08/31/2017 and due date 07/15/2017. Previous owner abandoned the home 4-5 years ago and the water was shut off. He questioned the bill being for him and shouldn't it be for the previous owner? He quoted OLWS staff as saying his actual portion would be \$18.91, and requested that we wave the historical amount. The property was sold at auction (at a Sherriff Sale) and the previous owner is not available. Escrow did not contact OLWS to get a final payoff, there was just a preliminary title report which did not reflect these charges. At the sale, the Sherriff did not collect real property taxes or other charges. Jason Rice will follow up with OLWS staff and the customer to decide upon bill/recovery costs in relation to the existing regulations and the adoption of the new code.

Scott Kapras, lives on Cottonwood St in the district. He spoke from a written document (attached in the Board Packet) and requested that the district revisit the stormwater catchment system proposed for the new development being put into his area by Tasso/Custom Homes. Surface water management plans do not seem to be adequate for the development, and OLWS is supposed to sign off on the plan. There is a small storm catchment that is supposed to serve a private three-lot set of homes and should not be made available to the new 7-lot development to cover for the additional storm water needs. He is asking the district to pay close attention to the engineering plans to help ensure that the storm water plans, private rain gardens and green street swales will be adequate to fulfill the additional runoff needs. He would like OLWS staff to pay close attention and possibly reconsider the proposed plans with this new information provided to the Board. The area he described is known for being significantly wet and having water issues. Clackamas County will also have to ensure that it is not developed to the maximum.

No other public testimony.

3. Presentations:

- **Clackamas River Water Providers, Kim Swan**
- **OLWSD Education and Outreach, Lara Christensen**

Kim Swan, Water Resource Manager with the Clackamas River Water Providers, presented to the Board (see updated slides attached in Board Packet). She shared information about the general history and services CRWP provides to OLWS. Created in 2007, they are organized under an intergovernmental agreement and serve a number of agencies in the area by providing drinking water for over 300,000 people. Geographically they treat and provide water from the Clackamas River watershed. Their mission is to foster closer relationships and implement programs together with the partner agencies, including source water protection, public outreach and education on water conservation. Kim acts as a "water liaison" for the multiple agencies and allows them to speak with one voice

concerning drinking water. Their Board is comprised of designees from each partner agency and meet bi-monthly. They operate under a 5-year work plan as to how they should engage in the two main programs: source water protection and outreach and education. Because they lack regulatory authority, the public outreach and education programming is important because it can act as an advocate for source water protection. They partner with Oregon Department of Education, Water Environment Services, etc., to leverage the public voice and promote public awareness. She described the variety of programs that they implement by working with multiple partners, as summarized in their Annual Reports.

Lara Christensen, Outreach and Program Specialist with OLWS presented information (see attached slides in the Board Packet) concerning the public education and outreach programming required by the Clean Water Act and the Federal and State Permits, including the United States Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer Systems (MS4) Permit. OLWS participates in a Phase I MS4 Permit in partnership with twelve other co-permittees. Lara described the OLWS Storm Water Management Plan (SWMP) and the 6 minimum measures plus the other requirements that are called for under the MS4 Phase I Permit. She outlined the outreach and education strategy that OLWS uses to fulfill the permit requirements with partial FTE, and shared information about the internal staff team and external partnerships comprised of schools, non-profits, and private storm water system owners. The Board was able to refer to additional materials in the presentation slides later.

4. Resolution to adopt OLWSD Design and Construction Standards

Markus Mead, Development Review Specialist, OLWS Staff, presented the updated OLWSD Design and Construction Standards to the Board. He highlighted several areas of the document, as he mentioned, "the poetry" of the code. These areas included, among others: the ways that the utility types in our code reflect the County Code examples; this new document prepares the district for the 1200C Erosion Control Authority once they are able to become the agent for the Department of Environmental Quality (DEQ); it states the inspection authority for each utility; removed the term "undisturbed buffer" under the council's recommendation, and added this issue as well as other storm water definitions into the Rules and Regulations Document. Wastewater design is a large focus of this document, and this document allows the district to select certain materials for construction projects under specific environmental conditions. Markus outlined the other ways that the document addresses and clarifies district standards to simplify and strengthen relationships with contractors and developers. The Board asked several questions, including: what recourse OLWS has when the storm water quantity issues come up: Markus responded that Clackamas County may have a role, that it might be a civil dispute issue between property owners, and that the district does not have legal authority to address or settle quantity issues – even though we spend considerable time evaluating with the view of protecting our residents. Board asked if the document is practical, clear, and straightforward with regards to developers, even small developers, and particularly with regards to storm water. Jason Rice responded: yes – our intent was to provide standards and best practices for the public; this document protects residents and allows the district some needed flexibility. Jason clarified that this document is basically a reorganization of a working document that the district has been using for years. Board mentioned a number of formatting and grammatical edits on which staff will follow up. Staff addressed the

difference between storm and surface water and outlined the district differentiation that OLWS works to protect the watershed to Watershed Protection Fee.

Director Gibson moved to adopt the Resolution Number 17-14 adopting the Design and Construction Standards for the Oak Lodge Water Services District effective October 20, 2017. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

5. Clackamas 800 Radio Group Lease Agreement

Acting GM Jason Rice introduced the Clackamas 800 Radio Group Lease Agreement (see Board packet background) and proposed that the district accepts the agreement as written and continue the partnership for the next twenty years. Board asked about why we were at the top end of the lease amount compared to other entities, original at \$71,277.54 now at \$25,000, and questioned the 1% increase as opposed to a 5% increase and looked at the length of the proposed contract. Board asked about whether lease agreements typically go up annually and in relation to what factors? Cell towers have annual leases that typically increase between 2-3%. Positive factors include the valuable real estate that the tower exists on, that this tower provides a specific area of service, that it provides functional redundancy, and that it is valuable to the partnership group. Every public safety agency in the County is part of the 800 MHz emergency radio service network, and it is available to OLWS if we wanted to partner in the network. They also have a joint venture with Washington County. Board asked what the cost is to the water services district on the reservoir? Why do we charge at all? Board discusses whether there should be a charge for the lease agreement in relation to the benefits provided to the public and the pros and cons of the relationship. Clackamas 800 Radio Group representative stated that they appreciate the relationship.

Director Gibson moved to approve Interim General Manager Jason Rice to sign the proposed lease agreement with the Clackamas 800 Radio Group with the terms of \$25,000 and a 1% annual increase and a 20-year lease agreement. Vice Chair Keil seconded the motion.

Ayes: 3

Nays: 2

Motion carried: 3-2 (for the record, Chair Martin voted yes)

6. Consider approving Director Gibson to comment on proposed Clackamas County Coordinating Committee (C4) Bylaws

Director Gibson introduced the issue of her goal to comment on the C4 Bylaws as part of her OLWS representation to the C4 Bylaws' Subcommittee. She would like to comment on several items to vote in the affirmative for the acceptance of the changes to the bylaws that they have made so far with a caveat about the Metro subcommittee. Board asked why she is getting their approval to comment and she responded that getting their approval is a

requirement that exists in the bylaws. Board put their confidence in her decision and reflected on the assessments and goals presented by C4. Director Gibson did mention that these goals could later effect System Development Charges and planning for the area.

Director Fisher moved to approve Director Gibson to speak for the recommended changes to the C4 bylaws when C4 reconvenes on October 5th, 2017. Vice Chair Keil seconded the motion.

Ayes: 5

Nays: 0

Motion carried: 5-0

7. Consent Agenda

- July 2017 Financial Reports
 - i. Approval of Water July 2017 Check Run
 - ii. Approval of Sanitary July 2017 Check Run
- August 9, 2017 Board Meeting Minutes
- August 10, 2017 Board Meeting Minutes
- August 14, 2017 Board Meeting Minutes
- August 15, 2017 Board Meeting Minutes
- August 24, 2017 Board Meeting Minutes
- August 31, 2017 Board Meeting Minutes

Board asked about the Ferrari Enterprises charges. OLWS Staff Todd Knapp responded that this is the company that did the work on the vault. Board asked why OLWS paid the Portland Water Bureau \$16,071. OLWS Attorney Clark Balfour responded that it is likely the charges for the Regional Water Providers Consortium (fiscal agent is Portland Water Bureau), which are charged at the beginning of the fiscal year, and Staff Kelly Stacey will follow up to confirm. Board asked what the James W. Fowler company is. OLWS staff responded that it is the company doing the job on the towers and at Valley View.

Director Gibson moved to approve the consent agenda. Vice Chair Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

8. Department Reports

Finance Report: Financial Director Kelly Stacey stated Accela Implementation is moving along, and that we are in the thick of it with the new payroll system. OLWS Staff is cleaning up the ratepayer accounts before Accela takes the UB Account data for uploading into the live system. UB Billing will likely go "live" in early March 2018. Accela staff commented that the OLWS timeline for implementation is aggressive, and Kelly mentioned that it has been a challenge to the day to day business but that the staff and Accela consultants have been great to work with. Board requested that OLWS put an informational flyer into the bills detailing the approaching combined bill. Director Stacey mentioned the challenge of some customers getting a one-month water bill but that the next batch of customers receiving a

combined bill will receive a three-month water bill. Board asked about whether OLWS would work with ratepayers and staff responded yes. Board asked if we could bill presumptively bill in order to head off the three-month water bill issue. Board asked if staff had posted the information about joint billing on the website and staff responded that we could do this. Board asked if OLWS could get an article into the Clackamas Review to explain all of the changes completed in the consolidation, including the coming changes to the joint billing coming. OLWS Staff suggested an insert to the first few combined bills and that we plan on calling all of the customers who were in the lien process to explain the changes to the district.

Interim General Manager Jason Rice and Director Stacey till be interviewing 7 applicants for the HR Manager position. They will involve the new General Manager Sarah Jo Chaplen in the second round of interviews.

OLWS Staff Rebecca Reece and Jeff Voreis have moved into the former OLWD Administrative building and joined with the rest of the administrative team.

Field Operations Report: Field Operations Superintendent Todd Knapp shared information from his Board Packet staff report, including mention of the water main break on Oatfield Road, and an update on the Valley View reservoir project. He commented on the level of complexity that the sewer collections side brings with it, and that he has been learning a lot concerning the sewer field operations that he oversees. Sewer and water departments helped each other with several team level tasks, including hanging red tags and moving biosolids. He shared information about the zone cleaning process with regards to T.V.'ing and cleaning lines, and in future reports he will track it in relation to the monthly goals. The Board asked about whether we could create reports to support annual budgeting, and staff responded that yes, we could get there in the future. Finally, the fiber line has been connected and the domain migration is under way.

Plant Operations Report: Operations Superintendent David Mendenhall reported on his first month of service to OLWS. Staff have been very helpful in training him and working hard together, particularly with regards to the biosolids hauling with the joint crews. He reported on the timeline for the new solids belt press, and that we should be ready to install at our plant during the first week of October. They are contracting in the hauling of the new press for several reasons. In addition, there was a sludge hauling challenge with regards to the Interstate 84 being closed because of the Eagle Creek fire. Luckily, the plant is in a good place with regards to solids as well as the effluent produced. We were able to take biosolid loads out as the road opened up and are catching up. So far it has been a good start to the position and the plant is operating well.

Technical Services Report: Acting General Manager Jason Rice updated the Board on the projects that he will be completing now that the new General Manager Sarah Jo Chaplen will be starting. Projects include the water master plan RFP, the janitorial and landscaping RFP, master on-call for engineering, the River Forest Lake manhole issue, and he is looking forward to getting a lot done on his on-going list which has been slowed down because of this additional load on the General Manager side. He thanked the board for their support over the last year and welcomed the new General Manager to the district.

Board brought up the River Forest Lake issue and asked what our plan will be. Jason responded that we have been in contact with DEQ about the OLWS plans to push forward a “design overflow” upstream in the system at a pump station #2. During heavy rains this should keep the manhole at River Forest Lake from overflowing until a more permanent fix can be designed, possibly around Infiltration and Inflow (I&I) in the Gladstone system. Once rains increase and the water table comes up again, OLWS will need to have language in place in their code to protect the district with regards to storm water responsibility and sewer overflow issues. Board mentioned focusing on storm water responsibility during a retreat and figuring out a better system. One idea is to contemplate regulatory authority.

9. Call for Public Comment

There was no other public comment.

10. Business of the Board

Director Williams updated the group on the Jennings Lodge CPO meeting and the code update issues with Clackamas County. There were multiple partners frustrated with the lack of responsiveness from Clackamas County, and jurisdictions will have to see what follows.

Director Gibson reported on the budget season at the Regional Water Providers Consortium – stay posted for a budget to review. Budget is looking great and there will be a slight, very warranted, increase with regards to expansion of Spanish outreach materials for the messages. With regards to C4 the board has already been updated. Director Gibson shared information about the new member of the City of Gladstone’s representative for the Commission, Matt Tracey. Matt works for Metro around their solid waste issues and sustainability and is the appointee for the City of Gladstone. The update included that City of Gladstone will start charging a storm water fee this year and will double it next year. Other needs include the drinking water tower and the sewer system. They are trying to stabilize the City Council so that they can tackle infrastructure needs.

President Martin will not be able to attend the next two board meetings for Clackamas River Water and requested backup for the meetings (fourth Wednesday). OLWS staff will follow up on who should go in his place (possibly Lynn Fisher). He reported on the Sunrise Water Authority Meeting about the debt covenant – required by the bonds – is a third quarter status report from the finance director. OLWS has general obligation bonds, which do not require a rate coverage requirement built into it. If we were to sell a revenue bond, we would be required to have coverage, but we don’t require it under a G.L. bond. Gladstone is talking directly with CRW about getting emergency water. They are going through the board practices assessment process through SDIS/SDAO so that we could get a 2% reduction in fees. OLWS staff will look into it for the future.

Vice Chair Keil will send the transportation graphic electronically along with a power point with good graphics. She attended the Portland Regional Chamber of Commerce’s “Eggs N’

Issues Breakfast" in Happy Valley with Representative Kurt Schrader and learned about infrastructure relevance and tax issues.

Director Fisher provided updates that the most recent Oak Grove Community Council meeting covered 90% land use applications. These included: the 92-person Milwaukie community adjacent to Oak Grove was approved to be built on a known flood zone. The self-storage unit facility was approved, and the Oatfield house was approved to that it could be torn down.

11. Adjourn

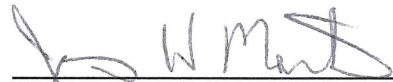
Chair Martin adjourned the regular meeting at 9:07 p.m.

Respectfully submitted,



Jason Rice
Interim General Manager

Date: 12/13/17



Jim Martin
Chair, Board of Directors

Date: 12/19/17