

# OAK LODGE

WATER SERVICES

## OAK LODGE WATER SERVICES

### Minutes

Board of Directors – Regular Meeting 6:00 p.m.

May 15, 2018

#### Board of Directors - Members Present:

Nancy Gibson, President  
Susan Keil, Vice President/Secretary  
Lynn Fisher, Treasurer  
Jim Martin, Director  
Kevin Williams, 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  
Tommy Brooks, District Counsel, Cable Huston LLP,

#### Visitors Present:

Eric Hofeld, Sunrise Water Authority.

## **Regular Board of Directors Meeting**

### **1. Call to Order and Flag Salute**

Board President Nancy Gibson called the regular meeting to order at 6:01 p.m. and Director Martin led the pledge of allegiance.

### **2. Call for Public Comment**

There were no public comments.

### **3. Consent Agenda**

- **April 2018 Financial Reports**
  - **Approval of April 2018 Check Run**
- **April 3, 2018 Budget Committee Minutes**
- **April 10, 2018 Budget Committee Minutes**
- **April 17, 2018 Board Meeting Minutes**

Several corrections were noted for the meeting minutes: a rate increase of 4.4% (not 44%) ; during the April 17<sup>th</sup> Board meeting that Director Fisher was absent there should only be 4 votes, not 5; on page two of the April 3 Budget Committee meeting add "consumption" to the increase for the water rate. No further changes or comments on the consent agenda.

**Director Williams moved to approve the consent agenda with the changes as noted to the stated minutes. Secretary Keil seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

#### **4. Information Technology (IT) Services Annual Fee Update**

Technical Services Coordinator Gary Floyd presented information about the IT Services Contractor and Annual Agreement for the District, stating our current contract is with Convergence. Gary is very happy with their work. They provide 5-6 hours per week of guidance on best practices, providing upgrades as needed, troubleshooting and support to the District and District Staff needs. They are located locally and are able to be responsive. They have proposed an 8.5% increase for the annual contract, split between cost of doing business and a normalization of service based on their changing levels of support during the consolidation. There were some months of higher levels of support activity due to the consolidation, and now that the District is through the transition mode this amount of activity should be closer to a standard. Convergence provides a high level around security protocols and monitors District servers.

Questions from the Board included: how many servers does the District host ourselves and which applications are they running? Staff responded: five servers and they run "Hach WIMS" which is a water information management solution down at the plant, one for the domain controller, one for Geographic Information Systems (GIS), one for "SCADA" (run by OCD Automation), and one for Lucity. The Board asked for clarification on after-hours service charges for events occurring out of the business range – Convergence business hours are 6 a.m.-5 p.m. Staff responded they list an on-call rate. The Board asked what the response time would be. Staff responded they would have to ask for clarification but that it would likely be about 30-60 minutes. Staff added an example from experience that Convergence had returned a call within five minutes at 8:30 p.m. The Board mentioned that the after-hours support response/cost is not clearly spelled out in the presented contract. General Manager Sarah Jo mentioned that this contract responds to the needs of a smaller organization like the District at a cost that we can afford, as opposed to a 24-hour per day on-call staff member. The Board asked whether the District has plans to move the server-based applications to cloud-based services. Staff responded: yes, there is movement in that direction, Lucity is launching a hosted server platform but the costs associated with that level of service are still high. The Board asked about what happens in the event of an emergency or natural disaster, one that destroys the current "local" server, and what is the backup plan for information recovery? Staff responded that starting July 2018 the next initiative is to put in a "cloud-based off the premises" information system. The Board

reiterated the importance of emergency awareness, disaster resiliency and ensuring the District's IT system is prepared for emergencies. The Board asked if "off-site" meant out-of-state. Staff responded: cloud-based hosting occurs in several places (dispersed for redundancy and security) and is not nearby. The Board asked where the billing system is held, and the staff responded it is in the cloud. The Board asked if the contract would be out publicly in a Request for Proposals next year? General Manager Sarah Jo responded the contract is an annual on-going contract with a 30-day window for rate changes and that there would be a large hand-off from the old company to the new in case of a change in contractors. The Board mentioned encouraged the District to consider an open RFP in the future to ensure we are getting the best partnership and that the market has had a chance to provide the District with the best rate of service. Staff added that through Office 365, "One Drive" provides backup for the all the in-house staff files. The Board asked about the financial impact of the increase (total just under \$48,000 annually) and if it was covered in the proposed Budget; staff responded that it should be, as long as all of the contracted services and other listed services do not all go up to the same extent. The Board asked about the size, depth, and expertise of Convergence; Staff responded at least 20 staff in multiple teams with full range of expertise, 6-7 of them are assigned to OLWS. The Board asked if the Sanitary and Water District previously contracted out for support and staff responded both did. The Board asked if the contract included providing and maintaining tablets for the Board and staff responded yes, it could cover tablets in the future.

**Director Fisher moved to direct the District's General Manager to authorize the IT Services annual fee update with Convergence Networks for the upcoming fiscal year. Director Keil seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

## **5. Budget Amendment**

Finance Director Stacey Kelly presented the Board with a request to transfer funds from one Budgeted line item to another to respect Oregon Budget Law. This transfer would not require any additional funds. The transfer would provide an additional \$75,000 to the Drinking Water Fund and \$50,000 to the Wastewater Reclamation Fund by moving the money from Contingency into Materials and Services. The transfer will cover added attorney fees to cover the updated Employee Handbook as well as additional water costs. The Board asked if the water transfer would be enough to cover the variability of water usage and staff responded yes, it should be adequate.

**Director Williams moved to adopt resolution 2018-3 approving the transfer of contingency to materials and services in both the Drinking Water Fund and the Wastewater Reclamation Fund as presented. Director Martin seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

## 6. Plant Process Update

Plant Superintendent David Mendenhall presented a comprehensive update on Plant processes to the Board. Refer to presentation slides as posted in the Board Packet. He shared information from his experience including experience with activated sludge and temperature and water flow and infiltration differences. He mentioned that every plant is very different and exhibit “personality differences” based on multiple variables including geographic location. He provided a historical overview of the Water Reclamation Facility, including history of the upgrade of the treatment system. Besides installation of the Cannibal System, new components of the facilities include the Influent Pump Station, large portions of the Headworks, Cannibal Phase one with the drum screen, the Aeration Basins, two added Secondary Clarifiers, the Interchange Bioreactor (specific to the Cannibal system), and an updated Ultra Violet Treatment station. The Interchange Bioreactors were designed as a side-stream process to condition a portion of organisms from the solids stream in a long aeration hold tank, so they would be returned to be consumed as food by the existing activated sludge. In addition to physical infrastructure updates, the plant also updated its process software. Software updates included Supervisory Data Acquisition (SCADA), which is “WonderWare”, a laboratory information management system by Hach called the Hach Water Information Management System, “Hach WIMS”, and a computerized maintenance management system, “Lucity.” These software systems have become vital to the efficient operation and maintenance of the plant.

David emphasized the updated infrastructure and software operates effectively and should be considered a good investment, except for the Cannibal process. He further outlined that Cannibal did not perform as well as advertised and always fell short of the proposed outcomes. Cannibal sludge was able to be processed to about .66 “percent destruction” and regular activated sludge is about .85 “percent destruction” and the operators thought the Drum Screen, which is part of the Cannibal system, made a big difference by functioning in the place of a primary clarifier. Cannibal required a large solids inventory which made for issues around solids settling and the infrastructure then allowed very little margin of safety or flexibility when you include fluctuating temperatures and flows. The Board asked for clarification of “Margin of Safety” in this situation and the staff responded as designed the facility would not have enough additional space to cover in the event of upset – lots of held solids and not as much additional space in case of a high water/inflow event. Some of the challenges came from push back on the blowers and mixers because of the heaviness of the returned sludge. Since we have moved away from running Cannibal there have been no blower failures. Other challenges included the periodic failure to meet conditions for land application of District Biosolids, which had to be sent to a different interim treatment facility (Madison Farms) for additional processing before being land applied. David shared data around flow events and permit limits.

Changes were made in October 2016 that revised the treatment process to discontinue the Cannibal process while using the existing infrastructure while looking for stability, resiliency and flexibility. By converting the Interchange Bioreactors (IBR) to aerobic digesters the solids can be directed to the digesters instead of back to the aeration basins. This enabled the plant to be run as a conventional activated sludge process. The change has been successful, and graphs were presented to show the plant performance

improvements. Although Permit Conditions were met throughout the Cannibal period, the Permit limits were pushed the whole time, leaving operations' staff stressed.

Currently the plant is being operated within a new normal and the operators are working out how long the processes take to maximize stability, flexibility and resiliency. This allows the plant to bounce back from rain events more quickly. The District is waiting on a new permit and currently we do not need to add tertiary filtration to meet permit requirements. There is also redundancy within the plant which allows for proper maintenance of the system (cleaning, repair, etc.).

Kevin Williams asked if we were sharing this news elsewhere and mentioned that he was concerned about the perception of the District in the area. Staff and the Board agreed that the current plant is a good design and is being fully used, and that although the Cannibal system is not being used, the original decision to build for Cannibal was an informed one. The decision to stop trying to make Cannibal work at our plant was also a good and informed one. Nancy Gibson suggested that we assemble the data into several case studies and present a paper at local or national conferences. The Board discussed ways to pass on our experiences to others and help by providing this information to others, for example at Water Environment Federation (WEF) conferences. Staff agreed it would be a good study in reacting to what infrastructure the District has and how to make the best of it.

The Board commented on their responsibility to make good, informed decisions and that those connected with Cannibal were the right decisions for the times they were made. Staff agreed and reiterated that all of the infrastructure and software has been used fully, with no waste of money or investment overall, even though the concept/use has changed.

## **7. Department Reports**

- **Finance Report:**

Finance Director Kelly Stacey updated the Board on Accela implementation, with the third joint bill being sent. Customers have been very patient, and many have set up payment plans. The first batch of red tag notices went out this week. There were just over 350 which is slightly higher than normal (average 260), but not overly so. The tags usually motivate customers to make payments and/or arrangements, with shut offs seven days later. Some accounts have moved to low income but not too many more. Many are back on auto-pay after having to sign up again after joint billing. The Board requested staff bring numbers on how many low-income accounts and how many have signed up for online bill pay.

The Budget for the North Clackamas County Water Commission (NCCWC) was finished and is ready for approval in June. Kelly is working on an RFP for on-call financial services, needing expertise on creating financial policies, cleaning up fixed assets, and completing risk assessment. The goal will be a clean, clear, and well-organized District. This will come before the Board in June. She has started the process of Accela implementation for the NCCWC and Clackamas River Water Providers (CRWP) which is much simpler. She is preparing for interim audit work and is cleaning up the general ledger and bank records.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp highlighted the Operations Report and that the field team met its cleaning numbers for the month. Two sewer field staff were gone because of illness and retirement, so two water field staff moved over to help. Staff Clay Yohn has completed cross training, learning sewer work and can now help cross train other water staff in sewer collections. A water main was installed off Meldrum Ave. Storm system maintenance provided the opportunity for water staff to learn additional new information. The new vector truck arrived. Todd illustrated changes to the collections report and noted that water use is slightly higher.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall passed out an updated operations report including the most recent data not available at the time of the printing of the Board packet (added to the PDF after the meeting). Additional activity occurred since, which he will illustrate.

The plant has three vacancies and brought in a Grade IV temporary employee (Lew McClutcheon) who will fill in until two new operators can be hired. There were many qualified applicants for the positions, which OLWS advertised with the help of Matt LaForce, instructor from the Clackamas Community College's Water and Environmental Technology program. Staff mentioned OLWS would work to hire interns from the program as well. David added that he heard from the instructor that Siemens is starting a Cannibal operation in Turkey.

Maintenance has been routine except for being down a mechanic. David illustrated the high rain event in April, with a peak flow of 4x the normal, which affected Infiltration and Inflow and led to a higher turbidity. David provided specifics on the data. Both Gamma jets failed at the same time and were replaced. The high-water flow impacted the plant by upsetting it for several weeks, and staff learned from the upset and will apply their learning to future upsets. The Board reiterated the importance of outreach through school tours, connecting with students, and emphasizing the excitement and importance of science education. Staff responded that they will continue to look for opportunities to connect with young people through our community outreach and education programming.

- **Technical Services Report:**

District Engineer Jason Rice updated the Board with information about OLWS staff building the addition to the road at the Water Reclamation Facility. The crew worked quickly and has done a terrific job and likely saved the District \$20,000 or more by doing the project ourselves. Jason thanked OLWS outreach staff Lara Christensen and highlighted the glowing letter of support she received for her effort on the Steering Committee for the Children's Clean Water Festival. He appreciated her work and added she is a positive part of the Technical Services team. Jason is in the process of advertising the Request for Qualifications for the Master On-Call Contract and answering questions about the RFQ. The Board asked if we have some trenchless technology projects in some of the upcoming projects? Staff responded we have a few that may need analysis of some of the pipes whether to implement a spot repair before adding a liner. In the future capital program, we have a manhole

rehabilitation program coming up as well. He is also in the process of hiring an additional staff member to project manage many of the upcoming capital projects and is excited that we received a number of applications.

- **General Manager's Report:**

General Manager Sarah Jo shared Oak Lodge Water Services was selected as Partner of the Year by the North Clackamas Urban Watershed Council, highlighted the award dinner and presented the plaque to the Board. She featured the newly received legislative council report outlining minimum qualifications for Board members based on statutory history, and asked OLWS District Counsel Tommy Brooks to provide an overview. Tommy Brooks summarized the minimum qualifications are that Board members are *electors* and not merely a property owner but not an elector. The report includes legislative history to illustrate this decision and confirms OLWS is combining all authorities from both former Districts. The Board asked Tommy Brooks whether there has been an attorney meeting concerning the IGA and County Commission, and he replied that comments are still informing whether we need a meeting. G.M. Sarah Jo thanked the management team for the support throughout her vacation time and smooth re-entry to the work of the District.

## **8. Call for Public Comment**

There were no comments from the public.

## **9. Business from the Board**

Director Williams provided highlights from the last Jennings Lodge CPO meeting during his report, which he handed out at the meeting (refer to report in the updated Board Packet PDF). The meeting included several presentations, an announcement for the Library's Fundraising Garden Tour, and the ERC Property is getting close to discussions around money now that the development review process is nearing completion. The church may move the structure to a different property.

Vice President Keil had no business to report at this time.

Director Gibson was not able to attend the C4 meeting because of travel but included the Agenda and Packet in the OLWS Packet for information. She attended the Executive Committee meeting for the Consortium and there is an approved draft of the Strategic Plan for Board review in June and Board approval in October. She mentioned the program will be on Dogami and talking about geologic issues in October.

Treasurer Fisher was out of town for his liaison meetings and had no business to report.

Director Martin referred to his submitted report for his presentation. He attended the Sunrise Budget Committee and approved the 2018 Budget. Clackamas River Water did a budget training exercise. Sunrise brought in a new Board member and shared with

Clackamas River Water their process for bringing in another Board member. Board applicants stay in the room at the same time. Each Board member contributes two questions but does not coordinate duplication in questions. OLWS legal counsel advised the Board that they could legally and respectfully ask candidates to step out of the room so that the Board members could be interviewed individually. Board candidates could object.

Director Martin shared the CRW process of accepting completed projects/assets into the system – their own projects are formally accepted by the Board, for example “accepting” Boardman Wetlands for the sake of tracking assets and then beginning to track depreciation, etc. internally. The IGA with the City of Oregon City will be corrected to remunerate for the homes being served by CRW and updated appropriately.

Director Martin shared the news of his resignation from the Board of OLWS commencing at the end of the May 15, 2018 Board meeting. He has enjoyed working with the District and with all of the staff and Board members over the years and thinks that it is time for OLWS to bring in some fresh eyes and new thinking to the District’s Board of Directors. The group was quiet for a moment and then the first two comments were from staff in appreciation of his work. President Gibson asked if she should complete the Board Business by giving her report and then allow time to revisit Director Martin’s announcement. The group agreed.

President Gibson shared news of the C4 meeting being lightly attended although City of Oregon City’s Mayor Halliday will begin to attend C4 again. There is a new group of mayors and the County Chair meeting quarterly. He questioned the functionality of C4 based on the relationships of Special Districts and Cities with the County. She will miss the C4 Retreat this summer, so Secretary Keil will examine the agenda and possibly attend in her place. There were no Commission or Consortium meetings this month.

President Gibson circled back to the news of Director Martin’s resignation and asked Secretary Keil to speak to a statement of thanks and goodbye on behalf of the District. Secretary Keil stood up and shared her gratitude for the opportunity to work with Director Jim Martin, stating that she considered it, “an extraordinary experience to be able to work with [him]. [She] shared a tremendous amount of time with [Director Martin] and never saw [him] back away from a challenge, heard [him] say that [he was] too tired to complete something, and never saw [him] lower his standards. That kind of leadership is extraordinary, and she considered the opportunity to work with [him] as a real bonus.” She respected his decision to leave with no fuss but regretfully will see him go. They presented him with an inscribed gift that stated, “To Jim Martin, in recognition of extraordinary contributions to the community and enlightened leadership of the Oak Lodge Water Services District from its birth to successful ongoing operation. May 2018. Thanks, Jim.” Director Martin opened the gift, which was a carved wooden box with an inscription on the inside of the lid and the inscription read as stated above by Secretary Keil. Director Martin appreciated it and thanked the group very much.

Director Williams appreciated his Board leadership at the Sanitary District when he (Kevin) was on the Budget Committee, and at OLWS. He thought Jim provided strong leadership when difficult decisions needed to be made, as well as keeping the Board headed in the right direction throughout the consolidation. As both a Board member and as a citizen, Director Williams appreciated Director Martin for his 10 years of volunteer community



service between the Sanitary, the Water, and the Water Services Districts. President Gibson recalled and appreciated Director Martin walking with her throughout the community as she readied herself to run for the Board of Directors. Treasurer Fisher remembered Director Martin's outstanding work leading the local community work, including chairing the council for two years, his tireless work in helping the North Clackamas Parks and Recreation District separate from Clackamas County, and always putting in tireless effort to support community efforts. He reflected that Director Martin was likely why he chose to join the Sanitary District Board in the first place.

Director Martin commented that the group would find a replacement, and the group agreed but suggested that no one would fill his place in quite the same positive way. President Gibson turned it over to General Manager Sarah Jo to describe the next steps in the process of filling the vacant seat. G.M. Sarah Jo asked OLWS legal counsel Tommy Brooks to describe the steps. Tommy stated the process was brief and includes: 1. Vacant seat at the adjournment of this meeting; 2. The majority of the remainder of the Board can appoint someone to the vacant seat to serve until next July 1<sup>st</sup>, 2019; 3. Next May there will be an election to fill the seat with an elected, not appointed official, who would start service July 1<sup>st</sup>, 2019, and serve a partial term, completing the remainder of Director Martin's term. There is a lot of discretion concerning how the Board would like to fill the vacancy temporarily, including how publicly to announce the position, how long to run the announcement, how to review applications, how to interview and choose to fill the position. There would be a discussion and then at least three of four remaining Board members must vote yes to appoint the position.

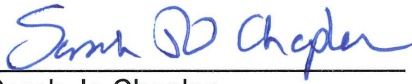
Treasurer Fisher asked about Letters of Inquiry and Application Forms that might be available. President Gibson suggested a 30-day application period and others agreed. Secretary Keil suggested posting it to the website and in the Clackamas Review as well as providing some sort of press release. Treasurer Fisher asked if it was appropriate to recruit and legal counsel responded yes, personal recruitment was acceptable if the group was not in a quorum. Based on the ruling, applicants must be registered to vote as well as residing in the District. Director Williams suggested interviewing applicants at the next Board meeting. General Manager Sarah Jo suggested that applications could be reviewed before the next Board meeting. Eric Hofeld from Sunrise Water Authority described their recent process for Board appointment having included a sub-committee put to the task of organizing the best candidates and presenting them to the rest of the Board.

Treasurer Fisher asked about risk or liability for NOT selecting an applicant. Legal counsel Tommy Brooks responded that this is a different situation from employment but that broad protected classes must still be respected. G.M. Sarah Jo suggested asking the same questions to each applicant. Tommy directed the group notice any subset of three or more Board members who gather together to discuss questions or other aspects of the process. The suggestion was made to have G. M. Sarah Jo coordinate the questions from Board members for applicants. President Gibson asked Secretary Keil to help her coordinate the process and requested Board members send questions for the applicants to G.M. Sarah Jo. Eric Hofeld offered examples of questions from their process.

**10. Adjourn Regular Meeting**

President Nancy Gibson gave a last nod to Director Martin and then adjourned the regular meeting at 8:14 p.m.

Respectfully submitted,



Sarah Jo Chaplen  
General Manager

Date: 06/28/2019



Nancy Gibson  
President, Board of Directors

Date: 6/19/2018