



OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting 6:00 p.m.
September 17, 2019

Board of Directors - Members Present:

Susan Keil,	President/Chair
Kevin Williams,	Secretary/Vice President
Lynn Fisher,	Treasurer
Paul Gornick,	Director
Mark Knudson,	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
Kelly Stacey,	Finance Director
Todd Knapp,	Field Operations Superintendent,

Visitors and Consultants Present:

Tommy Brooks,	District Attorney, Cable Huston LLP
Dave Phelps,	Local Resident
Eric Hofeld,	Sunrise Water Authority
Fred Swingle,	Budget Committee
Jane Civiletti,	Local Resident.

Regular Board of Directors Meeting

1. Call to Order and Flag Salute

President Susan Keil called the meeting to order at 6:00 p.m. and led the pledge of allegiance.

2. Call for Public Comment

President Susan Keil requested public comment. There were no initial public comments.

3. Consent Agenda

- August 2019 Financial Reports
 - Approval of August 2019 Check Run
- August 20, 2019 Board Meeting Minutes

President Susan Keil requested a motion to adopt the consent agenda. Discussion included the following questions: The Board clarified one the last page of the minutes he did not attend the Jennings Lodge Community Planning Organization community picnic. Treasurer Fisher asked about why the beginning balance is zero on each item of the rollup. Finance Director Kelly

Stacey responded she will look into why and get back to the Board. Director Gornick asked why the general ledger debt service is for the water meter project and staff responded yes. President Keil asked about the accounting and audit services what was the total amount we are anticipating spending this year and staff responded it's about \$25,000 due to a higher level of oversight for the first year of new auditors. The Board asked why workers compensation is high in all of the funds and staff responded this item is paid one time per year in July and so is reflected in this report. Director Knudson asked about why SDC's are still high and staff responded the Jennings Lodge development is still being received and is unusual for this District, along with infill in the area. The Board asked about when they can expect an audit report and staff responded the goal is for a presentation in November. The Board will have a chance to provide input to the auditors before it is finalized, and staff requested to have questions given before the meeting so that auditors are able to look into them thoroughly. There was a discussion about whether to include list of individual checks in the Consent Agenda and the Board concluded to leave it out of the Consent Agenda but keep the check register in the Board packet under the Finances Staff Report section. The general ledger and the rollup will remain under the Consent Agenda.

Director Gornick moved to adopt and approve the consent agenda. Treasurer Fisher seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. Boardman Wetland Complex – Park Renaming Recommendation

District Engineer Jason Rice presented the recommendation to rename Boardman Wetland Complex Project with the name Jennings Lodge Nature Park. The Board discussed the idea and was supportive because it brings attention to both the Jennings Lodge neighborhood and honors the area with a park in its name. The Board clarified the Boardman park walk-through will be from 2:30 p.m.-3:30 p.m. at 17908 SE Addie St. The Board asked why the Jennings Road edge of the park is so marshy and wet. Staff responded the sewer line is being fixed and the road will be put back into the best condition it can be, but the south end of the area is owned by a five-property Homeowners' Association (HOA). The marshy area on the south end needs dredging and regular maintenance and without the help of the HOA this portion of the park will continue to be flooded and this will be a flooding challenge to Jennings Road. The District will communicate to the HOA and begin conversations about what can be done – possibly together or with the District's help.

Treasurer Fisher made a motion recommending the Board have staff forward to NCPRD the District's suggestion for the Boardman Wetland Complex to be officially named "Jennings Lodge Nature Park". Vice President Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

5. Review changes to the Oak Lodge Water Services Harassment Policy

Payroll and Human Resources Manager Aleah Binkowski-Burk presented the updated OLWS Harassment Policy noting that the biggest change is to the statute of limitations, which has been extended from 1 year to 5 years. The policy is being updated under Senate Bill 726, the Oregon Workplace Fairness Act. A clear process for reporting and updated legal language has been defined within the new employment laws. Staff is requesting approval for the new language which will be updated in the harassment policy as well as in the four following policies: Equal Employment; Non-Discrimination; Violence in the Workplace; and Selection and Placement. The suggested wording will be changed from:

“Including but not limited to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, or status as a covered veteran in accordance with applicable federal, state, and local laws.”

To:

“Including but not limited to: race, color, religion, gender, sex, sexual orientation (including gender identity or expression), pregnancy, parental status, national origin, marital status, disability, injured worker status, age, family medical history or genetic information, political affiliation, veteran status or military service, expunged juvenile record or any other legally protected status in accordance with applicable federal, state, and local laws.”

Staff will bring the final policy back before the Board for approval. Staff will share this policy with the Union which will have time to review and comment on it.

6. Department Reports

- **General Manager’s Report:**

General Manager Chaplen updated the Board on their conversations with staff of Gladstone to renegotiate and combine the Intergovernmental Agreements for sanitary sewer and storm water with water. While good progress has been made, they are requesting a 6-month extension of the existing IGA because City of Gladstone has been delayed for several reasons.

Vice President Williams moved to give General Manager Chaplen permission to extend the IGA with Gladstone for a period of six months. Director Knudson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

- **Finance Report:**

Finance Director Kelly Stacey shared they are in the middle of the audit process with auditors on site pulling data for spot checking items. Staff Accountant Jeff Voreis has been very helpful in providing the preparation for the audit. He will be preparing the financials for this year and we will have the auditors review the documents. Kelly appreciated him for his good work. She stated the new customer service staff member Bailie Foxworthy will be starting next week. General Manager Chaplen mentioned she expects with the new auditors we will see suggestions for positive changes to the organization’s financial organization. Kelly mentioned

there will likely be no material weaknesses but hopefully there will be some suggestions. She has had a good experience with the auditors overall so far.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp presented information from his report, describing the main break on Vista Sunrise Court and 200" pipe replacement process. They upsized the pipe to an 8" PVC to help prevent electrolysis as well as upgrade the pipe size for fire flow protection as recommended. They had a higher-pressure break in the copper pipe at River Forest Lake which the sanitary crew helped to repair. He described the main break which may have been caused by a lightning strike. He illustrated the challenges the District has had with Oregon Department of Transportation with regards to getting permission to be on McLoughlin Avenue in order to have collection crews TV'ing and cleaning the system. There was a discussion about completing the final lift paving project on the intersection of McLoughlin and Jennings Avenues. Water consumption is lower this month. Director Knudson reflected on consumption and asked whether there are financial implications to this trend. General Manager Chaplen commented water demand has been down regionally and this has been positive for the water producers when they have had less water that they are able to produce. She will discuss revenue projections with the Board in November and will include financial implications of models of lower water consumption. Kelly commented we could anticipate that revenue will be low because usually July/August are our highest months for water consumption. Director Knudson requested projections for the remainder of the revenue and non-revenue water at the November meeting and offered the suggestion to Todd that he show the consumption by month compared across the bottom. President Keil asked about the relationship to sewer and finances. Kelly mentioned it would be somewhat inverse, meaning a warmer sunnier winter would mean water use might be higher in the winter, which would set the winter sewer averages higher. The conversation shifted to how climate change may affect precipitation patterns and that there may be the same amount of precipitation but more in rain and less in snowfall. Treasurer Fisher commented that decreased water consumption is a good thing for conservation aspects, as long as we think about financial impacts and plan accordingly.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall updated the Board on his report as provided in the Board Packet. He commented on continued plant operations, reflecting on rainfall, plant operations, and capital projects in the plant in some detail. He commented on Elaine getting off to a good start as the new Asset Manager. He updated the Board on detailed aspects of maintenance events as listed in the Board report, including the installation of Pumps 4 and 6. He closely described the Rainfall-Flow graph, stating rainfall had very little effect on plant performance, although there was record rain elsewhere in the Portland metro area.

- **Technical Services Report:**

District Engineer Jason Rice presented information from his staff Board report, detailing the Department of Environmental Quality penalty and the staff training and best management practices that have been put into place since the event. The Board asked if we have formal best management practices written and in place that we train people on? Staff responded there is an

Standard Operating Practice (SOP) for water main breaks and there have been trainings about using and restocking biobags and catch basin liners in all of the trucks.

The highlight of outreach events was the Oak Grove Trolley Trail Festival, where staff took turns speaking with the public about emergency preparedness and water conservation. We shared our booth with the Clackamas River Water Providers.

He outlined details of the Capital Project Tracker and the Development Review Status Tracker. The Board appreciated the new format for the Capital Project Tracker and asked whether there was a project tracking drinking water line replacement like the one for sewer main line replacement. Staff responded we are in the process of developing a prioritized list of water system replacement projects and that we currently address immediate water main line repairs. In the future there will be an outlined list of priorities. They briefly discussed how rates will be adjusted in relation to future projects and planning. The water master planning process will address both the need for an intertie and increased fire flow in certain areas, both to meet emergency preparedness. The Board asked what the makes for successful Aquifer Storage and Retrieval projects and Director Knudson responded success depends on geology and location.

General Manager Chaplen commented depending on economics the District may be able to get competitive rates for upcoming projects, which helps keep people employed. This will depend on having our list of capital projects ready. The Board asked about how the work was going with the building subcommittee and G.M. Chaplen responded they are in process and will be coming to the Board with an update soon.

7. Call for Public Comment

Eric Hofeld commented he was pleased to see the adoption of the capital projects spreadsheet he developed for Sunrise Water. He added that he will be moving out of district and Board member Gary Barth will be taking his spot as a liaison for Sunrise Water Authority. He appreciated the exchange of information taking place between the two boards and believes it has made Sunrise better. Our Board appreciated the information he brought to the meetings stating Oak Lodge Water Services was also better for it. They congratulated him on his move.

There were no additional comments from the public.

8. Business from the Board

Director Gornick updated the group on the Sunrise Water Authority meeting, which was held on August 28th. They had testimony from a 77-year-old customer concerned about rate relief. Sunrise does not have a rate relief program but structures the rates so the lowest tier supports conservative users. They made public their top 25 users, which were all commercial accounts and included several HOA's with significant common areas landscaped. The top users made up 85% of their commercial users and their water usage made up about 22% of the District's overall usage. He attended the C4 meeting which focused on housing. The housing needs report outs occurred, and next will be a focus on transportation.

Vice President Williams attended Jennings Lodge Community Planning Organization meeting on August 27th. There was nothing of significance to report, but two local businesses presented, O-Teriyaki and East Side Athletic Club. The businesses present what they provide to the community and the CPO shares information about MAPIT with them. He mentioned that Teriyaki was created on the west coast.

Director Knudson attended the Regional Water Providers Consortium executive committee meeting on September 11th and referred to the full report in the Board packet. They are starting work on the budget process for the 2020-21 fiscal year. The current IGA with the City of Portland, which provides staffing, is about to expire. Before they renew the IGA they are considering whether any other organization would want to take on the responsibility. The Board commented they are happy with the levels of staffing and service currently provided. He reminded the group September is National Preparedness Month and the Consortium is rolling out new TriMet bus siding with emergency preparedness messaging, "Prepared, Not Scared". They are hosting a half-day preparedness drill on Thursday, September 26th from 9-1 p.m. G.M. Chaplen mentioned there will be operational staff, Jason Rice, and herself attending to learn about distribution equipment.

Director Knudson presented his proposal to remain on the Board of the Water Research Foundation (WRF) and represent Oak Lodge Water Services. He directed people to the information he prepared about WRF as listed in the Board packet and went over his prepared presentation (refer to slides in packet). He would remain on the Board as a representative of OLWS. Additionally, he is the chair of the research advisory council and the research strategy committee and would remain as such. He will keep our needs in mind and will not need to ask much financially from OLWS at first. In time the membership fee could range in the \$10,000-20,000 in the future.

G.M. Chaplen mentioned the importance of having the WRF hear of the needs of smaller members as well as large utilities for practical research needs.

Treasurer Fisher moved to appoint Director Mark Knudson to represent Oak Lodge Water Services on the Board of the Water Research Foundation. Director Gornick seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

President Keil will attend C4 for Director Gornick in October.

Treasurer Fisher did not have business to share.

There was no further Board business.

9. Adjourn Regular Board Meeting

President Keil adjourned the regular Board meeting at 7:28 p.m.

Respectfully submitted,



Susan Keil
President, Board of Directors

Date: 10-15-19



Kevin Williams
Secretary, Board of Directors

Date: 10-15-19