

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting
January 16, 2018

Board of Directors - Members Present:

Nancy Gibson, President
Susan Keil, Vice President/Secretary
Lynn Fisher, Treasurer
Jim Martin, Chair
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 (absent)
Kelly Stacey, Finance Director
Todd Knapp, Field Operations Superintendent
Tommy Brooks, District Counsel, Cable Huston LLP
Laura Maffei, District Counsel, Cable Huston LLP,

Visitors Present:

Dave Phelps, OLWS Budget Committee
Terry Gibson, OLWS Budget Committee
Jason Ellerby, Local Resident
Paul Gornick, OLWS Budget Committee
John Klum, OLWS Budget Committee
Eugene Whitley, OLWS Budget Committee
Eric Hofeld, Sunrise Water District Representative
Thelma Haggemiller, Local Resident
Steven Cade, OLWS Budget Committee.

REGULAR MEETING

1. Call to Order and Flag Salute

Board Chair Jim Martin called the regular meeting to order at 6:00 p.m. and General Manager Sarah Jo Chaplen led the pledge of allegiance.

2. Call for Public Testimony

After the pledge, Chair Martin called for public testimony. Andrew Collins-Anderson, the Executive Director of the North Clackamas Urban Watersheds Council (NCUWC) introduced himself and presented the 2017 NCUWC Annual Report to the Board. He shared gratitude for the support provided by Oak Lodge for the NCUWC.

3. Consent Agenda

- **November and December 2017 Financial Reports**
 - i. Approval of November and December 2017 Check Run**
- **December 19, 2017 Board Meeting Minutes**

Several corrections were posted to the December 19, 2017 Board Meeting Minutes, including a correction to the correction to the North Clackamas County Water Consortium, the update of the title for Eric Hofeld as representative of the Sunrise Water Authority, and the addition of Finance Director Kelly Stacey's name to the motion for Agenda Item #6, Designating the OLWS Budget Officer.

Vice President Keil moved to approve the consent agenda with the corrections as noted. Director (current President) Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. Annual January Board Selection of Board Officers

President Jim Martin presented that the Board would appoint a President, Secretary/Vice President, and a Treasurer. Director Williams nominated Director Nancy Gibson for the role of President. There were no other nominations, and there was unanimous support for her. She accepted the position. President Gibson moved that Secretary/Vice President Susan Keil be Secretary/Vice President. There were no other nominations. Outgoing President Jim Martin declared by acclamation that the role of Secretary/Vice President be held by Susan Keil. Director Williams nominated Director Lynn Fisher as Treasurer of the Board. There were no other nominations. Outgoing President Jim Martin declared by acclamation that the role of Treasurer be filled by Director Fisher.

Director Jim Martin turned the Chair of OLWS over to President Gibson for the remainder of the meeting.

5. Registered Agent Designation for Resolution 18-01

General Manager Sarah Jo Chaplen shared that the District needs to update the Designation of the Registered Agent with the state from former Interim General Manager Jason Rice to current General Manager Sarah Jo Chaplen.

Director Fisher moved to approve Resolution No. 18-01 designating Sarah Jo Chaplen as the Registered Agent for the Oak Lodge Water Services District. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Director Martin asked who would sign in her stead if she was unavailable. General Manager Sarah Jo stated Jason Rice or any other member of the management team as designated by her to sign in her absence would hold that responsibility. Treasurer Fisher asked how the Secretary/Vice President will be able to participate in signing the Resolution. General Manager Sarah Jo stated she would drive any needed documents to Secretary/Vice President Keil for signatures.

6. Acceptance of the Audited Financial Report from January 1 to June 30, 2017

Finance Director Kelly Stacey stated the OLWS January-June 2017 audit had been completed and there was a communication from the auditors for Board members to accept. No issues were found, the 6-month audit was clean.

Director Williams moved to accept the audit as submitted and approve the report to be forwarded to the Oregon Secretary of State Audit Division.

Treasurer Fisher seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

7. Initial Appointment of Budget Committee Members

General Manager Sarah Jo updated the Board on the need to designate staggered terms for members of the OLWS Budget Committee, in order to preserve the organizational knowledge of the District's budget agenda. There are no term limits for members. The Budget Committee term limits were set at random, and members of the current Budget Committee have all agreed to serve again after this term. Budget Committee member Eugene Whitley requested the terms be shared verbally. Terms are set as: John Klum, Chair of the Budget Committee, will serve two years; Eugene Whitley, Secretary of the Budget Committee, will serve one year; Dave Phelps, Budget Committee member is serving three years; Budget Committee member Steven Cade serves three years; Budget Committee member Paul Gornick serves two years; and alternate Budget Committee member Terry Gibson serves in with no term attached. Budget Committee member Eugene Whitley asked if there would be a conflict of interest between OLWS President Nancy Gibson and Budget Committee alternate Terry Gibson. Members present from the OLWS Budget Committee were introduced.

Treasurer Fisher moved that the Board appoint the following people to the Budget Committee for the following terms:

Position No. 1. John W. Klum, Chair—two years

Position No 2. Eugene Whitley, Secretary—one year

Position No 3. Dave Phelps—three years

Position No 4. Steven Cade—three years

Position No 5. Paul Gornick—two years

Alternate Member—Terry Gibson.

Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

8. First Reading of Rules and Regulations - Ordinance 18-01

District Engineer Jason Rice outlined the rereading of the Rules and Regulations and set up the discussion to include information from past meetings and presented the most current version for the official first reading of the Rules and Regulations. Treasurer Fisher asked about the differentiation between “Major, Moderate, and Minor” within the enforcement section of Class I, II and III classifications (Rules and Regulations, page 85). District Engineer Jason Rice responded the document uses the Department of Environmental Quality’s description and outline of each Class. Members of the Board suggested that the DEQ language clearly describes the specific differences between Classes. Laura Maffei, lawyer with Cable Huston, LLP responded that the District could go back to DEQ and check the Class definitions/base penalties. Secretary/Vice Chair Keil suggested that we could supplement the base document with clarifying language through a supplementary Resolution. General Manager Sarah Jo stated that the clarification information could be provided at a later date and asked if the Class descriptions were enough for decision making. District Counsel Tommy Brooks agreed that clarification would be fine to supplement in a Resolution at a later date. The Board agreed to move ahead with a vote for approval of the first reading and to update the Table of Contents and other small formatting issues for the second reading.

Director Martin moved that the Board conduct the first reading of Ordinance 18-01 by title only and conduct a public hearing.

Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

9. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey reported on Accela implementation being the largest part of the current workload. There will be a parallel run for the billing module which will run live in March. President Gibson mentioned a positive comment from a district resident for the upcoming consolidated billing and complemented the District on the recent article in the Clackamas Review, which included good information and graphics.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp shared the wrap up of the Valley View project and pointed out the photos. Hydro cleaning and T.V.'ing was lower due to staff time off, but that summer will likely pick things up and balance things out. There were five main breaks since the last report. Water consumption was about average.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall was absent from the meeting, so Sarah Jo went over his staff report in his absence. She mentioned that the District will receive a

Platinum award for no permit violations over a consecutive five-year period from National Association for Clean Water Agencies. David Hawkins received his Wastewater 4 Certification in January 2018. The District's staff mechanics tracked down several issues and fixed them, Sarah Jo wanted to commend them for their work.

- **Technical Services Report:**

District Engineer Jason Rice informed the Board that he issued the OLWSD Water Master Plan Request for Proposals and invited Board members to participate in reviewing the proposals. Director Williams volunteered to review applications, which will happen in late January for approval at the February Board meeting. Next, he will be issuing a master on-call services contract in partnership with Sunrise Water Authority, likely ready for approval in the March Board meeting. He is starting the Capital Improvement Plan for the District and will pull in the District's Facilities along with the Sewer/Watershed Protection/Water improvement projects. The Board asked about the timeline on the District's remodel project and Jason responded they are in final stages of planning and they are laying out the financial steps we would need in place to move forward with the remodel plans. The Board asked about purchase of the adjacent property and G.M. Sarah Jo informed them of the lack of response from the property owners. Plans are moving forward without that property. The Board asked about whether the District could purchase Palmers Automotive and staff replied it is already leased, and the owners have no intent to sell.

The Board asked about how customers have received the multiple communications the District has put out about joint billing. Jason responded that he thought that the calls to approximately 300 customers who have previously (and regularly) been certified were received in a very positive light. The intent is to send a final letter with a handwritten address to those customers so that they could catch up on their sewer bill. The Board asked about the size of the bill and how would the customer catch up before the water shut off process takes effect. Staff responded that we will be able to work out payment plans and if needed we will send those owners to collections.

10. Call for Public Comment

Call for public comment. Budget Committee member Eugene Whitley asked whether the audit was for the combined Oak Lodge Water Services. Finance Director Kelly Stacey responded it was for the combined district although there are still many parts to the finances that have run on parallel financial systems. He asked about when the Budget Committee would see a draft budget and schedule of meetings so that he can plan for spring travel. Finance Director Kelly Stacey provided March 20 as the first meeting, which will provide an introduction to the year's finances and a copy of the draft budget and mentioned that she could forward the approved Budget Committee schedule to him if needed. Two weeks after the March 20 introductory meeting they will begin to get into the nuts and bolts of the budget season. This is nearly a month earlier than for 2017. In addition, Finance Director Stacey mentioned that they already presented a power point overview of the financial process during last month's Board meeting. Members of the Board suggested that last year's process was more condensed and that this year there were at

least four meetings scheduled in order to provide plenty of time to go over the materials and information.

Eugene Whitley asked Jason Rice about the Capital Improvement Program in regard to the Walta Vista Bridge. Staff informed him about the District working with Clackamas County to create an Authorities Paper that will clarify responsibility for the storm water system. There was a public compliment for the District staff concerning the District's financial investments. There were no other public comments.

11. Business from the Board

Director Martin attended the Clackamas River Water District meeting and shared that Commissioner Larry Sowa resigned after many years of service.

Director Williams reported Jennings Lodge CPO meeting would be next Tuesday. Karen has asked elected members and members of the community who attend the meeting to give presentations on their respective districts/positions, like the parks district board. He had requested that General Manager Sarah Jo and District Engineer Jason Rice prepare a thorough informational packet for the meeting.

Director Gibson reported on the C4 meeting stating the biggest concern currently is the upcoming transportation planning package and a focus on value pricing. She informed folks to attend local listening sessions and provide input on value pricing. The general thought is that value pricing does not help communities where much of the traffic uses smaller side roads. If Measure 101 does not pass it will affect transportation and climate change planning. She also attended the Regional Water Providers Consortium Executive Committee meeting, sharing information about the public outreach services that they provide to OLWS and how important the services are that they provide. She mentioned the possibility of providing a one-time additional investment because of additional resources due to staff positions that were not immediately filled. The investments might allow the providers to extend their outreach to more audiences and include translation of materials into other languages like Spanish. Tomorrow night she will attend the Special District Caucus with General Manager Sarah Jo.

12. Adjourn


President Nancy Gibson adjourned the regular meeting at 6:58 p.m.

Respectfully submitted,



Sarah Jo Chaplen
General Manager

Date: 04/17/18



Nancy Gibson
President, Board of Directors

Date: 4-17-2018