

## **DRAFT**

# **PENINSULA DRAINAGE DISTRICT #2**

## **BOARD OF SUPERVISOR'S MEETING**

February 19, 2009

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, February 19, 2009 at the Jubitz Portlander Inn's Columbia Room, at 10210 N. Vancouver Way, Portland, Oregon 97217.

### **CALL TO ORDER**

Chair Dick Shafer called the meeting to order at 12:15 p.m. Secretary Bob Eaton acknowledged that proper notification of the meeting had been done.

### **ROLL CALL**

Those present were:

Dick Shafer, Supervisor

Vic Stibolt, Supervisor

Walter Valenta, Supervisor

Jason Ashe, Supervisor

Bob Eaton, Executive Director

Dave Hendricks, Deputy Director

Adam Zucker, District Engineer

Janet Olson, District Bookkeeper

Kim McRobbie, Secretary Pro Tem

Karen Myers, Supervisor, had sought and received an excused absence.

### **MINUTES APPROVAL**

Vic Stibolt moved to adopt the minutes from the December 4, 2008 Board meeting as written. Jason Ashe seconded and the motion passed unanimously.

The Landowner meeting minutes were presented for review. They will be approved at the next Landowner meeting. There were no changes noted, so the Landowner minutes will be presented as written at the PEN 2 Landowner meeting to be held in December 2009.

### **BUSINESS**

#### **Welcome New Members to the Board**

Dick Shafer welcomed Jason Ashe to the Board. Shafer also welcomed Karen Myers, stating she is currently out of the country and unable to attend today. He added he appreciates both of them stepping up to assist the Board with future endeavors and giving their time to help the growing organization.

#### **Electing Officers for 2009**

Eaton stated that annually the Board nominates and elects the president and secretary/treasurer. He added that this is the time to add any officer positions if the Board wishes to do so. Eaton noted that Shafer is willing to continue as Board President if elected. Eaton stated he is willing to continue serving as the secretary/treasurer if elected. Vic Stibolt moved to re-elect Dick Shafer as Peninsula Drainage District No. 2 Board President for 2009. Jason Ashe seconded and the motion passed unanimously. All congratulated Dick Shafer on being re-elected Board President. Vic Stibolt moved to re-elect Bob Eaton as Peninsula Drainage District No. 2 Board Secretary/Treasurer for 2009. All congratulated Bob Eaton on being re-elected Board Secretary/Treasurer.

**Approval of FY 2007-2008 Audit**

Dick Shafer asked everyone to turn to the Audit included in the pre-meeting packet. He added he has a few questions and underlined concerns with the audit. He asks staff if they are happy with the audit. Eaton responded that because PEN 2 is small, the normal financial processes are not done with all the checks and balances, which Mr. Yingling, the Auditor, notes in his letter to the Board. Eaton gave a breakdown of the changes made in the way staff processes checks both incoming and outgoing. He feels there is redundancy and accountability now in place. Shafer asked if staff feels that things are moving into a more acceptable position and fine tuning deficiencies. Olson responded that yes, she is currently cleaning up the financials to allow more efficiency. She is running statements frequently to assure accuracy. Eaton added that money transfers are also being handled differently. Olson lets Eaton know when a transfer is needed and he is responsible for handling the phone transfers. Staff also discussed that for the past 15 years Robert Yingling has prepared the audits. Although the District is pleased with his work, staff feels it's time to look at what else is out there. They will begin getting requests for proposals together and ready to submit. With no further discussions, Vic Stibolt moved to approve the FY 2007-2008 Audit. Walter Valenta seconded and the motion passed unanimously.

**FY 2009-2010 Proposed Staff Goals**

Eaton referred to the two pages included in the pre-meeting packet. The first being the adopted FY 2008-2009 goals which are color coded to show updated status. He went over those with the Board and answered questions. They discussed Capital Improvement Goals #2 and #4 as well as Administrative goal #7 all needing clarification and wording changes. Hendricks spoke to a few years back the District took a policy to the landowners that talked about pipe/culvert ownership. He wonders if the policy shouldn't be amended to have the District and the landowner negotiate the costs associated. Hendricks added he feels it to be more equitable if the policy states negotiations. Ashe inquired if a 50/50 split was a good negotiation base to start with. Hendricks thinks the policy should be modified and he could draft some new policy language. Stibolt suggested that staff come up with policy language that sets a baseline and create a legitimate list of negotiation possibilities. Hendricks agreed and he will rework and bring back for the Board to review at their next Board meeting.

Eaton asked everyone to turn the second page, proposed FY 2009-2010 goals. Eaton added the District is looking ahead to the next five years to anticipate funding needs. The Board agrees that there are a few items that should be added or moved up on the list. He is suggesting the Board either make changes to the proposed goals and then approve or approve with the noted corrections needed. Board members suggested changes. Jason Ashe moved to approve the adopted goals for FY 09/10 with discussed changes and additions. Walter Valenta seconded and the motion passed unanimously.

**Resolution #0921 – Adopting of Board Procedures**

Eaton stated that for the past three years he has completed the SDAO Best Management Practices questionnaire on behalf of the Board presidents. Based on the score for this returned questionnaire, the District gets a refund on their insurance premium. Eaton said that in 2008, PEN 2 received a refund check for \$1,119.00. However, he noticed a couple of items on the questionnaire that the Board has not covered with education and or trainings. For those topics the District received no points. Eaton is suggesting a resolution adopting certain practices as District policy. With no further discussions, Walter Valenta moved to adopt Resolution #0921. Vic Stibolt seconded and the motion passed unanimously.

**Resolution #0922 – Vote Allocation**

Eaton began with the staff report included in the pre-meeting packet. He added he may be turning this one over to Hendricks to speak about. He stated that last year the Districts' vote calculation process was brought up by some landowners in the Bridgeton Neighborhood who engaged Oregon State Representative Tina Kotek about potential changes. Staff has reviewed statutes to see how votes are calculated. Eaton says it is clear how assessments are determined, but declaring how voting is done needs to be spelled out more clearly. Hendricks stated that he heard from some Bridgeton residents inquiring on the voting process and wanted to change the votes from one acre to one vote per lot. Walter Valenta spoke about Bridgeton Neighborhood Association (BNA) contacting Tina Kotek. He stated they were looking for fairness and clarification with the voting process which would take a legislative process. Vic Stibolt said he feels there is fairness on both sides and thinks the vote should remain the same. With no further discussions, Shafer called for a motion. Valenta asked to be abstained from this vote. Vic Stibolt moved to adopt Resolution #0922. Dick Shafer seconded, and the motion passed on a vote of three for and one abstention.

**Review Program for District Board Member Training on March 19**

Eaton stated that each year the four Boards get together in March for a training session followed by a board/staff BBQ. He added that two years ago the Districts did a tour of all four Districts' facilities. Last year two speakers came to talk about finance and law. This year there are a number of items that the District was not able to check off on SDAO's Best Management Practices questionnaire. He has offered a few of those topics for the Board to consider and choose. The first topic is sexual harassment followed by risk management and safety issues. He is suggesting these classes be set to 50 minute segments from 9:00 am – 12:00 noon. Stibolt stated he would not likely participate in a sexual harassment investigation and would like to see the classes be on a Board level. Ashe stated he would like to see emergency action plan topics discussed. Hendricks responded that he feels this to be a better topic next year as there is a lot more planning and discussions in the works over the next year. Eaton thanked the board for their thoughts. He will work up the agenda and be in contact with the Board.

**2009 Board Calendar**

Eaton spoke to the 2009 calendar of events for the PEN 2 Board of Supervisors that was included in the pre-meeting packet. He added that state statutes require that the Board must hold annual meetings each year open to the public and landowners. This year it is tentatively scheduled for December 10<sup>th</sup>. Due to some personal conflicts with the 10<sup>th</sup> of December, Stibolt requested the date be changed to December 3<sup>rd</sup>. All members agreed that date would work. Eaton will look at the master calendar to make sure that no other Districts have anything scheduled on that date and he will have a date set at the next meeting.

### **Preliminary Adoption of Bridgeton Tree Planting Protocol**

Adam Zucker presented a memo he created to the Bridgeton Neighborhood Association (BNA) regarding the Levee Certification Plan Tree Planting Protocol. Zucker added that by developing a protocol he is looking at the best way to move forward. He stated that the neighborhood would submit a site plan to him for review. Zucker would review each site plan to assure local and federal standards are being met. He added the basic concept is that BNA and the landowners would get together and work out the details. Valenta would like to see the document revised after a later time but for now feels it to be a good beginning. Eaton added that he has sent a letter to Leslie, the BNA President, wanting to address any questions or concerns she may have. He did receive an email from her stating she has received the document, but has not had time to review as of yet. Eaton added if the Board is going to approve this today, he would like to approve contingent upon any comments from Leslie. Vic Stibolt moved to adopt the Bridgeton Levee Certification Plan – Tree Planting Protocol contingent to Leslie's review. Jason Ashe seconded and the motion passed unanimously.

### **STAFF UPDATES**

#### **Mid-Year Current Financial Status**

Janet Olson presented a Balance Sheet as of January 31, 2009 as well as a Profit and Loss, and Budget vs. Actual Summary, July 2008 through January 2009. Olson had a request that from now on the Board would like to see year to year comparisons. Olson said she can definitely do that and will for the next reports she prepares for them. Olson spoke to the revenue collected adding that the majority is in for the year, receiving about 90% to date which is pretty normal. She added that the LGIP interest income will be lower than budgeted due to falling interest rates. Stibolt asked if she had noticed any delinquencies due to the economy and does the Board need to be more alert to delinquent payers. Eaton added that those figures are considered when preparing the budget each year. Olson spoke to the overages within the current budget. She added that the third quarter billings have not been done yet and those numbers are not reflected on the handouts presented today. Olson called for any questions from staff and the Board. Stibolt asked how the PEN 2 budget compared with other Districts at this time. Hendricks replied that is really hard to determine as they all have different needs and projects.

#### **FY 2009-2010 Budget Discussion**

Hendricks presented a handout breaking down the 5-10 years Capital Improvement Projects (CIP) for PEN 2. He would like the Board to look at their options and prioritize the projects that need to be completed. Hendricks also stated there is a possibility of potential for federal stimulus funding and the District needs to prepare for that. The list he prepared for today is based on the critical projects needed within the District. He spoke to the extensive beaver damage on the cross levee between PEN 2 and MCDD. He added this would be a shared cost project between the two Districts. Stibolt inquired as to trapping of the beavers and do we have staff that is licensed to do so. Hendricks responded that the District currently has two licensed trappers. The problem is that it is hard to keep up as the beavers are plentiful right now. When you trap one, two more move into their den. Hendricks spoke to the new United States Army Corps of Engineers' requirements on discharge pipe inspections. He added only steel and concrete pipes need to be inspected. If they are HDPE pipes, they do not need to be inspected.

**FY 2009-2010 Budget Discussion – Continued from Previous Page**

Hendricks added the district wanted a culvert replacement plan but funding has been an issue. Now may be the time to look at budgeting for the plan and entering into agreements with the landowners who may have to cost share to allow the district and landowner to budget the cost. Another critical project Hendricks has near the top of the list is the Schmeer Road pump station forebay repair.

Hendricks turned the conversation to assessments and questioned if the Board feels they should stay at their current rate. Ashe inquired as to the process of assessment and what raising them would do. Hendricks briefly explained the process and how it is calculated. Shafer added he is concerned with the CIP projects and the costs associated with them. He feels that rather than make a large jump in assessments; it may be more appropriate to raise them a small amount. Hendricks added that last year PEN 2 Board approved an increase of 7.5% and the year prior to that it was increased by 4.5%. Hendricks would also like to suggest the Board think about a Government Bond to finance some of the high priority CIP's. Ashe added that he feels that it may be a good idea due to construction costs being way down right now. Bids are coming back at almost at fifty cents on the dollar for most contracts. Stibolt inquired as to the amount of bond staff was thinking about. Hendricks responded that he would like to research a \$500,000, 30-year bond that would have an annual payment at about \$35,000. Shafer stated it sounds like the Board is in unison and agree the CIP list is intimidating, but these things need to get done. Hendricks suggested he go to the bond company and see what can happen. He will then take the CIP projects and prioritize to see which ones can fit. He listed his thoughts on the top three priorities in PEN 2 and in order of importance are:

1. Repair weak levees
2. Schmeer Rd Pump Station
3. NE 13<sup>th</sup> Pump Station discharge system

The Board would like Hendricks to provide more information on the projects and funding. Hendricks responded that he would like to do that. However, he would like to reconvene prior to the next schedule meeting to keep the budget preparation on the original time frame. Stibolt requested Hendricks create a laundry list for the Board including funding options including interest rates.

**PROJECTS**

**Bridgeton Levee Tree Project**

Zucker followed up on the request from the Board at their last meeting. He has spoken with Ann and met with her regarding tree options and planting choices. He concluded by saying the ball is in her court at this point and will let the Board now of any information that may come about.

**Levee Trails Project**

Hendricks reported that he has spoken with the City of Portland Parks Department and has given them the District standards to review. The current trail plans are from NE Marine Drive & Bridgeton Road to Portland Yacht Club. He added the other improvements on the table are trails in Bridgeton Neighborhood as well as Portland Yacht Club receiving additional parking.

**Winter Weather**

Hendricks talked about the winter weather so far this year, adding the District survived it all. Due to all the heavy rains, the district inspections cost have increased. Staff has found no pump problems during the storms and very few SCADA problems. The SCADA system is having some signal interference problems, but nothing serious. Things are being worked out.

**NE 13<sup>th</sup> Pump Station Status**

Hendricks spoke to a pump motor and gears in the NE 13<sup>th</sup> pump station needing repairs. He added that vibration analysis is done once a year. However, this year he would like to perform the analysis twice to make sure the motor will be okay for next winter.

**PROGRAM/POLICIES**

**4MAT January 24 Roundtable**

Eaton spoke of the roundtable session held on January 29, hosted by PEN 1. He stated the guest speakers were great talking about Stormwater issues for the I-5 widening and another speaking on the Columbia River Crossing (CRC). It was a good meeting with great discussions. He reminded the Board they will be hosting the next 4MAT and should start to think of agenda topics.

**City of Portland Stormwater IGA**

Eaton stated there was nothing new to report at this time. He talked about the ball being in their court but has not heard anything new to date. Staff is 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.

**MEETING ADJOURNMENT**

There being no further business to come before the Board, President Shafer adjourned the meeting at 2:50 p.m.

**APPROVAL**

These minutes were approved at a duly held Board meeting on May 7, 2009

**ATTEST:**

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Secretary