



**BOARD OF DIRECTORS
REGULAR MEETING MINUTES – 6:00 P.M.
FEBRUARY 18, 2020**

Board of Directors - Members Present:

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

Board of Directors - Members Absent:

None

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen	General Manager
Jason Rice	District Engineer
David Mendenhall	Plant Superintendent
Todd Knapp	Field Operations Supervisor
Aleah Binkowski-Burk	Human Resources and Payroll Manager
Laural Casey	District Recorder

Visitors and Consultants Present:

Rob Moody	Merina & Company, LLP
Tommy Brooks	Cable Huston, LLP
Laura Westmeyer	Cable Huston, LLP

1. Call to Order and Flag Salute

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

2. Call for Public Testimony

President Williams requested public comment.

Thelma Haggemiller requested an update on her previous public comment made at the January 21, 2020 meeting regarding pursuing authority status. General Manager Chaplen responded that the Board had directed her to gather more information regarding the subject and that staff will be presenting them with a report during the Executive Session.

Mitra Anoushiravani spoke regarding pedestrian safety surrounding the Boardman Wetlands Complex and informed the Board of a potential grant from the Oregon Department of Transportation Safe Routes to School Program. Mitra requested the Board's enthusiastic support of the Safe Routes to School Plan through Jennings Lodge Elementary and Candy Lane Elementary to secure the grant.

Director Van Loo asked about the specific location of the project. Ms. Anoushiravani clarified that the grant would be used in the Oak Lodge Water Services District between Jennings Avenue and Boardman Avenue on Addie Street.

Secretary/Vice President Gornick asked whether the Safe Routes to School Plan anticipated including Jennings Avenue between Mcloughlin Boulevard and River Road. Ms. Anoushiravani confirmed that it would.

Director Keil asked what improvement Ms. Anoushiravani expected from the process. Ms. Anoushiravani stated that there is currently no pedestrian safety plan and interaction with Clackamas County has indicated that sidewalks are probably not feasible. However, she expects options such as lights, slower traffic, and crosswalks. The application will request two and a half million dollars for infrastructure and Ms. Anoushiravani is hopeful that Jennings Lodge Elementary and Candy Lane Elementary have a good chance of being awarded the money.

Secretary/Vice President Gornick asked about the geographic area that the grant would include. Ms. Anoushiravani clarified that the grant would not be used countywide but would be specific to the awarded school.

Ms. Haggemiller added to Ms. Anoushiravani's public comment advising the Board to contact Mike Besner at the Clackamas County Department of Transportation and Planning. Ms. Haggemiller stated that she had testified almost six years ago on a grant for improvements along Jennings Avenue and that the District could request a report on the status of the grant.

Director Van Loo conveyed interest from other parties on the subject. President Williams confirmed a need for the project stating that only about twenty-five percent of Addie Street has sidewalks. Ms. Anoushiravani spoke about the other County projects that are happening and the need for them to all be tied together.

3. Consent Agenda

- January 2020 Financial Report
- December 17, 2019 Board Meeting Minutes
- January 21, 2020 Board Meeting Minutes

Director Van Loo moved to adopt the Consent Agenda. Director Keil seconded. President Williams called for a vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

Director Keil requested explanation on the different funds of investment revenue in the January 2020 Financial Report. Independent Financial Consultant Moody spoke to the allocations of investment revenue based on the relative balance of cash investments. Director Keil further

clarified that based on the investments, the water fund may have more than the sewer fund. Mr. Moody confirmed.

4. Appointment of Budget Officer for FY 2020/2021

General Manager Chaplen explained the vacancy of a Budget Officer due to the departure of the District's Finance Director. General Manager Chaplen requested that the Board appoint her as the Budget Officer for the current year.

Director Knudson moved to appoint the General Manager as Oak Lodge Water Services Budget Officer for Fiscal Year 2021. Secretary/Vice President Gornick and Director Keil seconded. President Williams called for a vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

5. Approval of Financial Contract with Merina & Company

Human Resources and Payroll Manager Binkowski-Burk mentioned the current contract with Merina & Company for financial services and highlighted the continued need for Consultant Rob Moody's financial and organizational expertise in the absence of a Finance Director during the District's budget process.

Secretary/Vice President Gornick inquired as to whether this contract will require any Board approved interfund transfers. General Manager Chaplen confirmed the anticipation of a need to transfer money from the Human Resources budget to the Materials and Services budget within the Finance Department budget.

President Williams commented that North Clackamas County Water Commission also recently found the need to appoint a new Budget Officer and the role was given to Wade Hathhorn. General Manager Chaplen confirmed and explained the historical appointment process for the Commission Budget Officer as being either the District Finance Director or General Manager.

Secretary/Vice President Gornick moved to approve the General Manager to sign a contract with Merina and Company for financial services as described in the attached contract for selected financial services as needed not to exceed \$100,000. Director Van Loo seconded. President Williams called for the vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

6. Department Reports

- **Finance Report**

Independent Financial Consultant Rob Moody summarized the Finance Department Board Report including an update on the completed Financial Audit. Mr. Moody commented on a meeting with Moss Adams, LLC and the continuing relationship with the firm. Mr. Moody declared all attention has been turned to the budget and briefed the Board on the status of the Accounts Payable temporary staff member.

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President Williams inquired as to the accounts payable backlog and whether the District is current on payments. Mr. Moody confirmed.

Director Keil asked about the Department of Revenue and Internal Revenue Service adjustments on the Bank Reconciliation Report. Mr. Moody relayed that the payments were payroll related payables and part of the tax withholdings.

General Manager Chaplen updated the Board on the resignation of Budget Committee member Dave Phelps after fifteen years of service with the Oak Lodge Water District and the consolidated Oak Lodge Water Services District.

The Board discussed the need to appoint the Alternate Budget Committee Member to the open position at the next Board meeting and coordinate an effort to fill the Alternate position. Tommy Brooks, District legal counsel, verified the technicalities of the appointment. General Manager Chaplen confirmed the appointment on the March Board meeting agenda.

General Manager Chaplen requested a letter of thanks from the President for Dave Phelps. President Williams approved.

- **Plant Operations Report**

Plant Superintendent Mendenhall detailed the Plant Operations Board Report commenting that the weather in January was wet noting the corroborating rainfall and flow charts. He reported that the plant operated well and discussed the sanitary sewer overflow resulting from a pump failure. General Manager Chaplen commented on a similar pump failure experienced by the City of Lake Oswego on the day after Oak Lodge Water Services' due to the rain.

Plant Superintendent Mendenhall continued his report describing the photographs attached to the Plant Operations Board Report including a high-density polyethylene pipe piece that was lodged in a pump.

Treasurer Knudson inquired as to where a pipe of that size could have come from. Plant Superintendent Mendenhall speculated its origin to be the Boardman Wetlands. District Engineer Rice conjectured malicious intent for a pipe of that size to be in the sewer system.

Secretary/Vice President Gornick asked about the term 'air-binding' in relation to the backup pumps. Plant Superintendent Mendenhall confirmed the term to imply the pump's failure to prime and the current solution to have the pumps running at all times.

President Williams inquired as to the Department of Environmental Quality's response to the sanitary sewer overflow. Plant Superintendent Mendenhall described the response as not concerned. The Department of Environmental Quality will issue a warning letter, but not a fine or violation.

Plant Superintendent Mendenhall mentioned the extra effort given by Justin Claxton to keep the team on schedule hauling biosolids. Director Van Loo inquired as to the location of Madison Farms. Plant Superintendent Mendenhall confirmed its location in Hermiston, Oregon.

Plant Superintendent Mendenhall reported on the completed pump station landscaping and other maintenance projects that had happened in January 2020.

Treasurer Knudson inquired about an employee recognition program for staff whose work has exceeded expectation. Plant Superintendent Mendenhall stated there is no rewards program but that he would relay the Board's gratitude to Mr. Claxton.

Plant Superintendent Mendenhall mentioned that Pump Stations #1 and #2 is fully operational and all failed drives have been replaced.

- **Technical Services Report**

District Engineer Rice overviewed the Technical Services Board Report noting that development is lower than previous years while the system development charges are higher primarily due to the Jennings Lodge subdivision.

District Engineer Rice updated the Board regarding the intergovernmental agreement with the City of Gladstone. President Williams inquired as to whether the intergovernmental agreement is revenue neutral for the City of Gladstone. District Engineer Rice responded that the proposal is revenue positive for the City, but that wholly depends on the remainder of the items yet to be agreed upon and the ultimately, the intergovernmental agreement will need to be approved by the Board and City Council. Director Keil asked whether there was a sense that the City would have to repair systems. District Engineer Rice agreed there would need to be measurable goals if that were a requirement of the agreement.

Director Van Loo asked about the length of time this intergovernmental agreement has been negotiated. General Manager Chaplen stated the intergovernmental agreement has been in place since 1970 and District Engineer Rice assured the Board that the current state is the closest the two entities have ever been to a revised intergovernmental agreement.

President Williams asked for an update on the Boardman Wetlands project stating he noticed a new paving project along Jennings Avenue. District Engineer Rice reported on the Clackamas County cooperation with the District and the Contractor to lessen the requirements of the paving project due to the upcoming Clackamas County public improvements on that road.

- **Field Operations Report**

Field Operations Manager Knapp outlined the Field Operations Board Report commenting that the month was uneventful compared to past years.

President Williams asked about the water main break included in the Field Operations Board Report. Field Operations Manager Knapp confirmed it was a ten-inch water main and it has been repaired.

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Field Operations Manager Knapp reported that hydrant flushing is underway and commented that the contractor has concluded the water meter replacements, but that cleanup is still needed. He stated that the work on Basin B is almost complete and the next project will be Basin D.

Field Operations Manager Knapp overviewed an effort to clean up beaver dams in the Boardman Creek. President Williams relayed that the beavers had started building a dam downstream from the pedestrian bridge. Field Operations Manager Knapp confirmed the beaver's work to rebuild what has been cleared out.

Field Operations Manager Knapp stated that there have been 564 applications for the backflow program. Director Keil inquired as to the number of customers needing backflow service. General Manager Chaplen quoted an initial two thousand backflow devices owned by customers. Not all customers have chosen to address their backflow devices through the District's voluntary Backflow Program. Field Operations Manager Knapp explained the seeming disparity between customers and backflow devices stating that many customers have multiple devices.

President Williams inquired as to the progress of revisiting property owners that were unsure if the property had a backflow device. Field Operations Manager Knapp reported that staff member Dave Seifert was about a third of the way through the list.

Treasurer Knudson acknowledge the colorful spelling of dam in the Field Operations Board Report.

District Engineer Rice added an update on the continued meetings with the water auditor, Cavanaugh and Associates, stating his future monthly board reports will include information on the non-revenue water.

Field Operations Manager Knapp outlined an updated basin cleaning schedule and reported on staff completion of certification for sewer main inspection standards. He summarized the certification and corresponding software that will be used. Treasurer Knudson inquired if the software interfaces with current District software. Field Operations Manager Knapp confirmed. District Engineer Rice commented on the former Oak Lodge Sanitary District's modification of the sewer main inspection grading techniques and standards as well as the benefits of the new training and certification.

7. Call for Public Comment

President Williams called for public comment.

Grover Bornefeld thanked the Board for including 'Jennings Lodge' in the name of the Boardman Wetlands Complex. Mr. Bornefeld read two lines from the North Clackamas Parks and Recreation District Park and Facility Naming Policy and Process. Mr. Bornefeld surmised that North Clackamas Parks and Recreation District failed to follow the policy and stated that the Jennings Lodge Community Planning Organization will be appealing the process. Mr. Bornefeld

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requests that the Board endorse the Jennings Lodge Community Planning Organization recommended name: Jennings Lodge Wetlands Park.

President Williams clarified the December 17, 2019 Board decision to name the area 'Jennings Lodge Nature Park' and spoke to the Clackamas County policy granting naming rights to the donating party. President Williams asked District Engineer Rice if Clackamas County had granted Oak Lodge Water Services significant naming rights. District Engineer Rice informed the Board that Clackamas County had not granted the District any rights but had encouraged the Board to offer a recommendation.

Steve Berliner representing Jennings Lodge Community Planning Organization and the North Clackamas Watersheds Council thanked the Board for their volunteerism despite under appreciation. Mr. Berliner spoke on the Boardman Wetlands Complex naming issue and the apparent lack of outreach for community input on the name. Mr. Berliner read a letter entered into the record and commented that he is pleased with the overall project. Mr. Berliner requested that the Board recommend one of the following names: Jennings Lodge Wetlands Natural Area or Jennings Lodge Wetlands Park.

Director Keil inquired whether including wetland in the name gives the sense that the area is for conservation versus for public use. Mr. Berliner responded that METRO has parks with wetlands in the name open for public use. Director Keil confirmed that those parks are named 'wetlands nature parks.'

Director Van Loo testified on her work developing the Boardman Wetland Complex for over thirty years. Mr. Berliner identified that her work on the Stone Creek Golf Course Boardwalk is an exciting example of what can be expected at the Boardman Wetland Complex.

Treasurer Knudson emphasized the need for 'park' to be in the name due to the park facilities that would be included in the area. Treasurer Knudson offered the name Jennings Lodge Wetlands Nature Park which is consistent with current naming of METRO parks. Mr. Berliner accepted the name.

Secretary/Vice President Gornick clarified that the name approved by the Board at the December 17, 2019 meeting was a suggestion to North Clackamas Parks and Recreation District. Director Keil asked if the audience members would accept Treasurer Knudson's name suggestion. Mr. Bornefeld accepted.

Jan Carothers spoke to the emotional effect of the public morale in not being included in the naming process and appreciated the Board's endorsement of a new name.

President Williams updated the Board and interested parties that the City of Happy Valley is no longer part of North Clackamas Parks and Recreation District.

Treasurer Knudson moved to offer a modified recommendation to North Clackamas Parks and Recreation District in consider the name Jennings Lodge Wetlands Nature Park. Director Keil seconded. Secretary/Vice President Gornick clarified that the name would include 'wetlands'

plural. President Williams called for a vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

8. Business from the Board

President Williams reported on North Clackamas County Water Commission meeting on January 23, 2020. Director Keil inquired to the correct spelling of 'Hathhorn' in regard to Sunrise Water Authority General Manager Wade Hathhorn. Secretary/Vice President Gornick provided the correct spelling.

President Williams spoke on the adopted North Clackamas County Water Commission Resolution authorizing an intergovernmental agreement with Clackamas River Water regarding water supply and emergency access.

President Williams reported that a resolution was passed authorizing the North Clackamas County Water Commission General Manager to award sole source procurements. Treasurer Knudson inquired if there is a dollar limit on the procurements. President Williams and Secretary/Vice President Gornick responded that there is no limit due to the infrequency of the North Clackamas Water Commission meetings.

President Williams reported on the Jennings Lodge Community Planning Organization meeting on January 28, 2020 clarifying that a vote on the Boardman Wetlands Complex name passed 19 to 3.

Secretary/Vice President Gornick reported on the Sunrise Water Authority meeting on January 22, 2020 noting two items: the system development charges update and the new Sunrise Water Authority headquarters development.

Director Van Loo reported on the North Clackamas Chamber Advisory Committee meeting and the Advanced Policy Advisory Committee meeting. She reported on cap and trade legislature discussed at the meeting and a census presentation overviewing the census outcome of more federal money and a possible state representative.

Director Van Loo reported on a presentation regarding Northwest Natural's efforts to consolidate smaller utilities together or into the organization. Secretary/Vice President Gornick commented that his research indicated there have been at least four water utilities which have been consolidated or absorbed.

Director Van Loo updated the Board on the health of Sunrise Water Authority & North Clackamas County Water Authority member, Ernie Platt.

Director Van Loo reported on the Oregon State House Bill regarding Legislation on Environmental Justice for Low-Income Utility Customers.

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Treasurer Knudson reported on the Oak Grove Community Council meeting on January 22, 2020 that included an update from the Oak Grove/Lake Oswego Bridge Policy Advisory Committee. He highlighted presentations given by Thelma Haggenmiller and expressed gratitude for her activism.

Treasurer Knudson reported on the Regional Water Providers Consortium meeting on February 5, 2020 describing efforts to secure an Urban Area Security Initiative grant for a Regional Emergency Water Supply Regional Plan. He also noted that the City of Wilsonville may be rejoining the Regional Water Providers Consortium.

Treasurer Knudson reported the Special Districts Association of Oregon annual conference in Seaside, Oregon stating there were many interesting presentations and a good keynote speaker.

Treasurer Knudson touched on the Oregon 100-Year Vision Call to Action confirming the importance of a Water Plan.

Treasurer Knudson requested Board input on the role of the Treasurer on the Oak Lodge Water Services District Board of Directors. He expressed interest in working on a multi-year financial plan, standard operating procedures, policies relating to surplus equipment, the water audit and billing software, and to focus on the District's low-income program. Director Keil offered assistance with any of the outlined projects. General Manager Chaplen accepted.

Director Van Loo updated the Board on North Clackamas Chamber trips that are available to the Board members. Director Keil noted having seen the presentations on the trips. Director Van Loo mentioned the North Clackamas Chamber State of the County Luncheon for which three of the Board members have registered.

There was no further Board business.

9. Recess to Executive Session

President Williams recessed the Regular Board Meeting at 7:37 p.m. before convening the Executive Session.

President Williams convened the Executive Session at 7:46 p.m. under ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

General Manager Chaplen gave a brief overview of the purpose of the executive session, which was to consider information exempt from public disclosure. Specifically, the Board received a presentation from Tommy Brooks based on a memorandum the District legal counsel prepared. The Board members generally discussed their thoughts on the memorandum and asked clarifying questions of the District legal counsel.

No decisions were made as a result of the Executive Session.

10. Adjourned Executive Session

President Williams adjourned the Executive Session at 9:01 p.m.

11. Adjourn Regular Board Meeting

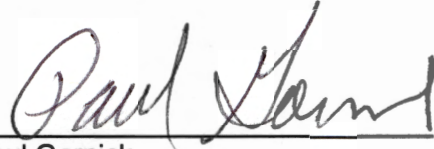
President Williams adjourned the Regular Board meeting at 9:02 p.m.

Respectfully submitted,



Kevin Williams
President, Board of Directors

Date: 03-17-2020



Paul Gornick
Secretary/Vice President, Board of Directors

Date: 3-17-2020