

PENINSULA DRAINAGE DISTRICT #2
BOARD OF SUPERVISOR'S MEETING
May 8, 2008

Pursuant to an advertised notice, the Board of Supervisors' meeting of Peninsula Drainage District No. 2 was held at 12:00 p.m. on Thursday, May 8, 2008 at the Jubitz Cascade Grill, Columbia Room, at 10350 N. Vancouver Way, Portland, Oregon 97217.

CALL TO ORDER

Board President Dick Shafer called the meeting to order at 12:11 p.m. Secretary Bob Eaton acknowledged that proper notification of the meeting had been done.

ROLL CALL

Those present were:

Dick Shafer, President
Vic Stibolt, Supervisor
Walter Valenta, Supervisor
Bob Eaton, Executive Director
Dave Hendricks, Deputy Director
Adam Zucker, District Engineer
Kim McRobbie, Secretary Pro Tem
Dick Towle, Guest

MINUTES APPROVAL

Vic Stibolt moved to adopt the minutes from the February 21, 2008 Board meeting as written. Walter Valenta seconded and the motion passed unanimously.

BUSINESS

Review and Adoption of FY 2008-2009 PEN 2/MCDD IGA

Eaton spoke to item "A" on the agenda and referred to the staff report included in the pre-meeting packet. He stated the staff report gives a brief background of how costs are budgeted. He then turned to Appendix B stating this is the fee schedule for personnel and equipment and it had been recently updated. He stated this is pretty close to the actual numbers and is used as a guide. Eaton added that rates for equipment have gone up approximately 1.5% and the hourly rates are pretty much the same with some going up and some coming down. The IGA has been reviewed and approved by the MCDD Board and Eaton is passing it on today for review and approval. Vic Stibolt requested clarification on the cost share piece of the IGA. Eaton explained each project is billed on a case by case basis. Staff looks at each project and who would be benefiting from it. Cost discussions were held about two or three years ago and staff created a chart to split billings in the most unbiased, equitable way. Walter Valenta inquired as to how often the IGA is changed. Eaton replied that every year it will come before the Boards for authorization and any changes would be discussed, reviewed and need to be approved. Hendricks added that with rising costs annually, Appendix B would most likely change each year. After discussions President Dick Schafer asked for a vote. Vic Stibolt moved to approve the PEN 2/MCDD IGA. Walter Valenta seconded and the motion passes unanimously.

Introduction of Adam Zucker, PE

Hendricks spoke to the selection process that was done to find a new District Engineer. Staff was pleased to introduce Adam Zucker, PE as the newest addition to the Drainage District staff. Hendricks added that he is happy to have Adam on board and turned it over to Adam to give a little background on himself. Adam began by stating he is a licensed Engineer in both Oregon and Washington. He added he attended Cornell University and has 10 years experience in the field. He has worked with an Environmental Engineering firm and has many regulatory contacts. He is happy to be a part of the District and appreciates what the District represents. Zucker enjoys cycling and is excited to be working on the trails projects. The Board welcomed Adam and told him to call the Board any time with questions.

Review and Adopt Mission and Vision Statement

Eaton explained that staff went through an exercise about 4 years ago and created MCDD's mission and vision statement. He explained that at the PEN 2 February 21 Board meeting the Board asked staff to generate a draft vision and mission statement for consideration. Eaton has modified the document for PEN 2 adding any changes are fine. Walter Valenta proposed to adopt the document as a draft as he would like to have it looked at by some landowners. President Shafer asked for a decision. Vic Stibolt moved to table the document until the June 21st board meeting. Dick Shafer seconded and the motion passed unanimously.

Review and Adopt Landowner Letter Re: Supervisor Additions

Eaton stated at a previous meeting the Board adopted a resolution to expand the number of Board members from three to five. The state statutes require a letter of announcement must go out to landowners, the Secretary of State and the County Clerk at least six months prior to the annual meeting. Eaton stated he has brought the letter for review today. Vic Stibolt suggests that sentence three in paragraph three be read: the Board feels landowners would be best served by diverse interest. All Board members agree that change sounds good and the letter should be changed accordingly.

Review and Adopt the Auditors Report on FY 2006-2007 Finances

Eaton stated he mailed the auditors report to all Board members for review. He asked if there was anything that stood out or any questions or comments. With none, President Dick Shafer asked for a vote. Vic Stibolt moved to accept the auditors report for FY 2006-2007 finances. Walter Valenta seconded and the motion passed unanimously.

Resolution #0851 – Authorizing a Budget Amendment for FY 2007-2008

Eaton spoke to Resolution #0851 authorizing a budget amendment for FY 2007-2008. He added that revenue came in for the Children's Arboretum Park project that wasn't expected. The total amount of the budget is amended to read \$940,331. Vic Stibolt moved to adopt Resolution #0851. Dick Shafer seconded and the motion passed unanimously.

Budget Workshop – FY 2008-2009 Draft Budget

Eaton explained the budget preparations stating Dave Hendricks does the PEN 1 and PEN 2 budgets, while Eaton prepares the budgets for MCDD and SDIC. Hendricks stated the highlighted areas show changes in the budget. Hendricks began on page two of five showing no expenditure changes. He then asked all to turn to page three of five stating the budget lines items marked in blue could be decreased if needed. Hendricks spoke of the City of Portland Stormwater IGA changes in payment. The district will receive three invoices rather than two this year to get back on track to receiving two billing per year. Hendricks spoke to the Levee Recertification process and Bridgeton Levee's \$33,000 in mitigation. Hendricks added the legal fees for the Bridgeton Levee recertification process will continue to increase. They discussed increasing the assessment versus taking funds from the reserves. Hendricks asked the Board for direction on where they would like to see the assessment. Dick Shafer stated that an increase of 20% would be painful for most landowners. Vic Stibolt and Walter Valenta feel that a 10%-15% would be a good place to start. It was decided that Hendricks will run some number options and bring them back to the Board for discussion.

Hendricks spoke to the staff report included in the pre-meeting packet: Capital Improvement Projects with funding options. The purpose, he states, is to develop a capital improvement plan and funding structure to minimize large assessment increases from year to year while providing a modern and reliable flood control system. Hendricks has numbered these projects in order of priority and included a listing of the associated estimated costs. The first two of his proposed priorities is the Bridgeton Levee Certification along with the completion of the East Cross Levee completion. Hendricks spoke to the levee seepage investigation (Radiometric) that he would like to do. Hendricks has been given the approval to go ahead by the other boards affected. This is an aerial investigation where a helicopter flies over the levee, records infrared images and plots the data. This data is put into a computer program model and will show the areas of high saturation in colored charts. In order to perform this investigation, Hendricks states he needs the water levels to be at 18 feet NGVD or higher for a couple of weeks to capture the true saturation points. The Board approved pulling the PEN 2 portion from the reserves account.

ADDITIONAL BUSINESS

None to report at this time

STAFF REPORTS

Bridgeton Levee Recertification

Hendricks is looking for direction from the Board today on the priorities at Bridgeton. Walter Valenta stated that the Bridgeton Neighborhood has prepared a series of documents that will form the agreement between Bridgeton residents, PEN 2, the city of Portland and the US Army Corp of Engineers. He stated Alise Goforth, a Bridgeton resident, is working on a letter that will go to neighbors. Valenta feels things are lining up as agencies and most neighbors are ok with the trees that get to stay. The City Forester is okay with the eight trees coming down in the next few days if the neighborhood agrees. The group discussed some fill dirt that has come available if the District can move quickly. With this comes the media attention that followed the last time trees were about to come down. Hendricks would like to be on record as requesting to appoint a spokesperson to be in the street when the cutting happens. Hendricks feels that a neighborhood spokesperson as well as a Board spokesperson would be best. It was decided that Walter Valenta will be the media contact for the neighborhood. Dick Shafer will be the media contact for the District. Hendricks would like the contacts to call Kerry Hampton, property manager for school property and Troy who is the principal of the school. He added the District needs to coordinate with these two individuals as they have some thoughts about cutting during school hours. Valenta and Shafer stated they and the neighborhood are holding a meeting this evening and will know in the morning whether the eight trees can come down next week.

Quarterly Financial Status

Eaton began with the balance sheet as of April 30, 2008 stating it is pretty cut and dry. He added if there are no questions he will move on. Eaton proceeded to present a Profit and Loss, and Budget vs. Actual Summary, July through May 8. He stated the total revenue at the beginning of the fiscal year was \$528,281 and now it is \$777,148. He then moved on the levee recertification pointing out that the budgeted amount was \$130,000 and the actual as of May 8 is \$249,253. He concluded by saying even though the District is over budget by \$259,000 he feels PEN 2 is in good shape all things considered.

Four District Board Tour and BBQ – March 27, 2008

Eaton thanked all for coming on the 27th of March. Staff enjoys meeting and speaking with Board members. Eaton is unsure of what to do for next year's event. He welcomes any suggestions.

Children's Arboretum Bridge/Ribbon Cutting

Eaton stated that on April 12, 2008 the Children's Arboretum had its official ribbon cutting ceremony. Eaton added the volunteers that worked on the project were great and he was very happy to have been a part of the project. He particularly acknowledged the work of Dick and Gyrid Towle who spearheaded the project.

4MAT April 26, PEN 2 Hosted

Eaton spoke to the 4MAT roundtable that was held on April 26. Vic Stibolt attended representing PEN 2 Board. The guest was Phil Volker, former TV meteorologist. Volker runs his company ERF which provides extended forecasts for the District and other agencies. He discussed global warming and all felt it was a great roundtable.

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. Eaton and Hendricks will alert the Board of any new information.

Annual Landowner Meeting

Eaton stated although some time away, it is time to begin thinking of the annual meeting. This year the meeting will be December 4, 2008. The Board will be increased to five members at that meeting and potential candidates may need to be contacted.

MEETING ADJOURNMENT

There being no further business to come before the Board, President Shafer adjourned the meeting at 2:40 p.m.

APPROVAL

These minutes were approved at a duly held Board meeting on June 19, 2008.

ATTEST:

Secretary