

**PENINSULA DRAINAGE DISTRICT #2
ANNUAL LANDOWNER'S MEETING
December 4, 2008**

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 4, 2008, at the Multnomah County Drainage District #1 office at 1880 NE Elrod Drive, Portland, Oregon.

CALL TO ORDER

President Dick Shafer called the meeting to order at 6:10 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

Kim McRobbie, Secretary Pro Tem

Adam Zucker, District Engineer

Janet Olson, District Bookkeeper

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 Dick Shafer 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 35% of acres plus one acre to reach a quorum. The statutes allow this since there was not a quorum at last year's meeting. District Accountant Janet Olson announced that with 36% and 703 voting acres present a quorum was reached. A list of attendees and proxies is attached and will be made a permanent part of these minutes.

APPROVAL OF MINUTES

President Shafer noted that copies of the minutes had been available in advance by request and were included in the meeting packet available upon arrival. He asked if there were any corrections or additions. There was none. Jason Ashe moved to accept the minutes as written from December 6, 2006. Conni Haffey seconded and the motion passed unanimously. Maryhelen Kincaid moved to accept the minutes from December 6, 2007. Karen Myers seconded and the motion passed unanimously.

REGULAR ELECTION FOR BOARD OF SUPERVISORS

President Shafer spoke to the announcement that went out to landowners about six months ago. It stated the PEN 2 Board was going to be changing from a three seat Board to a five seat Board at the next landowner meeting election. He added that the Board received responses from three landowners who have announced interest in running for the newly added seats #4 and #5. Landowner's Karen Myers, Val Humble and Jason Ashe all acknowledged their willingness to run. Since Shafer was up for re-election, he asked Vic Stibolt to chair this portion of the agenda.

Stibolt announced that seat #1, currently held by Walter Valenta by appointment, is up for election for a term through December 2011. Valenta has acknowledged his willingness to serve if elected. Stibolt asked if anyone would like to nominate Valenta. Val Humble nominated Valenta. Stibolt asked for other nominations from the floor and there were none. Members of the audience requested background qualifications from running parties. Stibolt suggested that all candidates have an opportunity to speak; however, he would like to limit each candidate to a two minute timeframe. Valenta stated he lives on a houseboat on Bridgeton and he would bring a holistic view of North Portland activities, bridge issues and the marina. He is also the former president of the Bridgeton Neighborhood Association and would be happy to continue to serve. With no more nominations from the floor, Jason Ashe seconded Valenta's nomination. The motion was approved unanimously

Stibolt noted seat #3, currently held by Dick Shafer, is up for re-election for a term through December 2010. He noted this seat was originally up for election at the Landowner Meeting held on December 2007 but there was not a quorum so the election was held over to this meeting. Shafer has acknowledged his willingness to serve if elected. Stibolt asked if anyone would like to nominate Shafer. Ron Myers nominated Dick Shafer. Stibolt asked for other nominations from the floor and there were none. Shafer explained has been proud to serve on the Board since 1990. He is a commercial real estate broker in the area and has resided in the District for 8 years. With no nominations from the floor Maryhelen Kincaid seconded the motion. The motion was approved unanimously.

Stibolt noted seat #4 is a new seat that was added this year. After the mailing to landowners, the District has received confirmation from Karen Myers on her willingness to serve if elected. Stibolt asked if anyone would like to nominate Karen Myers. Carolyn May nominated Karen Myers for Board seat #4. Maryhelen Kincaid seconded the nomination. Stibolt asked for other nominations from the floor. Stan Hart stood to nominate Matt Whitney to Board seat #4. R.V. Burnham seconded to motion. Stibolt had both candidates give a brief reason of why they would like to be elected to the Board. He added after that time ballots will be distributed and voting for seat #4 may begin. Karen Myers began by stating she is happy to run for the Board as she has been to many landowner meetings as well as Board meetings and tours. She has lived on Blue Heron Estates since 2001 and is the current secretary treasurer for the East Columbia Neighborhood Association.

Matt Whitney stated he is the past President of the Bridgeton Neighborhood Association. He has resided in the Bridgeton area for 25 years.

REGULAR ELECTION FOR BOARD OF SUPERVISORS - Continued

Whitney concluded by saying he would like to serve the District and feels he would bring a wealth of knowledge and protocol.

Stibolt stated that ballots would be collected and counted for seat #4 and the results will be announced. However, in the mean time he would move on to seat #5.

Stibolt noted that seat #5 is also a new seat that was added to the Board. He stated that there are two candidates running for the seat. One is Val Humble and the other is Jason Ashe. Both are landowners residing in the District. Stibolt suggested that each candidate address the landowners present this evening and then go to the nominations. Jason Ashe was chosen to speak first. He stated he is a resident in the Peninsula Drainage District #2 residing at 13th & Gertz Road. He also was awarded the contract on the Marine Drive Fill project. He concluded by stating his primary background is construction and he is interested in the Board as he would like to make sure that his home, and the homes of his neighbors, is protected.

Val Humble stated he has lived in the district for over 30 years off of Meadow Drive. He enjoys volunteering in the area and feels that the main importance is safety. Stibolt thanked both gentlemen for the statements and willingness to run. He did however say that before they could move further, there would need to be nominations from the floor. Beginning with Jason Ashe, Stibolt asked for motion to nominate. Val Humble moved to nominate Jason Ashe for seat #5. Susan Barthell seconded the motion. Stibolt then asked for a motion to nominate Val Humble to Board seat #5. Jason Ashe moved to nominate Val Humble. Rich Halsten seconded the motion. Stibolt said this is also a contested seat, so there will be a closed ballot vote and Gloria Gallego will be around to hand out the voting ballots. Stibolt reminded that those holding proxy votes will have the same votes for the elections. Stibolt invited anyone interested in witnessing the process to be present during the vote count. At this time the meeting will move to the PowerPoint presentation while the votes are being counted and will return with election results.

REPORTS

Eaton and staff chose to move ahead with the PowerPoint presentation specially prepared for the evening while the votes are being counted. Eaton invited audience members to follow along using the hard copy of the PowerPoint presentation found in their meeting packets.

Eaton announced that the audit for FY 2007-2008 is still on going and does not have a final report to present this evening as he had hoped. He next talked about FY 2007-2008 resources stating that the assessments were the leader at 52%. He gave an overview of the key budget considerations for FY 2007-2008 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 almost half of the estimated budget for capital programs is the Bridgeton Levee. Eaton spoke to the City of Portland's IGA with the Districts.

REPORTS - Continued

He reported that the original five-year agreement was allowed to roll-over on July 1, 2005. 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. He also talked about the Annual Board of Supervisors Training and this year the guest speakers were Andy Jordan, District council as well as David Ulbricht who spoke on bond issues, flex leases and other loans and reserves. Eaton talked briefly about community events at which the District is represented. The District had a booth at the East Columbia Neighborhood Picnic held in July. There was also a booth for all four Districts at the Columbia Slough Regatta, which drew 500 registrations and 250 watercraft launches.

Eaton then turned the floor over the Dave Hendricks to speak on the projects within the District. Hendricks spoke about the Levee System and the quarterly inspections staff performs along with mowing and seasonal herbicide treatments for invasive weed growth. The Levee recertification process has been completed with the tree removal on the Bridgeton Levee. Hendricks added that the three other Districts have been recertified by FEMA. PEN 2 will be recertified as the US Army Corps of Engineers (USACE) has inspected the Bridgeton Levee and Cross Levee on October 28, 2008 with a letter recommending certification sent to FEMA on November 5, 2008.

Hendricks talked about the conveyance systems and their inspection schedules. He also spoke to the table top exercise that took place on November 13, 2008 here at the District office. Participants included Portland Office of Emergency Management, City Bureaus, and Drainage Districts along with county, state, Tri-Met, Public Schools and Metro officials. Eaton asked a question that was stated at the Table Top exercise back on November 13th: In case of an emergency, how would you feel about the presence of the National Guard? The response was unanimous that they would feel safe knowing the National Guard was helping the efforts. Eaton stated the reason for the question was that during the table top exercise, the City of Portland stated that residents who live in the City of Portland do not want the National Guard helping.

ELECTION RESULTS

Dick Shafer took over the election coverage as he has now been reelected. For Board seat #4 between Karen Myers and Matt Whitney the results are as follows:

Karen Myers – 609

Matt Whitney – 100

Shafer congratulated Myers and welcomed her to the Board.

For Board seat #5 between Jason Ashe and Val Humble the results are as follows:

Jason Ashe – 517

Val Humble – 197

Shafer congratulated Ashe and welcomed him to the Board.

ELECTION RESULTS- Continued

Bob Eaton administered the oath of office to Karen Myers, Jason Ashe along with re-elected Dick Shafer and Walter Valenta. Eaton congratulated all individuals and welcomed their participation on the Board.

ADJOURNMENT

There being no further business to come before the Landowner meeting, President Shafer adjourned the meeting at 7:15 p.m.

APPROVAL

These minutes were approved at a duly held Landowner meeting on December 8, 2009.

ATTEST:

Secretary