

**PENINSULA DRAINAGE DISTRICT #2
BOARD OF SUPERVISOR'S MEETING
December 6, 2007**

Pursuant to an advertised notice, the Board of Supervisors' meeting of Peninsula Drainage District No. 2 was held at 2:00 p.m. on Wednesday, December 6, 2007 at the MCDD District Office, 1880 NE Elrod Drive, Portland, OR 97211.

CALL TO ORDER

President Rich Halsten called the meeting to order at 2:05 p.m. Secretary Bob Eaton acknowledged that proper notification of the meeting had been done.

ROLL CALL

Those present were:

Rich Halsten, President

Dick Shafer, Supervisor

Vic Stibolt, Appointed Supervisor

Bob Eaton, Executive Director

Dave Hendricks, Deputy Director

Evie Moore, District Accountant

Kim McRobbie, Secretary Pro Tem

MINUTES APPROVAL

Dick Shafer moved to adopt the minutes from the October 11, 2007 Board meeting with noted spelling corrections. Rich Halsten seconded and the motion passed unanimously.

BUSINESS

Appointing a Board Member to replace Mike McBride

Eaton presented the resignation letter from Mike McBride. He added the Board has authority to appoint a replacement to fill the vacancy. Staff is recommending the Board appoint Vic Stibolt of Jubitz Corporation to seat number 2.

Rich Halsten moved to appoint Vic Stibolt to the PEN 2 Board of Supervisors seat No. 2. Dick Shafer seconded and the motion passed unanimously. Eaton administered the oath of office and welcomed Stibolt to the Board.

Proposed Budget Amendment for FY 2007-2008

Eaton drew attention to the staff report that was included in the pre-meeting packet. At the Board's October meeting, staff requested authorization to proceed on unbudgeted projects that had become priorities due to circumstances unforeseen at the start of the fiscal year. Hendricks added that staff would like to have the time to look at cutting back elsewhere and then present the amended budget at the May meeting. Rich Halsten stated that due to things within the District, staff should address the amendment in February to allow additional time.

Staff Report – Changing from three to five Board Supervisors

Eaton spoke to the staff report included in the pre-meeting packet that shows how to go about the process of changing the Board. He added that statutes require that the Landowners receive 6 months notice of the change. The new Board seats will be seat numbers 4 and 5 with the same three-year term schedule. President Halsten asked about what fiscal impact this would have. Eaton responded there would be a large mailing to the landowners that would cost approximately \$600.00. Halsten inquired about the other Board member numbers. Eaton stated that PEN 1 as well as MCDD has five Board members, SDIC still has three members. After discussing the impacts, Halsten told the Board he feels this to be a good idea and made a motion to increase the PEN2 Board from three to five members. Dick Shafer seconded and the motion passed unanimously. Eaton stated a resolution is necessary for the Board, and a letter will go out to landowners in June of 2008. Stibolt asked about voting requirements and doing some outreach. Eaton suggested that calls could be made to landowners and a packet be put together for interested parties.

Staff Report – Jack Devine Property Assessment

Eaton spoke to the staff report included in the pre-meeting packet regarding landowner, Jack Devine, which requested the District to look at 2.2 acres for assessment as an open space. The staff report covered three issues that the Board needs to weigh if considering reducing the assessment for this lot. After review of the information provided, staff recommends that no change be made to the assessment, as there were no errors made in the determination process. The Board unanimously agreed.

ADDITIONAL BUSINESS

John Anderson Costs

Hendricks talked about John Anderson hooking up a sanitary system. When the contractor began digging, they ran into a pipe. Anderson telephoned the District and Hendricks suggested that Anderson do some research to see where the pipe is coming from or going to. While doing this, Anderson had some unexpected cost associated and would like the District to pay a percentage of the bill. Staff is recommending tracing the pipe to see where it goes to see if there would be any benefits to claiming the pipe. Eaton stated the Board could ask staff to put this on the main list for next years budgeting plan. After some discussion, the Board would like Hendricks to contact ODOT to see if they have any record of the pipe. Shafer suggested that the Board table this issue until Hendricks can obtain further information. The Board also feels that a repayment of \$3,180 should be paid to Anderson for costs he paid that were ordered done by the District. The remainder will be determined after the District gathers more information on the pipe.

STAFF REPORTS

FY 2006-2007 Audit

Bob Eaton spoke to the FY 2006/2007 audit that is being done by Robert Yingling, Jr. Eaton stated that the audit is still ongoing and the District will have numbers to the Board by the next meeting. There were a couple financial items on the PowerPoint presentation that Halsten would like staff to look at prior to the presentation to the landowners.

Current Financial Status

Moore presented a Profit and Loss, and Budget vs. Actual Summary, July through September. Moore added that the District is doing well, in fact, the same as last year. This year the District had some unbudgeted revenue in the first quarter when Freightliner, Thompson, and Jubitz all shared in the cost of a ditch project. Moore added to date the District has received payment from Freightliner Corporation as well as Jubitz. Dave will contact Thompson to see when payment can be expected. Moore also spoke to the LGIP interest being right on track, as well as the SDAO Security Grant. Halsten asked Moore if PEN 2 had made payments to MCDD. Moore responded no, as billings have not been sent. Halsten stated that from now on he and the Board would like to see a more detailed report. Eaton said that until the audit is done, the numbers are available, but unreliable.

PROJECTS

Bridgeton Levee Tree Removal

Shafer reported that he has been meeting with the Bridgeton Neighborhood group and the Army Corps of Engineers to discuss how to categorize the trees on the Bridgeton levee so the levee could get its recertification. Shafer feels the meetings have gone well and he believes they will come to an agreement by March 2008.

East Levee Project

Hendricks reported that the trees and stumps have been removed atop the levee. Benching is not complete, but the project has been cleaned up and the levee has been hydro seeded. He added the benching would be completed next season.

City Canal Plug Project

Hendricks reported the district placed 12,000 cubic yards of sand and soil on the north and south slopes of the plug and hydro seeded both slopes to be in compliance with the United States Army Corps of Engineers (USACE) levee design standards.

Levee Trails Project

Hendricks reported that he is waiting to talk with the City of Portland to find out when they plan to build the trails. Halsten asked who is responsible for any liability issues with the trails. Hendricks replied that the City of Portland would be the responsible party for all liability and maintenance issues as per the agreement the district entered into with the City of Portland.

Ditch Cleaning Project

Hendricks talked about the revenue received by Dave Thompson, Freightliner, and Jubitz funding this project. He added the benching and sloping are complete. He stated there was a problem with residual soil contaminates and Hendricks is requesting further testing to determine the depth of the contaminants. He did say, however, the bench materials tested clean.

Children's Arboretum Bridge/Benching Project

Eaton talked about the project being completed with the exception of planting. He added that would be done in January or February by City of Portland. Bridges are in and look nice. He concluded by stating the grand opening ceremony will be April 14, 2008.

PROGRAM/POLICIES

4MAT October 25 Roundtable

Eaton spoke of the roundtable session held on October 25, hosted by SDIC. He added that it was an interesting session and Jeremy from USACE was there to speak to the group. Eaton noted that he would get Vic a copy of the agenda from the meeting that was missed in the pre-meeting packet preparation.

City of Portland Stormwater IGA

Eaton stated there was nothing new to report at this time. Hendricks has some homework to be done. He will be working with Dan Vazzini who has been appointed to take on the City's portion of the project.

PLANNING

D-FIRM Levee Recertification Status

Hendricks reported on the study that is underway by the Army Corps of Engineers to determine if the dams on the Snake and Columbia Rivers should be used for flood storage during the winter months. If the dams are not used for flood storage during a spring freshet, the Columbia River 100-year water elevation could raise from 28.0 feet to 33 feet. If this were to occur, the levees could be required to be raised 3-5 feet higher than current level.

MEETING ADJOURNMENT

There being no further business to come before the Board, President Halsten adjourned the meeting at 4:17 p.m. so the Board could prepare for the Annual Landowner meeting.

APPROVAL

These minutes were approved at a duly held Board meeting on February 21, 2008.

ATTEST:

Secretary