



**BOARD OF DIRECTORS
[REMOTE] SPECIAL MEETING MINUTES – 2:30 P.M.
OCTOBER 2, 2020**

Board of Directors – Members Present via Zoom:

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| Kevin Williams | President |
| Paul Gornick | Secretary/Vice President |
| Mark Knudson | Treasurer |
| Susan Keil | Director |
| Ginny Van Loo | Director |

Oak Lodge Water Services Staff – Present via Zoom:

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|----------------------|---------------------------------|
| Sarah Jo Chaplen | General Manager |
| Jason Rice | District Engineer |
| Gail Stevens | Finance Director |
| Aleah Binkowski-Burk | Human Resources/Payroll Manager |
| David Mendenhall | Plant Operations Manager |
| Todd Knapp | Field Operations Manager |
| Laural Casey | District Recorder |

Consultants & Presenters – Present via Zoom:

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| Tommy Brooks | Cable Huston, LLP |
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1. Call to Order & Meeting Facilitation Protocols

President Williams called the meeting to order at 2:33 p.m.

General Manager Chaplen welcomed everyone and asked District Recorder Casey to facilitate a roll call. District Recorder Casey facilitated the roll call of Board members, staff, and consultants.

General Manager Chaplen overviewed the general protocols of a virtual meeting due to the COVID-19 pandemic.

2. Call for Public Comment

President Williams asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were none.

President Williams asked District Recorder Casey if there were any members of the public in attendance. District Recorder Casey stated there was one.

Lynn Fisher stated he was listening in.

3. Consideration of Notary Services Policy

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Human Resources/Payroll Manager Binkowski-Burk reported the proposed Notary Services Policy had been approved by the Union.

President Williams called for a motion. Director Keil moved to approve the Notary Services Policy. Treasurer Knudson seconded. President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

4. Consideration of Public Records Policy

District Recorder Casey reported the proposed Public Records Policy had been approved by the Union as presented.

President Williams called for a motion. Secretary/Vice President Gornick moved to approve the Public Records Policy as presented. Directors Keil and Van Loo seconded. President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

5. Water System Development Charges and Accessory Dwelling Unit Fees Workshop

District Engineer Rice overviewed the purpose of the workshop, defined system development charges (SDCs), and detailed how the District's SDCs are currently calculated.

Secretary/Vice President Gornick asked if the "minor changes" which do not trigger SDCs were currently outlined. District Engineer Rice confirmed they are included in the District's Rules and Regulations.

Director Van Loo asked if the SDC was based on how many people live in a single residence. District Engineer Rice stated the District does not track the number of people per residence, noting that each residence accounted for one unit at the Treatment Plant.

District Engineer Rice overviewed the methodology used in calculating SDCs including reimbursements, improvements, and administrative fees.

Director Keil asked if the administration fee amount was spread across all SDCs. District Engineer Rice stated the calculations for the Water Master Plan is purely for the water program but would verify with the District's financial consultant. Director Keil and District Engineer Rice agreed the rationale was not to overcharge.

District Engineer Rice gave examples of SDC calculation variables by comparing other service providers with the District.

District Engineer Rice detailed the eligibility requirements for SDC reimbursement fees. Director

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Keil asked if the current funds received as SDC fees were being sequestered. Finance Director Stevens stated they were accounted for in compliance with State regulations. She explained that SDC revenue has not covered ongoing capital projects and is currently being supplemented by the General Fund. Secretary/Vice President Gornick asked if the District had a choice regarding how to use SDC revenue. Finance Director Stevens explained the revenue use was dependent on how it was classified. Treasurer Knudson noted the need for careful segregation of expenses and the teamwork between Finance and Engineering to identify eligible expenses. There was discussion regarding ensuring all eligible expenses are documented accurately.

President Williams asked what currently funded capital improvement projects if not the collection of SDC revenue. District Engineer Rice stated the rates were used to supplement ongoing growth of infrastructure. He explained the importance of maintaining updated master plans as a way of analyzing infrastructure needs.

District Engineer Rice detailed eligible improvement fees and summarized current District SDC calculations for sanitary sewer, drinking water, and watershed protection (storm water).

Treasurer Knudson asked if the County collected a storm water SDC. District Engineer Rice confirmed and noted there is currently no County capital improvement plan to grow storm water infrastructure within the District. Director Keil asked if the County's Gas Tax was used for road maintenance. District Engineer Rice stated the collected revenue could be used that way. District Engineer Rice and Director Keil discussed the County's progress towards a road maintenance plan. General Manager Chaplen clarified the overall plan was for road maintenance and that there was not an overall plan for storm water service. District Engineer Rice explained the County would need to revise their road maintenance plan to meet District storm water standards. There was discussion regarding the County and District relationship regarding surface/storm water.

Secretary/Vice President Gornick asked if Water Environmental Services (WES) charged a watershed protection fee. District Engineer Rice confirmed a watershed protection fee is collected by WES, but not within the District's boundaries.

District Engineer Rice overviewed Accessory Dwelling Units (ADUs) highlighting the various definitions used by service providers and governmental entities. Director Keil asked if the District could define what is considered an ADU within the District. District Engineer Rice stated District legal counsel would need to verify the District's authority to define an ADU. Director Keil asked if the SDC could be calculated based on a fixture count. District Engineer Rice summarized the various calculation models. District legal counsel Brooks stated he would review the District's Rules and Regulations to provide an answer to Director Keil's question. Director Keil stated a more direct definition was needed. There was discussion regarding calculating fees based on meter size and the possible issues with under sizing meters in new development.

Plant Operations Manager Mendenhall asked whether residences with two kitchens could be defined as a single living unit. District Engineer Rice stated two kitchens would likely result in two SDCs. There was discussion regarding fire flow requirements mandated by the fire

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department. General Manager Chaplen discussed how the owner responsibility model would factor into SDC calculations. District Engineer Rice noted the SDC covers capacity regardless of current use. There was discussion regarding SDC subsidization commonly found in entities collecting property tax revenue. President Williams asked if an ADU disconnected from the main structure could connect to the existing lateral. District Engineer Rice reviewed State and County regulations regarding what may be considered “party lines.”

District Engineer summarized the District’s current ADU application process and detailed the District’s current sanitary and proposed water SDCs compared to other local service providers. Director Van Loo asked which providers had a similar population. District Engineer Rice explained the City of Milwaukie was a little smaller and the City of West Linn was a little bigger, stating the growth and future service are often what drives costs. He noted system management and maintenance are important factors as well.

Secretary/Vice President Gornick asked about the City of Milwaukie ADU fee calculation. District Engineer Rice explained how the City had reduced ADU fees to incentivize growth while still maintaining suitable SDCs.

Director Keil asked if there was sound business reasoning for decreasing ADU fees, noting the District would not be interested in social engineering in the way a city may be. District Engineer Rice explained dense population is beneficial for utility districts because more drinking water is produced, more sewer is treated, and consequently service rates are lower. General Manager Chaplen noted many customers did not understand how average use may change overtime while the District built infrastructure for forecasted long term use.

District Engineer Rice overviewed the layering of SDC types on a particular community. Treasurer Knudson asked what the breakdown of SDCs would be for a residence within the District. District Engineer Rice stated he would provide a chart for Board review during the Drinking Water SDC adoption. Director Keil agreed a chart specific to the District and Clackamas County would be helpful.

District Engineer Rice overviewed the difference between adopting fees and SDCs highlighting noticing, methodology calculation, public input, and adoption differences. He outlined the current Drinking Water SDC adoption timeline.

6. Call for Public Comment

President Williams asked District Recorder Casey if there were any members of the public still in attendance. District Recorder Casey confirmed Lynn Fisher was still listening in. He did not comment.

7. Business from the Board

Treasurer Knudson provided an update on conversations with Joseph Edge and Thelma Haggemiller regarding the METRO/incorporation grant study group. Director Keil expressed concern regarding the implication of METRO driving the study group stating the vision was for

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local participation. President Williams discussed increasing Jennings Lodge support for incorporation.

Treasurer Knudson provided an update on a conversation with Joseph Edge regarding River Forest Lake. He noted Mr. Edge's concern about contamination reporting and possible disincentives for doing so. There was discussion around the jurisdiction of the District on a private lake, specifically how contamination from the lake flowed to other bodies of water the District may be responsible for maintaining quality. General Manager Chaplen stated staff would work to address the possible reporting disincentive during the upcoming Rules and Regulations update. District Engineer Rice detailed pollution types and the responsibility versus stewardship of the waterways within the District. It was agreed to monitor the situation.

Secretary/Vice President Gornick thanked President Williams and Treasurer Knudson for attending the North Clackamas County Water Commission meeting. President Williams reported that the District was responsible for providing a Chair during the 2020-2021 fiscal year and he had accepted the nomination for the position.

8. Adjourn Meeting

President Williams adjourned the meeting at 4:30 p.m.

Respectfully submitted,

DocuSigned by:
Kevin Williams
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Kevin Williams
President, Board of Directors

Date: 10/22/2020

DocuSigned by:
Paul Gornick
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Paul Gornick
Secretary/Vice President, Board of Directors

Date: 10/21/2020