

**PENINSULA DRAINAGE DISTRICT #1
BOARD OF SUPERVISORS MEETING
Thursday, April 10, 2008**

Pursuant to proper notification, the Peninsula Drainage District #1 Board of Supervisors met at the District Office, 1880 NE Elrod Drive, at noon on April 10, 2008.

President Chris Bailey called the meeting to order at 12:22 p.m. Bob Eaton said all notifications had been done. Bailey asked for a roll call.

ATTENDANCE

Chris Bailey, President
Bill Briggs, Supervisor
David Ernst, Supervisor
Kurt Redd, Supervisor
Mark Wigginton, Supervisor
Bob Eaton, Executive Director
Dave Hendricks, Deputy Director
Evie Moore, District Accountant
Kim McRobbie, Secretary Pro Tem

INTRODUCTION TO CREW LEADER – JUSTIN KRUEGER

Dave Hendricks and Bob Eaton introduced the newest addition to the District. He is the crew leader, Justin Krueger. Krueger spoke to his experience of environmental and safety issues as well as construction and demolition on both large and small projects. President Bailey welcomed Krueger and the Board followed. Hendricks added that he is very happy with the work Justin is doing. When he asks him to do something, he is right on it or has already thought of it and completed the task. He feels Justin will continue to do a great job for the District. In addition, he will be a good person to step into some positions later down the road that will be vacated by retirement.

APPROVAL OF MINUTES

Bill Briggs moved to adopt the minutes from January 10, 2008 as submitted. Dave Ernst seconded and the motion passed unanimously.

BUSINESS

IGA Review for FY 2008-2009 – Eaton drew attention to the staff report provided in the pre-meeting packet. He stated that if there are no changes requested the IGA will roll over for another year. He added that if changes are requested the document can be revised and resubmitted to the MCDD Board. Eaton spoke to Appendix A and he added Appendix B is the proposed change and he turned it over the Dave Hendricks for explanation. Hendricks stated that in terms of staff the District was only charging salary expenses. Then about two years ago the District began to include PERS and other benefits into the billing module to be more defined. Some areas went up, some areas went down. He added the Time Tracking will continue as a normal part of the documentation processes and billed fees will be based on that tracking.

IGA Review for FY 2008-2009 – Continued

Staff is recommending the Board allow the FY 2007-2008 IGA with MCDD to roll-over into FY 2008-2009 with the appropriate 2.5% rounded adjustment in Appendix B. President Bailey asked if a resolution would be needed to change the IGA. Eaton responded that no resolution would be needed, just MCDD Board approval. With no changes requested, the IGA will roll over as written for fiscal year 2008-2009.

FY 2008-2009 Budget Workshop – Eaton gave a brief overview of the District budget process. He explained that Dave Hendricks is responsible for the PEN 1 and PEN 2 budgets. Eaton is responsible for MCDD and SDIC. Hendricks began by informing the board that the compression percentage increased from an historical 3.4 to 3.7% to 7.2%, a \$6,770.00 increase. Staff requested an explanation from Multnomah County assessor's office as to why the large increase. The County did not have an explanation, but said they would investigate. Hendricks continued by saying this increase would not impact the revenues received because the district has received \$5,000 more than expected in delinquent assessment. Hendricks continued with reviewing the estimated actual and said the 2007/2008 budget expenditures would be under budget. Hendricks then gave an overview for the 2008/2009 budget requirements and stated the only increase expected would be a 3.5 to 4.0 % increase to cover assessment compression

CIP Discussion and Bond Payment Schedule – Hendricks spoke to the Capitol Improvement Project staff report that includes funding options. The purpose, he states, is to develop a capital improvement plan and funding structure to spread debt over a 20 to 30 year period to minimize large assessment increases from year to year while providing a modern and reliable flood control system. The handout broke down the 3-5 year project timeline in order of priority. Hendricks would like to have input for anything the Board feels should be done that isn't included on the list, or a project that the Board feels should be moved up or down on the priority level. He added that other districts may be looking at hiring a lobbyist to get funding from the Army Corps of Engineers. Hendricks spoke to the funding options available to the District. The five primary options are listed below:

1. Bonding – Three to five million dollars.
2. Flex Lease – Less than one million dollars.
3. Assessment Reserves
4. Non-district funds, Corps of Engineers, Grants and Landowner participation.
5. Combination of any of the above.

Levee Seepage Investigation – radiometric imaging – Hendricks spoke to the process that would involve imaging done via helicopter to detect saturation levels in the levee. This process would need to be done during a high water event to gather accurate calculations. Hendricks added the water levels would need to be at 18 feet to perform the investigation. He added the investigation may not happen this year, but if not, he would like to have the money in reserves when the time comes. He feels this will help prioritize the levee repair projects. The process would take aerial images that are input into a computer program and color codes the levels of saturation within the levees.

Create a Debt Service Reserve – Hendricks spoke to the Boards reserve options and cash available. He asked the Board to consider increasing assessment or work within the budgeted reserves. He wants to know what the Board would like to see in the reserves account. He asked them to think about it and at the next Board meeting on May 22 make a decision as to what number the Board wants to see in cash available. Mark Wigginton requested a range of options at the next meeting. He suggested a range broken down by percentage beginning with 4%, 6%, 8% and 10%. Hendricks will run the numbers and bring to the meeting on May 22nd. Hendricks added he will start with 10,000 cash and work the numbers from there. Hendricks concluded by stating he will compile the different options and will have them available to the Board at the next meeting.

STAFF REPORTS

Financial

Financial Reports – Moore spoke briefly on the Profit and Loss Budget vs. Actual July 2007 through March 2008 report. She stated that \$149,972 of the \$158,774 assessment is current year assessment which is 89% of the budgeted amount and exceeds FY 2006-2007 total end-of-year assessment by \$1,000. Moore moved on to the Balance Sheet Summary stating the total for Checking/Savings is \$164,763.08.

Programs/Policies

None at this time

Projects

None at this time

Planning

Columbia Corridor Scoping Process – Eaton talked about discrepancies in the ordinances and codes as it relates to natural resources. Some of the problems include overlapping information, old information and non-applicable information. Eaton will continue to work with City of Portland Planning Department and report any new information.

Tree Ordinance Review and Modification - Eaton reported that there have been some discrepancies with the tree ordinance. As a result, a Citizens Committee has been formed. The committee includes people in the construction field, government agencies, as well as environmental and development backgrounds. Eaton wondered how the City of Portland got an environmental overlay over the District's levees.

4MAT Roundtable – Eaton reported on the PEN 1 hosted 4MAT Roundtable held on January 24th and drew attention to the agenda included in the meeting packet. He then spoke to the upcoming 4MAT that will on April 24, 2008 and hosted by SDIC. Guest speaker Phil Volker will attend to discuss global warming and other weather related issues.

All District Training and BBQ – Eaton thanked everyone who attended the event. He added there were three Board members retiring that were given awards of service. The three awarded Board members are Steve Shaw of SDIC, Mike McBride and President Rich Halsten both of PEN 2 Eaton would like suggestions for any future improvements or topics.

District Engineer – Hendricks announced that the District has hired a Licensed Engineer. After several applicants and 4 interviews the choice was made. His name is Adam Zucker and comes to the District with a construction and environmental backgrounds. He will begin his employment on May 1.

ADJOURNMENT

There being no further business to be brought before the Board, President Bailey adjourned the meeting at 2:15 p.m.

APPROVAL

These minutes were approved at a duly held meeting of the Board of Supervisors on May 22, 2008.

Attested: _____
Secretary

