

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES

Minutes

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

June 18, 2019

Board of Directors - Members Present:

Susan Keil,	President/Chair (on phone, in meeting live for the Budget discussion on)
Kevin Williams,	Secretary/Vice President
Lynn Fisher,	Treasurer
Paul Gornick,	Director
Vacant,	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
Thelma Haggemiller,	Local Resident
Fred Swingle,	Budget Committee
Eric Hofeld,	Sunrise Water Authority
Amanda Gresen,	Budget Committee.

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

There were no comments from the public at this time.

3. Consent Agenda

- May 2019 Financial Reports
 - Approval of May 2019 Check Run
- June 18, 2019 Board Meeting Minutes

President Keil asked about the Account Rollup for Miscellaneous expenses being higher than expected. Finance Director Kelly Stacey responded there was \$15,000 in the line as part of a refund to the City of Gladstone for the permit. There were no further questions.

Vice President Williams moved to approve the consent agenda with corrections to the minutes as noted. Director Gornick seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

4. Fiscal Year 2019-2020 Rates, Fees, and Other Charges Schedule Adoption

Finance Director Kelly Stacey provided an overview of the proposed changes to the rates, fees and other charges for OLWS FY 2019-2020. The rate increases are in line with the 4.5% increase that was part of the adopted budget. There was a small increase to the water system development charges (SDCs) and is described in the District's code. The Board asked for a written or presented clarification of how we calculate SDC's for water versus sanitary sewer. Staff responded they would line up the presentation/education with the presentation of the Water Master Plan since it will most likely bring changes. The Board asked about why SDC charges are so high for a small Accessory Dwelling Unit while they are the same price for a large house. Staff responded that receipt of the sewer is not based on square footage. OLWS could switch to calculating the costs based on number of fixtures. The Board commented on what a difference an SDC charge adds to the cost of a small project and suggested looking into possibilities for lowering the SDC charges. Conversation continued with comments from Budget member Amanda Gresen, Thelma Haggemiller, Eric Hofeld, and Fred Swingle and then the Board asked for more information on how SDCs are organized in other nearby communities so OLWS can process their goals further.

Staff mentioned the increase in the hydrant meter deposit and explained why the large increase. Staff commented that the charges are because contractors hook directly to a fire hydrant and we provide a backflow prevention device to protect the water system during construction and the deposit needs to cover the cost of the devices in the event that they are not returned.

The Board asked if we sell water to the fire district and staff responded no, but we provide water to the fire district. The Board asked if the 4.5% rate increase only applies to the fixed charge plus the usage charge or to some of the miscellaneous charges and staff responded no, most charges stayed the same except for the SDC for water.

The Board asked about the cost of the industrial user fee and staff responded it probably needs to be analyzed. Staff elaborated FY 2019-2020 includes a consulting contract to cover the development and reanalysis of fees for the Industrial Pretreatment User's Program. In the event that a customer triggered coverage under the program we would need to have a completed program in place in order to accommodate the user.

There were no further questions.

A motion was made to approve Resolution No. 2019-04 adopting the rates, fees and other charges for Fiscal Year 2019-2020.

Ayes: 4

Nays: None

Motion carried: 4-0

5. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey outlined her Board report with a description of the 2020 Budget Introduction for the front of the Budget Document. There has been a significant decline in the low-income enrollment, possibly due to customers remaining on the program even after they no longer qualify. There are currently annual adjustments to the program, which will keep qualified participants enrolled. The audit has started with the new auditors and is going well so far. The lockbox program starts on Thursday and will go out on the most recent bills.

The Board asked for a clarification of the billing problem last week where a customer received a late bill notice on the backflow device even though the bill had already been paid. Staff responded there was a charge added to a customer account for participating in the backflow prevention device program, put onto the account in such a way as it triggered a late fee with the next bill. In order to avoid the problem in the future, staff will be able to add the charge to the billing system as a payment plan. This will avoid the late fee charge in the future.

- **Field Operations Report:**

Operations Superintendent Todd Knapp presented information from his report, highlighting the update of the addition sewer laterals into the Geographic Information System (GIS) data, which helps with accurate locating. During the next year his goal is to get the sewer system completely into GIS for the height and depth of manholes and other assets. On Aldercrest the water crew detected a leak, which was running into a ditch. He described the photos on the topic in the Board Packet.

The Backflow Program updates includes 302 signups, several of which needed installation by an outside contractor, some which were installed by our contractor, a few which did not need devices. OLWS staff will need to make over 100 site visits and follow up to get through all of the potential customer signups.

Todd shared that water usage in May was 102 million gallons according to the combination of meter reads at Valley View and View Acres Reservoirs. The meters have a pulse which ties into the SCADA system and creeps up or down seasonally. Because of the relatively warm months the meters were off about 12 million gallons, which includes the catch-up amount.

The Board asked about whether there are customers who have not contacted OLWS about their Backflow Devices and staff responded yes. The Board asked about how we will capture and conduct site visits on the customers who are not yet involved in the program. The Board asked what the fine would be if OLWS does not catch a user that is not using a Backflow Prevention Device and staff responded our job is to make a reasonable effort to engage and protect customers through a program, which we are doing. The Board asked what happens with newly built properties and staff responded all properties are tested before being approved by the inspector, but the test report does not always get forwarded to OLWS by Clackamas County.

The Board asked if we have access to the same information as staff at Clackamas County and staff responded he has access to some but not all of the same permit information at the County. The Board reiterated the importance of having people understand why Backflow Prevention is important and how they can participate in protecting the water system. The group recognized this is a program which requires ongoing and long-term education of the public. Budget committee member Amanda Gresen asked about if multi-family and commercial properties are being covered. The Board asked if Title Companies could be required to provide and sign off on the information about a property upon transfer of title and District Attorney Tommy Brooks responded he did not think Title Companies would have to comply with reporting this information because it's not under a legal lien, but it might be possible. There is an informal sewer lateral inspection that occurs with the sale of a home, but it is also not a requirement. OLWS has discussed a variety of additions to our code and will continue to monitor the Backflow Prevention Device Program.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall commented on a dry May and his team have begun to do seasonal maintenance on the equipment as well as concentrating the solids. He illustrated the charts included in the Board packet. OLWS has been targeting a range with regards to age of solids and have been performing within our target range.

He responded to the question about the dump truck repair from last month and noted the truck received a significant amount of shaking during the drop off of loads, even with grading of the soil. This likely put additional strain on the truck and led to the need for repairs.

He mentioned the operations and maintenance staff working hard to keep the plant equipment cleaned and maintained. They will have to replace one return activated pump with a Flygt Pump, along with all of the large pumps for the Influent Pump Station. The driveway was replaced, which will help with installation of the pumps. He mentioned a few other maintenance repairs. He shared the good news that Paul Witzig, plant operator, passed his grade one Wastewater operations certification test. The Board commented on the good work being done.

- **Technical Services Report:**

District Engineer Jason Rice gave an update on Concord Oaks Homeowners Association, which has not yet voted to remove themselves from the 1.5 Stormwater Management billing fee, but they expect the vote will happen. The Board asked which Concord Oaks stormwater facility was the focus of this issue and staff responded the easterly pond which is fenced and gated. The Board asked whether the residents received service for their fees and staff responded yes, over time OLWS has managed the pond and this recent infusion of maintenance was supported by their fees. The Board asked how customers will respond if a fee is applied to everyone in the District even when many homeowners do not have stormwater facilities directly associated with their homes. Staff responded the water quality permit applies to everyone in the District whether or not they have additional stormwater facilities. There was further discussion about what level of service customers will support for water quality treatment. The permit wants every inch of impervious surface covered by green infrastructure, but how we get there is being determined.

He updated the Board about the current Stormwater Survey and subcommittee schedule and activities. He wrapped up with an overview of the rest of the items in his Board report, including the Boardman Wetlands Project, permits, and the Capital Improvement Plan projects.

6. Call for Public Comment

There were no comments from the public.

7. Business from the Board

Treasurer Fisher attended the Oak Grove Community Council meeting and heard from local artist George Greene, who runs small galleries throughout the area. Arthur Moore from Good Roots Community Church presented information on their gardens being open to the public, and a well-run clothing donations program. There were several land use applications and updates from committees including MAPIT.

Vice President Williams attended Jennings Lodge Community Planning Organization meeting and commented Clackamas County Planning Department came into the meeting to discuss short-term rental operations in Clackamas County. There were people from all over the County attending to learn more about the potential regulations and share their concerns. The public expressed a negative reaction to the possibility of regulations, but he believes the County will move forward with some level of regulation. Other members of the public expressed concern over having short-term rentals in their neighborhood. The meeting lasted for 3.5 hours. He invited the group to the Jennings Lodge CPO picnic on July 23rd at the church where meetings are regularly held. There will be a brew pub night at Coasters in September. He introduced the Oak Lodge Trolley Trail Festival on August 24th from 11-4 p.m. He commented on the MAPIT proposal and mentioned homeowners were underrepresented in the proposal. He suggested the light rail MAX line will continue and impact the housing stock for the community. There were other comments about the zoning around mass transit changes.

Director Gornick submitted information for his board business to be distributed during the meeting but it did not get into the June Packet or into the Blue folders. He updated the group on the passing of the Budget at the Sunrise Water Authority meeting. He attended the Regional Water Providers Consortium meeting on June 5th and stated the shared workers agreement for emergency water systems in the case of a disaster. The participating entities will negotiate and present a proposed contract to the Board. G.M. Chaplen mentioned we already have agreements to share employees with our close partners, but it will be a complex agreement which covers and protects employees. He attended the C4 Retreat at the Inn at the Mountain, which had one day devoted to housing and the second day to housing. For transportation, the discussion focused on vehicle registration fee (VRF). The money is divvied up with 60% going to the county and 40% going to cities. Of the county money, 10% will be set aside for multijurisdictional projects or transfer of roads from within cities from the county to the city. There was some discussion for how parties would be able to apply for the 10%. He did not have details to add concerning the portion devoted to housing.

President Keil did not attend the Chamber of Commerce but stated there was a presentation on Water Conservation at the meeting. She had no other business to add.

There was no further Board business.

8. Recess to Executive Session

Vice President Williams recessed the meeting and convened an Executive Session at 7:45 p.m. under ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

9. Executive Session

Chair convened an Executive Session at 7:48 p.m.

The District's attorney provided the Board with an update of activities since two prior executive sessions, one convened for the negotiation of real property and the other to review materials exempt from public disclosure. The District's attorney provided privileged communications to the Board regarding the scope of executive sessions.

The Chair closed the Executive Session at 8:28 p.m.

The Chair reconvened the regular Board meeting at 8:28 p.m.

10. Adjourned Executive Session at 8:28 p.m.

There was no action taken by the Board and there was no public was present.

11. Adjourn Regular Board Meeting


President Keil adjourned the regular Board meeting at 8:29 p.m.

Respectfully submitted,



Susan Keil
President, Board of Directors

Date: 8-20-19



Kevin Williams
Secretary, Board of Directors

Date: 08-20-19