

**PENINSULA DRAINAGE DISTRICT #2
ANNUAL LANDOWNER'S MEETING
December 6, 2007**

Pursuant to advertised notice, the Annual Landowner's Meeting of Peninsula Drainage District No. 2 was held at 6:00 p.m. on Thursday, December 6, 2007, at the Multnomah County Drainage District #1 office at 1880 NE Elrod Drive, Portland, Oregon.

CALL TO ORDER

President Rich Halsten called the meeting to order at 6:11 p.m. Secretary Bob Eaton acknowledged that proper notification of the meeting had been done.

ROLL CALL

Those present were:

Rich Halsten, President

Vic Stibolt, Supervisor

Dick Shafer, Supervisor

Bob Eaton, Executive Director

Dave Hendricks, Deputy Director

Evie Moore, District Accountant

Kim McRobbie, Secretary Pro Tem

Gloria Gallego, Office Specialist II

Steve Luna, Construction & Maintenance Supervisor

Keith Radcliff, Field Crew Member

Josh McNamee, Field Crew Member

Landowners present are represented on the attached attendance sheet.

WELCOME

President Rich Halsten welcomed everyone and thanked them for attending. He introduced the Board members present. Executive Director, Bob Eaton also welcomed everyone and introduced the District staff in attendance.

ACKNOWLEDGEMENT OF QUORUM

Eaton reported that in-person and proxy representation must total 50% of acres plus one acre to reach a quorum. The number of acres represented by those present when added to the acres on proxy cards totaled 14%. A quorum was not met. Eaton stated that a vote could not be legally held.

President Halsten announced that the meeting would continue as scheduled except business items of minute's approval and election of supervisor would be deferred to the next landowner meeting.

It was asked by several landowners what the District could do to make sure we have a quorum next year. One suggested changing the by-laws of the quorum requirements. Eaton said that it could be done; it would need to go before state legislation and get approval. Another suggestion was to send the landowner and proxy mailing earlier. Another suggestion was sprucing up the letter and proxy card as it was rather drab looking. Some landowners suggested the District work closer with the neighborhood associations to get proxies completed at the homeowner and neighborhood meetings.

REGULAR ELECTION FOR BOARD OF SUPERVISORS

Halsten noted seat #3 was up for election this year but will be carried over to the next annual meeting.

REPORTS

President Halsten invited Eaton and staff to move ahead with the PowerPoint presentation specially prepared for the evening. Eaton invited audience members to follow along using the hard copy of the PowerPoint presentation found in their meeting packets.

He announced that the audit for FY 2006-2007 is still on going and does not have a final report to present this evening as he had hoped. He next talked about FY 2006-2007 resources stating that the assessments were the leader at 77%. He gave an overview of the key budget considerations for FY 2006-2007 and went through the numbers for estimated revenues and expenditures. Eaton also spoke briefly to the FY 2007-2008 budget resources as well as budget and project expenses. He concluded the financial overview with the reserve goals adopted by the Board back in 2004. Eaton stated that 1/3 of the estimated budget for capital programs is the Bridgeton Levee.

Eaton spoke to the City of Portland's IGA with the Districts. He reported that the original five-year agreement was allowed to roll-over on July 1, 2005 for an additional five years. There will be modest increases each year based on the average of the changes in two indexes. The funds to pay the agreement are included in the drainage district assessment. Eaton turned the floor over to Dave Hendricks to speak on the projects within the District.

PROJECTS

Hendricks began speaking that in August 2007 the District awarded two contracts to remove trees and root balls on the City Canal Levee and Bridgeton Levee. They then removed 478 trees and root balls and placed 10,000 cubic yards of sand and top soil on the City Canal Plug. He added that the levee has been re-seeded and benching has been started. The District will go in next year to complete the benching.

In September of 2007 the District began cutting trees on the Bridgeton Levee as well as the Portland Yacht Club to comply with the Army Corps of Engineer's, (USACE), levee recertification requirements. Court orders stopped the project and Dick Shafer is working with neighbors to craft removal and mitigation plans

Hendricks spoke to the Children's Arboretum project that accompanied photo slides of before and after. He talked about how benching and seeding has been completed. A pedestrian bridge was placed and the District saved a lot of money by using a retired rail car. He concluded by stating that the planting for the arboretum is scheduled for spring. Gyrid Towel added that they would like to have volunteers next January or February to assist with the planting in the park anyone interested please talk with her. Susan Barthell of the City of Portland added this is a fun and great opportunity to get a group together to do something to improve the area.

Hendricks talked about the FedEx Pedestrian trail atop the levee. Adding this project is completed and done to City of Portland and the District's standards.

ADJOURNMENT

There being no further business to come before the Landowner meeting, President Halsten adjourned the meeting at 7:30 p.m.

APPROVAL

These minutes were approved at a duly held Landowner meeting on December 4, 2008.

ATTEST:

Secretary