

OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES

Minutes

Board of Directors – Regular Meeting 6:00 p.m.
August 21, 2018

Board of Directors - Members Present:

Nancy Gibson, President
Susan Keil, Vice President/Secretary
Lynn Fisher, Treasurer
Kevin Williams, Director
Paul Gornick, 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
Laura Westmeyer, Acting District Attorney, 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 6:02 p.m. and led the pledge of allegiance.

2. Call for Public Comment

There were no comments from the public.

3. Consent Agenda

a. July 2018 Financial Reports

i. Approval of July 2018 Check Run

b. July 17, 2018 Board Meeting Minutes

Questions included: For what is the payment to the Union Pacific Railroad? Staff response, it is for the easement near the railroad trestle by the Water Reclamation Facility. No other questions or comments.

Secretary Keil moved to approve the consent agenda. Treasurer Fisher seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. National Association of Clean Water Agencies' (NACWA) presentation of the 2018 Peak Performance Awards- Platinum Certification for the Water Reclamation Facility of Oak Lodge Water Services – A Celebration.

Plant Superintendent David Mendenhall presented the good news that Oak Lodge Water Services received the Platinum Peak Performance Award for five consecutive years of permit compliance for the Water Reclamation Facility of OLWS. David commended plant operators for five years of perseverance and commitment to running the plant to the best of their abilities, even during challenging times. The achievement is especially admirable because it occurred during a time of great changes at Oak Lodge. He further thanked the collections staff for the work they do to keep the pipes and collection system flowing, as well as the maintenance mechanics in keeping the equipment operating effectively and the importance of all this in preventing overflows. In addition, he thanked the administrative and technical services teams for all they do for keeping the District operating effectively as well as the Board for their support of the work. He looks forward to returning next year with a Platinum "Six" for six years of permit success. Next, he shared some of the slideshow of winners through a media presentation.

5. Grant transfer to North Clackamas Parks and Recreation District

District Engineer Jason Rice summarized the step in the creation of Boardman Wetlands having to do with moving the land into the ownership of the North Clackamas Parks and Recreation District (NCPRD). As part of the land acquisition, OLWS will be transferring the Metro grant to NCPRD. The grant for the nature play area will be voted on by the Oregon State Parks Board in October. Question about when liability for the property transfers from OLWS/Boardman contractor to NCPRD. Staff responded that it is up to the contractor to keep the area safe and insured until the project is completed, after which liability will transfer to NCPRD for the long term. "Recreational Immunity" will be part of the transfer to the parks district, after which we will be able to drop insurance on the property but not before then. It is the intent of NCPRD to build a park on the property but if the Oregon State Parks Board grant does not come through it will take them longer to act on the development of the park. It is likely that the second house will be torn down in the next few months. There were no further questions or discussion.

Treasurer Fisher moved to approve transfer of the Metro Nature-In-Neighborhood Grant to North Clackamas Parks and Recreation District by approving the General Manager to sign the Assignment of Intergovernmental Agreement prepared by Metro. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

6. First Reading of Ordinance No. 18-02 to Ratify Resolution No.18-08 amending and restating the District's North Clackamas county Water Commission's Intergovernmental Agreement (IGA)

General Manager Sarah Jo Chaplen provided the update that on the August 14th, 2018 City of Gladstone's meeting the Commissioners unanimously approved the IGA, which allowed the Ordinance to be passed in one meeting. Oak Lodge Water Services will have to ratify Resolution 18-08 in the form of Ordinance No. 18-02.

Director Williams moved that the Board conduct the first reading of Ordinance No. 18-02 by title only and conduct a public hearing, on Ordinance No. 18-02 ratifying Resolution No. 18-08 and approving an Intergovernmental Agreement to reconstitute the North Clackamas County Water Commission. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Public Hearing for first reading of Ordinance No. 18-02 opened

President Gibson opened the public hearing at 6:24 p.m. and called for comments on the First Reading. Secretary Keil commented on the progress this Ordinance highlights, namely a new level of cooperation within the partnership. President Gibson commented on the hard work of former Board member Jim Martin and their team at the North Clackamas County Water Commission over the last year in achieving this success. G.M. Chaplen stated because of the intergovernmental nature of the Ordinance, it would be filed at the Secretary of State's office as well as at the Clackamas County Recorder.

Public Comment Period

No public testimony.

Public Hearing for first reading of Ordinance No. 002-2018 closed

President Gibson closed the Public Hearing at 6:26 p.m.

7. Backflow Device Testing and Repair Contract

Field Operations Superintendent Todd Knapp presented information about the importance of backflow devices to public health and the difficulty of achieving public compliance with regards to the cross-connection program testing, repair and replacement of backflow devices. Based on best-practices of other municipalities, and after conducting a Request for Proposals, staff recommends a four-year contract for automatic annual testing with Cascadia Backflow. Board asked questions about whether Clackamas County notifies OLWS about backflow devices, and theoretically they are supposed to. Board asked whether customers know what backflow is and whether they have irrigation systems, staff replied no, many would not know if asked. Staff will still have to educate customers about backflow, cross connections, and how to ensure public safety for the water system. Board asked about what happens when current providers complain about the loss of business, staff replied they had a chance to apply for the RFP if they noticed it, and the RFP will come up again after four years.

Director Gornick moved to approve our General Manager to sign a Backflow assembly testing, repair and replacement Services Agreement with Cascadia Backflow. Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

8. Resolution No. 18-09 Establishing a Fee for Enrollment in Backflow Testing Program

Field Operations Superintendent Todd Knapp presented Resolution No. 18-09 which outlines the schedule of fees to cover the increased work the program administration will involve. OLWS will be charging the customers to set up, track and bill for their involvement in the program.

Treasurer Fisher moved to approve the adoption of Resolution No. 18-09 which establishes a Fee for Enrollment in Backflow Testing Program. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

9. Resolution No. 18-10 Establishing Fees for Non-Compliance of Backflow Testing Program

Field Operations Superintendent Todd Knapp presented Resolution No. 18-10 which outlines the schedule of fees to cover the administrative work concerning non-compliance with the program. OLWS will be charging customers for the letters requiring compliance in the program. The Board encouraged staff to charge enough to both cover the administrative time as well as to get customer attention, for example \$25.00 per the third letter for forced backflow instead of the initial recommendation of \$10.00.

Treasurer Fisher moved to approve the adoption of Resolution No. 18-10 which establishes Fees for Non-Compliance of Backflow Testing Program per the attached schedule as amended to increase to a forced compliance late fee of \$25.00 rather than \$10.00. Secretary Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

10. Easement Machine Procurement

Field Operations Superintendent Todd Knapp reminded the Board of the Easement Machine he introduced in a photo previously. He reviewed the staff report containing the background and fiscal impact of the purchase, which was budgeted in this year's Capital Budget.

Director Williams moved to approve our General Manager to sign a Purchase Agreement with Western Systems in the amount of \$54,984. Director Gornick seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

11. Department Reports

- **Finance Report:**

Finance Director Kelly Stacey went over the information presented in her staff report, adding the budget document and preamble will head to the printer tomorrow. She is working on reconciling for yearend, finishing the Accela conversation for both NCCWC and the CRWP. She is hoping to have the first round of financial policies ready for the Board to review in October. She is also reviewing the FCS report to uncover any other hidden savings, findings of which will be presented to the Board. The Board was supportive of transparency and disclosure as well as continuing to look for places that our staff can provide savings in house through staff sharing, like completing the driveway in-house. There are places where the combination of the two Districts has saved money and has supported efficiencies. Comments from the Board included suggestions for Newsletter Board Bylines and a potential special mailing which addresses and reiterates the savings and efficiencies generated by the consolidation, including the possibilities for consolidating the staff and the buildings. General Manager Chaplen thanked the building subcommittee, Treasurer Fisher and Director Williams, for their time exploring the possibilities for the buildings. Treasurer Fisher commented on his review for one-month of payables, complimenting the report and staff work of Heather and Kelly. He noted a small issue concerning the overall approval process concerning payables which he hoped would be addressed in the new financial policies.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp reported on the challenges of the past month, including the passing of a staff member and the hot weather. The crews were able to cut the rags and debris from the two wet wells and the plant drain at the Water Reclamation Facility (see Staff Report in Board Packet). After four years, the job was bigger than usual but completed successfully. He reviewed his staff report and shared the positive report of additional emergency water filters purchased for Oak Lodge Community Emergency Response Team. He pointed out the added goal for "Make up" in the Water Collections Report. The Board asked about the difference in water use between summer and late winter, staff responded the summer increase was due to irrigation. The Board asked if this difference in revenue affected the budget, staff responded no – budgeting occurs in parallel and is not increased or decreased monthly based on revenues. The Board asked if staff were aware of the number of inground irrigation systems, or about the 1600 backflow devices. Staff noted the change in water use over time based in part on the water conservation outreach messaging by the Clackamas River Water Providers, and the use of winter water meter reads to set the average water use for the year-round sewer bill.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall commented on the continued process improvements made along with wasting solids. They have been able to take aeration basin #2 offline for maintenance and repair, along with a clarifier. They had three new staff hires who have been jumping in to help and be trained. The wet well was drained and successfully cleaned with some of his staff along with the collections staff. The operators are looking forward to seeing how the plant performs during the wet season because of the additional space after wasting solids.

- **Technical Services Report:**

District Engineer Jason Rice added two points. The first was how much he enjoyed the Oak Grove Trolley Trail Festival and how many good conversations he had over the course of the event. The second point was to ask whether the Board wanted to look at more than watershed protection/surface water management. He asked the Board what other topics the Board might be interested in exploring. Comments from the Board included: what is our legal responsibility and authority, and what is Clackamas County's responsibility and authority with regards to surface water and flooding in our District. Along with those questions, where does the funding come from to cover our responsibilities. After these two layers are explored we can then go to the public and present what we do, what we think we should do and could do, and ask a range of what the public might want us to do. Other comments included: there will be a range and continuum of options that the District could consider, including the permit requirements for the Maximum Extent Practicable or for measurable limits coming in the new permit. The range will look at activities that are being provided and should be taken care of by either the District or by Clackamas County. Currently Oak Lodge is responsible for water quality but does not own the infrastructure. We often act like code enforcers but do not have the capability of raising the bar on infrastructure in the right-of-way. When the County does not improve the system or sweep the streets for nutrient removal, our water quality and sampling can suffer. When the County does not maintain and upgrade infrastructure, both the District water quality and storm quantity are impacted, and OLWS is somewhat hamstrung. Depending on the goals of the District, OLWS may need to ask others to step up to be accountable, eg: Clackamas County, the Department of Environmental Quality (DEQ), and the Oregon Department of Transportation (ODOT). The retreat will explore these issues as well as others suggested. Another topic might be around developing our land use authority including having a strong code and ordinances for development in the District, as well as enforcement capabilities. A tree ordinance could be one sort of outcome. The retreat should explore these topics and the Board asked for support in staying focused on surface water, responsibility for and authority over, and who has the costs and revenues associated with responsibility and authority. The lawyer commented that adopting a nuisance code and a zoning and land use authority/overlay zone would require a shared agreement with the concurrent county/city jurisdiction. The Board pointed out the importance of the balancing act between pushing for an Authority and staying as is and that we need to be clear and strong about who we are.

The Board asked Jason if he meant the Permitting Chart to reflect the fiscal year-to-date as being for one month, just for July. Staff responded yes, he would update it.

12. Call for Public Comment

There were no public comments.

13. Business from the Board

Treasurer Fisher attended to the Oak Grove Community Council meeting and described a well-received presentation by the newly relocated Portland Music Company. Next, Bob Judd, director of development for Rose Villa, described Phase 2 and 3 of Rose Villa's facilities. Then, Scott Archer, head of North Clackamas Parks and Recreation District (NCPRD) came to talk about the new Concord property and the newly forming task force, which will consist of 9 members of the parks district and 5 representing the library. This task force will develop and propose what will happen to the property, Lynn Fisher being one of them. Finally, the Land Use Application Review Team (LIUART) presented development activities in the area.

President Gibson thanked Vice President Keil for attending C4 in her absence. Vice President Keil referred to her written report and that much of the material was like the last meeting she attended. There was a discussion on Wilsonville wanting to extend a property to develop low income housing and impacts on transportation, etc. Next, the Executive Committee had developed a letter to be sent to Metro representing smaller jurisdictions and their dissatisfaction about the transportation plan visioning process and outcomes. She also attended the North Clackamas Chamber of Commerce and had a presentation on both sides of the affordable housing bond issue and the constitutional amendment to allow the proceeds of the bond measure to be used by both non-profit and for-profit agencies. She referred to the write up and fact sheets in the packet and Andy Dyke from Washington County presented the con side, describing the measure Washington County passed which had more specificity on the affordable housing criteria and the bond requirements. This bond would be voted on at the same time as a large bond for parks as well as a school bond. The C4 unanimously passed the constitutional amendment for both private sector and non-profit agencies be able to access affordable housing development money. An additional constitutional amendment was on the ballot to exclude taxes on groceries, with the audience asking for broader protection on the tax exclusion.

Director Williams reported that the Jennings Lodge CPO had its picnic and so did not have a meeting. He had no other business to report.

Director Paul Gornick attended the July 25th meeting of the Sunrise Water Authority, where four of seven Board members were present, and Ron Blake resigned effective at the end of the meeting. The Board effectively passed the North Clackamas County Water Commission Intergovernmental Agreement to forward to Gladstone. Sunrise will be contracting with private contractors to help them determine whether customers have backflow devices in place. Sunrise is building a reservoir on their land, which will require a performance bond on the Authority by the City of Happy Valley to assure the project will have certain numbers and types of plantings on the property. If not a performance bond, the City required a \$473,000 check to be held until the project is completed. Sunrise maintains a running total of the number of available existing and future lots available for within their system. 600 of the lots will be added to their system in the next number of years, available for

development. This relates to OLWS in that we are 80% built out which means that SDC revenue would not be a good future source of revenue to rely on.

President Gibson appreciated the staff for their hard work on the backflow program and on keeping operations running.

G.M. Chaplen asked the group to finalize liaison assignments at the next meeting.

14. Adjourn Regular Meeting

President Nancy Gibson adjourned the regular meeting at 8:25 p.m.

Respectfully submitted,



Nancy Gibson
President, Board of Directors

Date: 9/18/18



Susan Keil
Secretary, Board of Directors

Date: 9-18-18