Board of Directors - Members Present:

Susan Keil, President/Chair

Kevin Williams, Secretary/Vice Chair

Lynn Fisher, Treasurer

Nancy Gibson, Director

Paul Gornick, Director (on conference call),

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 Present:

Laura Westmeyer, District Attorney, Cable Huston LLP

Dave Phelps, Budget Committee

Eric Hofeld, Sunrise Water Authority

Michael Gradt Local Resident

Fred Swingle Budget Committee

Amanda Gresen Budget Committee.

**Regular Board of Directors Meeting**

1. **Call to Order and Flag Salute**

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

1. **Call for Public Comment**

There were no comments from the public.

1. **Consent Agenda**
	1. **February 2019 Financial Reports**
		1. **Approval of February 2019 Check Run**
	2. **February 19, 2019 Board Meeting Minutes**

Questions included asking about the percent difference on line item 4212 of the expense rollup for wastewater charges. Currently the account is at 63.45% when we are at 57% for the year, and the question is if we were catching up to the accounts that were underbilled, like the large meters. Finance Director Kelly Stacey responded yes, we are catching up, but we did not request backpay on the underbilled accounts so this line should reach about 97% at the end of the year. The minutes need to be changed to reflect “President Keil” on page 7 of 8; and should change the consultants to “Visitors” or “Staff and Consultants” in the persons present section. There were no other comments or questions.

**Director Gibson moved to approve the consent agenda as presented with changes noted to the minutes. Secretary Williams seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

1. **Boardman Wetland Complex Project Update and Tree Management**

District Engineer Jason Rice updated the Board on the Boardman Wetland project and requested conversation about a particular issue regarding trees on site. The update focused on bellies in the sanitary sewer line running through the site, including a request by the contractor to access the site through a neighbor’s property. The challenge with the sewer repairs is it will affect the schedule and the “in water” work. If the contractor gets permission from the property owner, they will complete the improvements this spring, otherwise it will happen closer to August. In the meantime, the contractor will refocus on the nature play area construction. Grading, stormwater facilities, and other portions of the nature play area have started. Other areas of the site are also being improved as the planting begins. The south end at Jennings Avenue is still being worked on, which will include rebuilding the road. Jason hopes to improve this part of the project if possible and will work with Clackamas County to do so. Costs for these improvements will be split between the District and the contractor, and improvements will be inspected by Clackamas County. Jason commented on the contractor’s work and stated that Fowler is accepting responsibility for the work needing to be completed as well as any other work needing to be corrected. They are finishing the boardwalk and could schedule tours for the Board soon.

Concerning the tree management, a member of the community spoke up in concern for the onsite tree protections stating that the protection fencing around the trees was smaller than it should be. The District worked with the contractor to address the problem and documented the changes in the fencing with photos. Jason showed before and after photos of the fencing diameters around each of the established trees. He does not think the trees have been damaged by the work and believes the new wider fencing protection around the trees will be adequate. Jason thinks the contractor addressed the issue promptly and effectively.

The Board spoke up and shared a comment they had heard from the public expressing concern for the tree protection being inadequate. Someone also contacted the Jennings Lodge Community Planning Organization (CPO) with similar concerns and was then put out into the neighborhood communication loops. The Board noted the issue and reflected on the original tree protection being inadequate, although there was probably not negligence involved. The Board added trees are very important to the community and at the very least should have no soil compaction within the drip zone.

The Board invited public input, which included the following comments. The tree with gravel behind it is a sanitary sewer line which the District asked to be put there, but gravel should not be put within the area of the root crown because if it does not flare out the tree could die. Another comment included someone expressing familiarity with the City of Portland’s tree protection requirements. Their requirement is that for each 1-inch in diameter of a tree there is a 1-foot radius of protection around the tree. For example, a 12-inch diameter tree would require a 12-foot protection zone around it. Then construction can encroach upon the area up to 50%, or 6-feet, but there should not be any further construction work closer than 50%. There are work arounds involving arborists weighing in on impacts to the tree and potential for damage. This information is not currently part of the Clackamas County zoning code but should possibly be considered in the future.

Jason responded if we followed the City of Portland’s tree code, every remaining tree within this project would have been slated for removal based on planned work. He proposed looking closely at existing trees in future projects. The Board recommended bringing on a contract arborist and an outside contract inspector for future projects like this one. Jason responded he would consider adding both positions to future projects but has been working hard to keep project costs down based on the overall project cost. General Manager Sarah Jo Chaplen spoke up to reiterate how hard District staff has been working to keep the project going correctly, on time, and within cost.

The Board suggested using the staff arborist from North Clackamas Parks and Recreation (NCPRD) to support future projects like this one. The Board asked who created the plant list for the project and Jason responded the project designer HDR Engineering created the planting plan and NCPRD has been directing and advising on the plant list as it evolves. Species were selected for diversity, resilience, level of maintenance and other factors. NCPRD is heavily involved in the planting plan, the site materials, the outdoor classroom, and the nature play area. The Board supported involving of NCPRD in helping to develop the project and requested a written inspection report if an arborist inspects the trees/project. There were no further questions or comments on the project.

1. **Approval of Five Replacement Sanitary Pumps**

Plant Superintendent David Mendenhall updated the Board on the sanitary sewer pumps on the Influent Pump Station. Last fall staff rebuilt parts of two pumps, which fell short of a long-term solution. They are now at a point to consider replacing the pumps, based on a cost comparison of rebuilding or replacing. Replacing one pump will cost about $58,000 and there is enough money in the capital budget year to replace five pumps. David shared some analysis of the state of the existing pumps and how we might use parts from existing pumps as backup. The Board summarized that the existing KSB Pumps are less effective than expected and supported replacement of the existing pumps with a better product – sole source Flygt pumps. The Board asked if the “flushables” problem has been resolved at all, where wipes are flushed and become solid rags in the wet well. Staff responded we have put in gamma jets to keep the flow moving along, but there is still ragging that occurs, and the pumps need to be able to perform in relation to the flow. The Board asked whether there was any recompense that ASCO could provide, as well as whether there was a market for the offline KSB pumps. Staff did not think ASCO was at fault but could follow up and would also follow up on whether there was a market for the old pumps. David mentioned the slow response from ASCO in comparison to the positive response from Xylem (producer of the Flygt pumps).

**Director Gibson moved to authorize the General Manager to execute a purchase order consistent with the District’s sole source procurement rules, for the purchase of five new Flygt pumps from Xylem Water Solution USA, Inc. for a total cost of $277,735. Secretary Williams seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

General Manager Sarah Jo Chaplen commented under the District’s procurement rules we will be utilizing the G.M.’s sole source authority, which require a public posting for 7 days, after which she will sign for the purchase order on the next following business day. The Board asked for future motions to be stated, “for an amount not to exceed XXX cost”, in order to build in some flexibility to the total cost approved in case quoted process for shipping or other items slightly change. The General Manager agreed to the suggestion

1. **Human Resources Policies Approval – Second Set**

Human Resources and Payroll Manager, Aleah Binkowski-Burk presented the final draft of the previously presented human resources policies, which have been approved by the Union and include just a few very small changes.

**Secretary Williams moved to approve to the addition of the attached Policies (see numbers 1-7 below) to the Oak Lodge Water Services’ Employee Handbook. Director Gibson seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

**Second Set – Human Resources Policies:**

**1. Time Keeping Policy**

**2. Inclement Weather Policy**

**3. Social Media Policy**

**4. Smoke Free Workplace Policy**

**5. Personal Protective Equipment Policy**

**6. General Safe Workplace Practices Policy**

**7. Workers’ Compensation and Return-to-Work Policy**

1. **Finance Policy Approval**

Finance Director Kelly Stacey presented the finalized Expenditure Policy, which has been updated with the previous edits. Treasurer Fisher asked about what the District does in the case of lost checks, under item G-3. Staff responded we void the check appropriately in a variety of situations. There were no other comments, changes, or edits.

**Director Gibson moved to approve the attached expenditure policy. Treasurer Fisher seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

1. **Department Reports**
	* **Finance Report:**

Finance Director Kelly Stacey provided an overview on her staff report as presented in the Board Packet. Highlights included completing the Utility Billing audit. Her report includes the wastewater revenue shortage and she will present the water audit information to the Board in the following month. The Board asked what plans are in place to cover the shortfall, which is close to $70,000. Staff responded we will be short, but the District continues to be over the projected operating revenue, including the amount set aside to cover Capital costs.

The department initiated the Lockbox project and will include a note to customers about the change on the April bills.

She is working hard on both the OLWS Budget and the North Clackamas County Water Commission Budget and is following the set timeline as reviewed by the Board.

The department sent out annual low-income customer renewal letters and will present a report to the Board on the program in May. The Board asked how the District promotes the program and staff responded we promoted it heavily during the billing changes during the consolidation process, we put it in our newsletter regularly, and we have it posted on our website. General Manager Chaplen added customer service promotes the program directly to customers over the phone and in person as the opportunity presents itself. Director Gornick asked for the current District renewal policy, and staff clarified the District requires annual renewals in March.

Kelly presented electronic billing statistics for Utility Billing accounts (see Board Packet). At this point, roughly 42% of customers pay with a card, either on autopay or online. She mentioned there are no forms of payment that are cost free for depositing, although credit card and checks by phone have slightly higher costs per item. Treasurer Fisher shared the information from an analysis on the costs of various payment forms several years ago, which supported Kelly’s findings. Director Gibson mentioned in some of her employer’s divisions may no longer take Visa payments because Visa is more costly than Master Card.

The Board asked about what it would take to get the District into a bi-annual budgeting process. G.M. Chaplen responded there are pros and cons for bi-annual budgets, and some staff would prefer one. She requested for now to remain on an annual budget until the District gets organized around its new consolidated structure. The Board understood but also reiterated it takes managers as much time to develop an annual budget as to true up a bi-annual budget over the two-year rollout. Public member Eric Hofeld commented the District is obligated to have annual audits, so it might be good to discuss the impact of a bi-annual budget with the auditors as well. The Board commented it seems like the process is annual anyway even when it’s bi-annual, along with a five-year capital improvement plan and translated into an annual budget for capital projects.

* + **Field Operations Report:**

General Manager Chaplen opened the field operations report with a question from Director Gornick which stemmed from the recent water main break in City of Portland. He asked if the District conducts annual testing of pipe valves to make sure they are mechanically functional. Field Operations Superintendent Todd Knapp responded the large valves in our District are aging and made of brass and believes they should not be exercised too much because it might encourage failure. The valves are delineated clearly on our GPS maps, which is an important part of the backup system. Valves are exercised about every 4-5 years and use a hydraulic machine to assist them in the exercise. The Board clarified we use ductile iron, not the more brittle cast iron, which we do, and they understood and had no further questions on the topic. General Manager Chaplen commented as we replace pipes and valves, we consider using resilient and high-quality materials.

Field Operations Superintendent Todd Knapp shared information from his staff report, commenting on the collection numbers and the fact that he is backfilling Brad Lyon’s position temporarily. The water meter changeouts are progressing smoothly and have highlighted some water infrastructure systems needing to be addressed in order to proceed. Secretary Williams asked about piggybacking on the paving work that Oregon Department of Transportation (ODOT) will be doing between Naef and the bridge over the Clackamas River. Staff responded they could try to wait, but the customer we are dealing with has been pushing to get the Naef Road project addressed.

President Keil asked about the water meter replacement program community outreach and G.M. Chaplen commented the District’s Civil Engineer Haakon Ogbeide has been working to address community concerns, which include concerns about electromagnetic radio frequencies. There is one customer who asked to opt out of the program and District Engineer Jason Rice is working with her. This customer has a meter box located in an odd place. He mentioned how helpful conversations and negotiations have been with customers. Staff added the meters will give off a signal about 6 times per year, which is very limited [this information has since been researched and was found to be inaccurate, please visit oaklodgewaterservices.org for more information about the Water Meter Replacement Program].

The Board supports the meter project and the way the District has addressed community concerns through outreach letters, website information, and direct response from Haakon, Jason and Lara, who involved Barney & Worth in the messaging. The Board asked about the District’s policy with regards to NextDoor response. G.M. Chaplen stated the District works to share balanced responses through our website and uses social media as an indicator for the topics that need more focus. She will be presenting to Willamette View at their community/candidates meeting in upcoming weeks. The Board volunteered to write a letter to the editor for the Clackamas Review if there is a need.

* + **Plant Operations Report:**

Plant Superintendent David Mendenhall presented his board report, highlighting the seasonal challenge of hauling biosolids to eastern Oregon. Because they have been reducing solids in the wastewater treatment plant, they were able to absorb the additional solids. They used a process called recuperative thickening to waste solids through the plant but hold them on site until we were able to generate more biosolids “cake” and then transport them to Madison Farms. The plant continues to perform well, but the operators are working to increase separation and settling time by further reducing solids in the aeration basins. He pointed out the data graphs as illustrated in the packet.

Several maintenance projects occurred which were described in the packet. He mentioned the possibility of changing the new flow meter in Pump Station #5 because of faulty programming.

* + **Technical Services Report:**

District Engineer Jason Rice asked if the Board Packet included the capital project tracker and the development tracker and was informed neither tracker was included but were supposed to be emailed. He highlighted the upcoming Emergency Water Distribution Exercise on Saturday, April 13th from 11 a.m.-1 p.m. at the Concord School (see map of site traffic flow). G.M. Chaplen invited Board members to attend the event and help with information delivery.

He mentioned a sewer replacement project on Silverleaf, is close to going out to bid next Monday as well as a manhole replacement project on Creighton. The District is working on an aeration strategy for the sewer plant to help with replacement of blowers next year. We are designing a fix for the backup belt filter press as well as working on a decant planning project to increase the capacity for spoils because of increased spoils because of the consolidation.

The Board asked about the status of the building planning project. Staff responded we are in process with the space planners/architects to get into details of how and what we need for now and into the future. After a series of space planning meetings from the level of the individual to the team level, we have the very preliminary findings of needing a 2-acre site, with the possibility of a 1.5-acre site. The Board asked about the house behind the Administration Building, which is currently under the possibility of foreclosure in May. The value of this property will vary based on several factors, including auction bids if it goes to auction. The property is not currently under foreclosure but it contacting the owners has not been possible. We are also working with Cushman and Wakefield to discuss the options after they input the data collected from District staff.

Jason commented that he met with Jim Whynot, Director of the City of Gladstone to clarify service maps and discuss service providers. There were no further questions or comments.

1. **Call for Public Comment**

Members of the Budget Committee requested reposting of the schedule for the Budget Committee meetings. The Board requested staff reinstitute the “parking lot” for issues which come up during meetings but cannot be addressed immediately, like emergency management. G.M. Chaplen agreed to add a page to the Board Packet.

1. **Business from the Board**

Director Gibson commented on another positive C4 meeting, which now has members committed to participating, coordinating and moving issues forward. She invited others to attend if interested. One highlight was that Metro Council President Lynn Peterson spoke, covering the upcoming Metro bond which will address transportation issues including congestion on 99 E in our area. A local team is pushing for more projects in Oak Grove within Clackamas County. She was not able to make it to the Executive Committee this month.

Director Williams had no business to present as Director Gornick attended the Jennings Lodge CPO meeting this month.

Director Gornick was not able to attend the Sunrise Water Authority Board meeting because of his travel schedule, but he attended the Jennings Lodge CPO meeting. They heard from guest presenter Jill Smith, Director of Housing in Clackamas County. She shared a power point on housing affordability (see slides included in the packet), which covered the point that people who become homeless typically stay in the same community as their previous residence. Representative Mark Meek will be the next speaker. Amanda Gresen and Jane Morrison will be co-chairs for the Jennings Lodge CPO in the coming year.

Treasurer Fisher reported the Clackamas River Water meeting was short. The group approved the goals for the General Manager and discussed their backbone project is financially short by about $6,000,000. They under-projected costs for the proposed projects and have hired a financial analyst to help them with the issue. Members of the public spoke up to address the issue. He was not able to attend the Oak Grove Community Council meeting, but reported that of seven Board positions, there are five new people and multiple new officers. Joseph Edge will return to serve as the Chair, Valery Chapman as Vice-Chair, Secretary Jan Lindstrom, Treasurer Jane Civiletti, Directors-at-large Jim Meyer and Greg Wenneson, and an additional new Director-at-large.

Secretary Keil updated the group on the Chamber of Commerce Public Policy meeting and referred to her notes as included in the Packet. She highlighted the Oregon State Chamber of Commerce’s concern for additional corporate and business taxes from the perspective of rollover impacts on consumers. The Chamber’s lobbyist J.L. Wilson spoke about several bills including one focusing on the rating of the SAIF Corporation’s reserve funds to pay down PERS liability in K-12 schools. SAIF is looked at as one of the bright spots in public private partnership in the state for the workers compensation, and acts as a cost-effective mechanism for both business and public sector employers. Another bill looks at the restriction on the use of independent contractors when there was an employee on staff who could perform the needed work. She mentioned three other bills, one focused on employment contracts, another focused-on employee marijuana use off the job (but in the employee’s bloodstream), and a third that extends personal liability to members of Boards of Directors and officers of Boards when it comes to discrimination and sexual harassment. She suggested following relevant legislative bills through the legislative committee of the Special Districts Association of Oregon (SDAO).

Director Gibson added that the Regional Water Providers Consortium approved a letter to be sent to the State of Oregon in opposition of a bill that would allow unlicensed landscaping contractors to install irrigation systems, which would open risk to the public water system.

President Keil asked how the SDAO tracks legislative matters and G.M. Chaplen responded there is a subcommittee that meets every 2-3 weeks and focused on water and wastewater related legislation, as well as another SDAO focus group which looks at human resource related matters. She commented on a bill which ensures wastewater treatment capacity when it comes to adding “middle housing” in certain communities. The Board commented on the JANUS union “opt out” issue around the country.

There was no further Board business.

1. **Adjourn Regular Board Meeting**

President Keil adjourned the regular Board meeting at 8:27 p.m.

Respectfully submitted,

Susan Keil Kevin Williams

President, Board of Directors Secretary, Board of Directors

Date: Date: