

OAK LODGE

WATER SERVICES

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Minutes

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

April 17, 2018

Board of Directors - Members Present:

Nancy Gibson, President
Susan Keil, Vice President/Secretary
Jim Martin, Director
Kevin Williams, Director,

Board of Directors - Members Absent:

Lynn Fisher, Treasurer,

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:

Pat Weathers, Local Resident
Eric Hofeld, Sunrise Water Authority
Tonia Williamson, North Clackamas Parks and Recreation District.

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 Testimony

After the pledge, President Gibson called for public testimony. Jennings Lodge resident Pat Weathers at 17707 SE Howard St, Milwaukie, OR 97267 commented on her account and current income status. She conveyed although she spoke with the billing staff, District Engineer Jason Rice, and Finance Director Kelly Stacey that no one was forthcoming about the low-income program. She had received financial support for the bill and was put onto low income as of May first – an extension for catching up on her outstanding sewer bill back through July 1, 2017 but she requested additional assistance with the amount that she owed going back in time. She is glad that the water will not be shut off but is concerned that with her income level this will be a hardship. Board asked about latitude with regards to support for the customer. General Manager Chaplen stated that the Board could make a one-off decision or change the whole policy for all customers. Secretary Keil proposed

going back a number of months to forgive a portion of the total sewer bill, currently \$546. General Manager Chaplen suggested staff follow up with the customer with a proposed cut to the bill. The Board of Directors emphasized the importance of having staff coached to offer the low-income option in a forthright manner.

Director Martin moved that the Board approve sanitary fees for Pat Weathers at 17707 SE Howard St, Milwaukie, OR 97267 to be set as if she had been in the low-income program starting July 1, 2017, due to communication issues. Director Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

3. Consent Agenda

- **March 2018 Financial Reports**
 - i. **Approval of March 2018 Check Run**
- **February 14, 2018 Special Meeting Minutes**
- **March 20, 2018 Board Meeting Minutes**

Secretary Keil requested one change to the March 20, 2018 Board Minutes – to add “via telephone” next to her name – because she called in for that meeting. No further changes or comments on the consent agenda.

Director Williams moved to approve the consent agenda with the change to the March 20, 2018 Board Meeting Minutes. Secretary Keil seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

4. Boardman Wetland Construction Contract

District Engineer Jason Rice and North Clackamas Parks & Recreation staff Tonia Williamson presented information about the Boardman Wetland Construction Contract. Bids came in fairly high and when Jason followed up on the project he learned the recently applied federal tariffs significantly affected the cost of steel in the project. If approved as bid, there is enough money in the budget although Jason had hoped for some left for additional project layers/other projects. He recommended approving the project as bid in order to avoid further increases that may develop. President Gibson stated this is the reason for contingency funds set aside, and Jason agreed and commented that there is contingency within the project fund as well. He mentioned the \$300,000 contingency for the Nature Playground owned by NCPRD in the case of a successful grant application to support the park. The grant would come in from NCPRD and would cover the costs of the park in the project budget. Director Williams asked if we could request a de-escalation clause in case the costs of steel or other materials decrease. Jason stated that he has discussed design alternatives for parts of the project in order to lower project costs with the contractor, Fowler. The importance of a high-quality Boardwalk being included in the

project was emphasized by OLWS Staff for NCPRD as well as by the Board. Secretary Keil stated her support of "value engineering to reduce the costs without causing integral changes to the design." Secretary Keil mentioned her goal of implementing both the big project (Boardman) as well as some smaller water quality projects throughout the District. President Gibson emphasized the challenge of maintenance and the importance of safety concerns with regards to possible use of cheaper materials. She stated that boulders versus concrete could be acceptable if the concrete forms were done well and encouraged that we explore value choices that are still within a standard of quality. Director Martin also emphasized the importance of quality choices with regards to the design and implementation of the project. Jason shared that Fowler would be a good partner in this and mentioned he would pay close attention to comparable materials/costs moving forward. Director Martin asked about the increase of costs specifically for pilings and staff responded they were estimated at \$80,000 and came in at \$330,000. Director Martin asked Eric from Sunrise about an example of steel that was ordered in advance of being needed for a project in order to capture the current costs of the material. Jason stated that he would follow up after the approval of the project to see if this would be possible. Vote to approve dollar amount will not exceed \$3,167,665.75. This project features parks and the NCPRD partnership as well as highlighting well-functioning storm water facilities and that the public will become familiarized with these types of facilities, e.g. well-functioning stormwater facilities. NCPRD staff Tonia Williamson appreciated the Board and the District for their support on this project and that they will do their best to document and publicize the project to help secure the grant for the nature playground.

Director Martin moved to approve the General Manager to sign a contract with James W. Fowler Co. in the amount of \$3,167,665.75, for the construction of the Boardman Wetland Complex. Director Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

5. Employee Handbook

Payroll and Human Resources Manager Aleah Binkowski-Burk was excited to present the final version of the new OLWS Employee Handbook, and to have a hand in creating the new culture especially concerning equity. She will continue to monitor the legal requirements for human resources and amend the handbook in the future if needed.

On pages 9 and 10 of the handbook she referenced a section concerning whistle-blowers and highlighted the situational issue of employees coming to address the Board with the issue if it ever concerned the General Manager or highest levels of management employees. She described that particular situation as needing some flexibility in order to allow for the Board/staff to deal appropriately with the issue. Director Martin, who advised on the handbook, commented that we would want the basic process in place and then we could address it as needed. General Manager Chaplen outlined that the employee would contact the Board member they felt most comfortable with in order to share their concern. Follow up and validation would be needed on all sides (employee and managers of concern). The Board would need to work directly with the attorney handling Human

Resources for the District. The Board President should be alerted and they should contact either and/or both attorneys Tommy Brooks and Chris Duckworth. Additional Board comments included wanting to make sure that the path was clear to ensure timely follow up.

Secretary Keil asked where the drug and alcohol policies were in the handbook; staff answered it was in the Union Contract. Next two questions concerned the cell phone policy and use of internet by District employees; staff replied the essential policies were in this handbook for immediate adoption but follow up policies would be forthcoming, which will include cell phone and internet use.

Director Martin asked for clarification concerning pages 29/30, "Section K: Veterans' Preference in Hiring", as is stated in the current version the applicant must meet "all" of the qualifications and is this the case; staff responded that a formatting change will be made to reflect the addition of "or" after each of the Section K Criteria, as well as the addition of "Section L: For Disables Veteran Status (Proof of Disability must be submitted). Director Williams appreciated Payroll and Human Resources Manager Binkowski-Burk for her work on the handbook, formatting and polishing the earlier draft that Director Williams and Contract Employee Greg Jones put together last year.

Secretary Keil asked when the other policies the District needed to adopt, in particular policies on cell phones and use of tablets, would be added; staff responded the policies are very important and will be brought forth soon for the Board to review.

Director Martin moved to approve the Oak Lodge Water Services' Employee Handbook. Director Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

6. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey updated the Board on Accela implementation, with the first billing of the second cycle (actually Cycle 1) going out this month. There have been many customer questions over the phone or in person, with some issues, but overall it went very well. Director Williams asked if customers have been given the other number they need to pay their bill through the online system; staff responded yes, District administrative staff are giving the additional number out as well as it is reflected on the customer's bill. Signup for online bill pay has increased many times over, which will be a cost savings to the District, with current enrollment over 900 of 9000, or over 10%.

Most of March she worked on the next Oak Lodge FY Budget, which was adopted, leaving Finance Director Stacey working next on the North Clackamas County Water

Commission's (NCCWC) budget. Later this summer she will implement finance and payroll into Accela for both the NCCWC and for Clackamas River Water Providers.

In upcoming months, she will oversee implementing the District's Capital Assets and Inventory into Accela modules. This will allow Accela to add capital assets into the financial statements and calculate depreciation. The District did not purchase Accela's Asset Tracking Management Module which performs both asset tracking and work order maintenance. Staff are currently exploring what Lucity or the former OLWD's internally built program can do in comparison to the Accela module. Staff commented that we need a hybrid software that tracks asset management, work orders that are putting things in or takes things out, and purchase orders.

Board complimented the billing staff on their work concerning implementation, and how smoothly it has gone.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp highlighted the Operations Report on the collections numbers, reassuring the Board that the cleaning numbers will go up this spring. Staff Clay Yohn has continued cross training, learning sanitary locates. Water pipe installation created a loop system which protects water quality. Director Williams asked about hydrant flushing; staff responded the District does unidirectional flushing in the winter and covers half of the system each year. Water consumption is slightly lower. A few new water services have been installed. President Gibson asked how many iron services are still in the system; staff responded roughly 25%, or less than 1000 services still to be updated. Director Martin asked if the same target goals were realistic in the winter season and should they be lowered in the winter; staff responded that some catching up does occur in the summer but there were fewer staff available until the District rehires for the vacant position. General Manager Sarah Jo elaborated that the vacant position will be hired soon, and some internal candidates expressed interest, which changed the speed of reposting/rehire. One issue has been other entities currently hiring and offering a premium for applicants who carry a CDL (Commercial Driver's License), another around necessary water/sewer certifications.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall commented on his contribution to the Operations numbers because the recent use of field staff on his projects may have lowered the numbers for the Field Operations goals, and he appreciated their help on several projects. He shared that March reflected a good month for the treatment plant. He completed the application for the NACWA Peak Performance Award, which was accepted. We will be notified in May if we will receive the award, which usually arrives in July. Staff Chuck Adams sorted through much of the data and assisted with completing the application. Two staff attended Short School, held at Clackamas Community College. His report covers quite a few maintenance projects and presented photos, highlighting photo 4 and electrical wiring, and photo 6 and how corrosion occurs with the combination of wastewater and steel. He reflected on the changes in water accumulation and how the plant performed throughout.

- **Technical Services Report:**

District Engineer Jason Rice shared that it was a busy month with the Boardman Project out to bid, addendums to the contract, the pre-bid meeting, all of which brought the bids down slightly. With the help of Todd and administrative staff he gathered data for the Water Master Plan and reconciled the data to build a model of where water is most used in the district and the needs around pressure, fire flow, weak points in the system, etc. The first set of data provided a less accurate picture, so they revisited the data collection and analysis and corrected for a more accurate picture. Next, they are bringing information in from staff about levels of service and goals moving forward. Permit applications have increased for the season with little or no lag between seasons. Staff held several meetings with members of the public interested in the Evangelical Retreat Center, which is close to finalizing its permits after working through multiple issues with the state. Director Williams mentioned the strong efforts to have the Army Corps of Engineers increase the storm water mitigation requirements for development on the site. President Gibson commented one item of concern for the community is the difference between the purchase price of the total lot compared with the proposed sale prices of the subdivided lots (over 1 million in difference and projected profit). The Jennings Lodge CPO may end up requesting that the property be held for greenspace based on condemnation and eminent domain based on public need for a park to the Clackamas County Commissioners. He shared the North Clackamas Urban Watershed Council will be presenting a "Partner of the Year" award to the District at their first annual fundraising dinner. President Gibson shared details about the "Dessert Dash" and invited Board, Staff and Public to attend the event and support NCUWC.

- **General Manager's Report:**

General Manager Sarah Jo requested two volunteers from the Board for a subcommittee to advise her on the facility design and capital items concerned in the redevelopment. She requested Director Williams and Treasurer Fisher and Secretary Keil and Director Martin both volunteered if Treasurer Fisher can't fill the post. Sarah Jo mentioned she will be on vacation from April 27th – May 14th and District Engineer Jason Rice will step forward as acting General Manager in her absence.

7. Call for Public Comment

Call for public comment. Member of the public Eric Hofeld commented on the water system percent of water leakage kept at 8% or less and for the sewer side to keep the Infiltration and Inflow percent low. President Gibson mentioned OLWS District has significant infiltration and inflow (I & I) because of the relationship with Gladstone. District Engineer Jason Rice received an email from Gladstone staff that they would like to resolve some issues around the pipes and commented I & I will be a large portion of the upcoming Capital Improvement Projects.

8. Business from the Board

Director Williams was travelling during the last Jennings Lodge CPO meeting, but President Gibson was able to attend and her comments from the meeting are in the previous section of the minutes under the Technical Services Report.

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.

Director Martin went to the Sunrise Water Authority Board meeting and the Clackamas River Water meeting. Several interesting discussions with a focus on Capital improvement. There are two utility personnel positions open in water distribution at the Sunrise Water Authority. There are two water mechanics positions open at Clackamas River Water as well. They backfill the work by slowing down slightly, until they are able to hire.

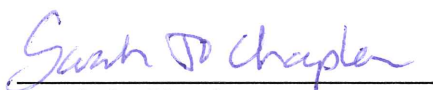
Vice President Keil had no business to report at this time.

Treasurer Fisher was absent from the meeting and had no business to report.

9. Adjourn Regular Meeting

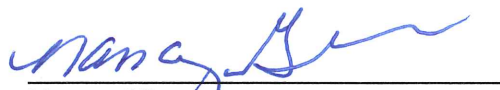
President Nancy Gibson adjourned the regular meeting 7:35 p.m.

Respectfully submitted,



Sarah Jo Chaplen
General Manager

Date: 05/16/18



Nancy Gibson
President, Board of Directors

Date: 5-15-2018

