



OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting 6:00 p.m.
August 20, 2019

Board of Directors - Members Present:

Susan Keil,	President/Chair
Kevin Williams,	Secretary/Vice President
Lynn Fisher,	Treasurer
Paul Gornick,	Director
Mark Knudson,	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:

Laura Westermeyer,	District Attorney, Cable Huston LLP
Jim Martin,	Surface Water Committee
Eric Hofeld,	Sunrise Water Authority
Fred Swingle,	Budget Committee
Michael Gradt,	Local Resident
Libby Barg Bakke	Principal, Barney & Worth, Inc.
Neil Schulman,	Executive Director, North Clackamas Watersheds Council.

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

President Susan Keil requested public comment. There were no initial public comments.

3. Consent Agenda

- July 2019 Financial Reports
 - Approval of July 2019 Check Run
- July 8, 2019 Special Board Meeting Minutes
- July 16, 2019 Board Meeting Minutes

President Susan Keil requested a motion to adopt the consent agenda. A motion and a second were made. Discussion included the following questions: The Board asked what the check for the Sidwell Company was for and staff responded it supports implementation of Accela, the software program that helps manage the online digital OLWS permitting process. The Board asked about the check to Zions Bank and staff responded it was for our debt service. The Board asked about why OLWS is already shows a significant shortage in wastewater charges in the first month of the new fiscal year and staff responded it may be because there are two billing cycles, one of which is larger than the second cycle. This effects billing income but should work out throughout the year. Staff will watch and check this issue and if next month is still off, Kelly will make a note to discuss the issue. Staff added this month included only half of the new rate increase in the bill which also should work out by the end of the year. The Board asked about a customer refund that was over \$12,000 and staff responded there was a large customer account's refund, which was overbilled for just one month. Finance Director Kelly Stacey will email details of this refund to the Board before the next meeting. There were no further questions.

Director Gornick moved to adopt the consent agenda. Vice President Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. Platinum Award – Water Reclamation Facility

Plant Superintendent David Mendenhall announced to the Board the National Association of Clean Water Agencies (NACWA) awarded OLWS the Platinum Peak Performance Award for 6 consecutive years of Wastewater Permit Compliance, also known as the "Platinum 6 Award". He displayed the award to the Board, who congratulated him for the work of the team. He mentioned the award is for calendar year 2018. He described the changes to the plant operations and maintenance staff during a challenging year and commended the team for their hard work and dedication to permit compliance and excellence. He also thanked the utility workers on the collections system for their contributions to permit compliance through maintenance and upkeep of the collection pipes. He thanked the Administrative, Technical Services teams, and Board for their support of the District's work. He pointed out several local wastewater treatment plants in the region with longtime Platinum Awards. The Board asked where the awards are posted, and staff replied at the Water Reclamation Facility and on the website.

5. Finance Policies Workshop

Finance Director Kelly Stacey presented the Board of Directors Compensation/Expense Policy for review and comment. The Board commented on the phrase "such compensation shall not be deemed lucrative" from Page 1, and asked District Counsel, Tommy Brooks if this is standard and how it is defined. Tommy replied it is standard practice and is defined as significantly more than \$50 per meeting and is intended to make sure that if a representative holds more than one office it does not add up to a significant amount. The Board asked about why "Alcoholic Beverages" Item C from Page 4, is excluded from reimbursement. The Board responded it is

truly discretionary. After several other comments the outcome was to leave it as is. The Board supported the requirement to present a report out of the event/meeting if a Board member requests per diem for the event/meeting. The Board asked about how we reimburse for "out of area travel" and suggested it should be made explicit that within reason costs for travel should be kept to a minimum. The Board discussed the importance of leaving the reasonable reimbursement with the requirement of having two Board members sign off on the all requests for compensation. The Board suggested limiting the compensation request to \$50 per event or conference (not per day), and that internal meetings should not be reimbursable. The Board mentioned all compensation is taxable. The Board supported the policy overall with the changes proposed and reinforced the concept of the Board business including subcommittee meetings should be considered as "volunteer" work.

Staff will bring the final policy back before the Board. Staff will not share this policy with the Union because it does not change the terms and conditions of the Union contract.

6. Watershed Protection Survey Review

District Engineer Jason Rice described the recent work of the Watershed Protection/Stormwater Committee and the goal to learn more about public interest in watershed protection. A survey was sent out in every customer bill (both electronic and paper), an additional 5,000 customers with emails on file were sent an email invitation to participate in the survey. He introduced strategic consultant Libby Barg Bakke from Barney & Worth who provided an overview of the survey. The survey was similar to a survey given to District customers in 2010. For this survey, 385 customers responded out of 8,700 customers (4-5%). Libby described in detail the results from the survey as presented in the Board packet (reference packet). The Board asked about the perception of rate increases as compared with rates going down and how we could address this perception. The feedback about rates is different from the stormwater survey but reflects some confusion on the basic addition of the water and sewer bills together. The Board discussed how we could tell the story better and suggested putting it again more prominently onto the website. General Manager Chaplen mentioned some communities are returning to monthly billing in order to help with both the perception of higher cost per bill as well as for household budgeting.

The group discussed the cost savings achieved through the consolidation of the two districts and how long you can focus on the past from both the decision-making process as well as the cost savings analysis pinned to a particular place in time. Libby commented on the normal level and type of customer complaints.

The Board brought up the ongoing challenge of having Clackamas County push off responsibility for fixing the storm system onto OLWS. Jason commented on the possibility of having the District decide to NOT take on the responsibility of the storm system infrastructure. He shared the subcommittee had stated their goal of pushing for more services, paid for either through ratepayers and/or in part by Clackamas County. He highlighted the recommendations in the packet (reference Board Packet) and pointed out the lack of staffing resources (FTE). He stated that management of the inventory of green infrastructure will grow and need maintenance. The District will need more staff to inventory and then care for these resources. This would benefit water quality and the survey showed that people support rate increases for this change.

The second recommendation by the subcommittee is for the District to perform a full Stormwater Master Plan on the CCDTD Stormwater System. Until this information is analyzed, the District can not make any suggestions about how to move forward in relation to caring for the stormwater system. President Keil asked for the public to comment and a question was asked about the total number of survey responses, staff responded 4-5% of customers responded. President Keil asked if there were discussion points or responses to the recommendations. The Board commented on wanting to see more information about inventory, proposals about management, and a cost analysis. The Board asked for clarification of the two recommended possibilities and staff described the differences between them. The first recommendation deals more directly and only with water quality and the second would require an analysis of the whole system with recommendations on how to manage it. The Board reiterated a need to see a full cost analysis of either recommendation and what implications those costs would have on rates before moving forward.

The Board spoke up and commented on how some of the facilities have money set aside for maintenance, but part of the problem is whether homeowners choose to spend the money on upkeep and maintenance of their stormwater facilities. Jason commented on how many homeowners do not know they have responsibility for the green infrastructure attached to their subdivision. While this is not our responsibility, it tends to become our issue when we have to educate homeowners about and enforce maintenance of a facility that the homeowners sometimes have no knowledge of. They commented on how Homeowner Associations (HOA's) are not a viable option for taking on this type of work in perpetuity. The Board commented on how some people do not see value in or notice benefit from water quality, and do not want to pay for maintenance and infrastructure that help water quality. The public is concerned about flooding, particularly on or near their own property.

The Board commented on the challenge of taking on Clackamas County responsibilities without transferring funds they have collected for that work. The Board struggled with the challenge of taking on maintenance of private facilities and how would those benefits be applied to the whole community. The Board stated they and the public would need to be presented with a cost/benefit analysis of both recommendations before any decisions could be made.

Neil Schulman, Executive Director of the North Clackamas Watersheds Council, spoke up to highlight the strong margin of support (60%) for increased public services focused on water quality as shown in the survey. He also pointed out the large percentage increase in interest for watershed protection and protection of water quality. Neil encouraged the group to look at the whole of the outcomes from the survey. He stated the importance of public education about water quality and suggested from a watershed council perspective there needs to be more investment in watershed protection services as well water quality infrastructure.

Jim Martin, former OLWS Board member and Stormwater Committee member, stated he supports the recommendations made in the Board packet, which will help bring more information to the table for decision making. He agreed with the comments that were made earlier.

The Board suggested having a roadmap level plan focused on the existing public and private infrastructure presented first (at 90%), and then coming back with a 60-70% plan for the CCDTD Stormwater System in order to support conversations with Clackamas County. President Keil commented on finding the best solution possible for the most serious issues and she believes

we will need to have a series of challenging conversations with Clackamas County. Conversation continued about whether Clackamas County is fulfilling their obligations to the District and how to get these services to be successfully carried out or to get the relationship to change. The level of service can be negotiated and still be in compliance. The Board asked legal counsel if there is any remedy to the difference in desire for level of service for water quality and flooding that we could use to enforce our needs. District Attorney stated the Department of Environmental Quality's Municipal Separate Storm Sewer System (MS4) permit is the instrument we have to enforce their share of the permit.

The Board asked if the District's surface water master plan is up to date and Libby responded OLWS has a current strategic plan developed from the previous survey in 2009. She emphasized the conversation has been ongoing and similar over the past decade. She encouraged the District to learn about the implications of investment through a more comprehensive master plan. General Manager Chaplen stated it is not just money that is a concern, the customers have additional concerns about higher service levels that can address flooding, proper maintenance of facilities, and water quality concerns. President Keil emphasized Clackamas County should be held to the same standards to which independent contractors are held. Jason will follow up with two mini master plans and will come back to the Board with the plan, including the costs. He clarified the MOU does need to be updated but we will do so after these questions are answered.

7. Department Reports

- **General Manager's Report:**

General Manager Chaplen updated the Board on the Public Employee Retirement System (PERS) employee incentive fund grant process. The first round of applications opens September 3rd and will cover entities where the unfunded actuarial liability exceeds 200% of their payroll. There is a finite amount of money set aside for first come, first served applicants who are ready with their match money. The second round opens December 1st, 2019 for any other entities if there is funding still available. There may be a second and third round of funding through the legislature. OLWS is not on the initial list because our analysis of 2017 actuarial data being at 170% unfunded liability. The City of Clatskanie is first on the list at over 600%. The list also includes schools, municipalities and special districts. We will be able to do side accounts even without a match which may save us money for when we are able to participate in the grant process. It will be important for the District to get into the queue when it is possible. The Board asked about the size of the fund and staff responded with information about the revenue streams and will follow up with the initial dollar amount of funding.

- **Finance Report:**

Finance Director Kelly Stacey presented the FY 2019-2020 Budget to the Board as posted to the website and the hard copy is ready for distribution. She outlined her Board report including information about the Audit, the lockbox service, and staffing changes. Elaine Murray will be taking the Asset Resource Specialist position and the District is working hard to fill her customer service position. There were over 350 applicants with excellent candidates and a very tight turnaround on hiring. Existing staff are backing Elaine's responsibilities in the interim. The last of the Springbrook conversion clean up is in process. Kelly will be taking some vacation time in the next few weeks.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp presented information from his report, describing the main break on Vista Sunrise Court, the status of the backflow prevention program, and the status of water consumption, which has decreased. Other water providers have reported similar lower consumption due to cooler weather.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall updated the Board on his report as provided in the Board Packet. He commented on continued plant stability with good settling, compaction and wasting. Staff took aerobic Digester #4 out of use for maintenance and cleaning. There is good dewatering and digestion with the dryness of solids at 17%. This allows us just one hauling of biosolids per week. This will increase as precipitation goes up. He closely described the rest of his report as presented in the Board Packet (refer to Packet), including the Rainfall-Flow graph.

- **Technical Services Report:**

District Engineer Jason Rice presented information from his staff Board report, highlighting the decision by the Concord Oaks HOA to remove themselves from the District's Stormwater Maintenance Program. He encouraged the Board to attend the upcoming Oak Grove Trolley Trail Festival on August 24th from 11 a.m.-4 p.m. and to stop by the OLWS booth.

Jason announced the September 25th tour date for the Boardman Wetland, in partnership with the North Clackamas Parks and Recreation District (NCPRD) and along with the Clackamas County Commissioners. He stated that NCPRD is requesting an official recommendation for a name for the park. He will write up a staff report for the next meeting and encouraged the Board to consider naming options and ideas. This will push the grand opening out to April 20, 2020. The Board mentioned how Jennings Lodge neighborhood is underserved for parks and it would be good to consider Jennings Lodge in the naming.

He outlined details of the Capital Project Tracker and the Development Review Status Tracker. The Board asked to see the total spent of the project budgets within the current year's budget and spending goals per year along with the total spent of the overall project budgets spanning fiscal years. Staff will follow up.

8. Call for Public Comment

Neil Schulman from NCWC spoke, encouraging the Board to move forward with the planning process for the stormwater/watershed protection plans.

There were no additional comments from the public.

9. Business from the Board

President Keil requested the Board discuss Liaison Assignments to partner agencies and organizations. There were a number of changes to the assignments. Paul Gornick relinquished his assignment to the Regional Water Providers Consortium. Mark Knudson volunteered to

serve as the primary and Paul will continue on as alternate. Kevin Williams asked to be removed as the alternate to the Metro Policy Advisory Committee (MPAC), which is primarily transportation focused. OLWS is currently the representative for special districts from Clackamas County but it is possible that a fire district would have greater interest in serving in that capacity. The fire district representative is serving as the special district representative on the Executive Committee of the Clackamas County Coordinating Committee (C4). OLWS is not required to be on the C4 Executive Committee, which has about 6 members. There are about 25 members on the full C4, which has a sanitary district position on the full committee and is filled by OLWS. C4 is focused primarily transportation and housing, about which OLWS is less interested. Paul Gornick will continue to serve as the primary for C4, representing a sanitary district. Kevin Williams requested an alternate for Jennings Lodge. Paul Gornick volunteered for the role.

There was a discussion about the purpose of OLWS attending the Clackamas River Basin Council (CRBC) meetings. The CRBC is the watershed council for the entire Clackamas basin, from which OLWS gets its water. Dick Jones, from the former water district board, used to be heavily involved in the group. Currently no one participates in these meetings. There was a comment that it makes more sense for the Clackamas River Water Providers to pay attention to the CRBC. The Board asked for staff to follow up on whether it is important for OLWS to attend.

Mark Knudson volunteered to be the alternate for the North Clackamas County Water Commission, on which OLWS has two seats. Staff stated the next meeting is the fourth Thursday in September at 5:30 p.m. at the drinking water treatment plant.

Susan Keil clarified the Regional Water Providers Consortium Board holds three Board meetings per year. Mark is the OLWS Board member filling the primary position. There will be an additional Executive Committee position opening and Mark will consider it.

Director Gornick updated the group on the Sunrise Water Authority meeting, which was held on July 24th. They had Clackamas County Commissioner Ken Humberston swear in the new Commissioners. They elected officers with Ernie Platt as President, Chris Haas as Vice President and Eric Hofeld as Secretary. They passed a second reading of an ordinance requiring a 1-year, 25% maintenance bond when another public agency builds water infrastructure that is transferred to SWA. They held the general manager's performance review in open session with a 3.5% salary increase and a \$5,000 bonus. Director Gornick went over the other items listed on his Board Packet notes.

Treasurer Fisher did not attend the Clackamas River Water Commissioners meeting. He attended the Oak Grove Community Council meeting and heard from Clackamas County's transportation planner Steven Williams about the placement of the Oak Grove-Lake Oswego pedestrian bridge. There were a number of people against the bridge placement discussion, particularly the people who are closest to the landings. The policy advisory group is supportive of the bridge placement proposal. There is a fast timeline because Metro may add funding for the bridge to their 2020 bond measure. The estimated price tag is 20-40 million dollars. There was a short presentation from Annette Guarriello from Main Street America who talked about

downtown Oak Grove and a big push for the Oak Grove Trolley Trail Festival. They reenacted the District Advisory Board (DAB) for the Park District, for which they barely had a quorum. When an additional member joins the DAB the County Commissioner serving on the committee will step down.

Vice President Williams attended Jennings Lodge Community Planning Organization picnic and so had nothing else to report.

Director Knudson had nothing to report for this meeting.


President Keil attended the Chamber of Commerce Public Policy Committee and heard a presentation on the mandatory retirement savings program through the state for any business that does not have a retirement program. Employers must join this program if they do not provide another option, although employees may opt out. Smaller employers who must participate were worried about the administrative costs of running the program. Another savings program was discussed for people with disabilities. This program includes a variety of savings possibilities and is administered by the same state entity as the first program.

There was no further Board business.

10. Adjourn Regular Board Meeting


President Keil adjourned the regular Board meeting at 8:47 p.m.

Respectfully submitted,



Susan Keil
President, Board of Directors

Date: 9-17-19



Kevin Williams
Secretary, Board of Directors

Date: 09-17-19