



2201 Laverne Avenue
Klamath Falls, OR. 97603
Phone 541.882.5744 Fax 541.882.5013

Board of Directors

Position 1 – Mike Griffith, Board Chair

Position 2 – Kevin Harter, Board Chair

Position 3 – Michael Koger

District Manager/Secretary

Michael Fritschi

REGULAR BOARD MEETING MINUTES July 20, 2021

- 1. Call to Order** – Director Harter called the meeting to order at 5:00 P.M.
- 2. Roll Call of Directors** - Director Koger, Director Harter, and Director Griffith were present. Cindy Oden, Sally Bratton, Clay Northrop, and Jason Morrow District Staff were present. Also in attendance were public members Heather Tramp, Trisha Roninger, Joe Spendolini, Laura Spendolini, and Dan Scalas with Adkins Engineering. District Manager/Secretary Michael Fritschi absent.

Director Harter asked Cindy Oden to act as Secretary to the Board for this meeting and take minutes for the Board, since Mr. Fritschi is not present.
- 3.** Director Koger moved to accept the June 15, 2021, Board meeting minutes. Director Griffith seconded the motion with the note that none of the current board attended the June 15, 2021, meeting.
- 4.** Director Harter asked for a correction to the July 1, 2021, board minutes to have the motion he made corrected per the transcripts that the board went over on July 12, 2021.
- 5.** Director Koger asked if the accounts payable were for the contracts that were to be approved later tonight. Cindy said no the financial statements and the accounts payable provided are as of June 30, 2021. Motion by Director Griffith to accept the monthly financial statements and accounts payable as presented. Second by Director Koger. Passed by a unanimous vote.
- 6. Public Input** – No public comments given. Director Griffith stated at the July 1, 2021, board meeting Mr. Schell spoke, and the board agreed to release his property. I think the board needs to send letters to the property owners releasing their purchase option on the property. Director Koger motioned to release the Reeder Group property owners. Director Griffith seconded with the stipulation that Cindy prepare a letter to the property owners of the Reeder Group releasing the purchase option of the district. Passed by a unanimous vote.
- 7. Old Business**

South Suburban Sanitary District
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- a. Director Harter stated the district needs to pull the permit applications for both the Reeder Road and N. Poe Valley Projects with the Klamath County. Director Griffith stated he is opposed to pulling the permits for N. Poe Valley. The district paid a lot of money to get those permits and we should hold onto those permits just in case they are needed later. Director Harter stated there is not enough acreage to do the project at N. Poe Valley without the Reeder Group property and we have released that property back to the property owner. Director Griffith indicated there is enough property at N. Poe Valley except on the rare occasion of a wet year. Director Harter then why did we tie up the Reeder Road Group property and purchase the Bryant property? Director Griffith told the board that the district was searching for property out in that area and the Reeder Road Group was found first. The district tied up the property and later the N. Poe Valley Property was purchased because the Reeder Road Group did not have enough acreage and we thought the City might join us. Director Harter we still do not have easements and will not be able to get one from KID. Director Griffith I would defer that to Dan with Adkins Engineering he has done this before. Dan stated the approval will come from the Bureau of Reclamation and we have gotten approval from the Bureau before. Director Harter are you still working with Yost on this project? Dan stated no, we have stopped all work. Director Griffith which ever direction we go we will need the easements and when we figure out the direction, we are heading we would check off the boxes and get easements. Director Harter the voters were not happy with the direction of the Reeder Group or N. Poe Valley. Director Griffith that is why we hire consultants. The district has money invested on the N. Poe Valley and we should not just throw that away. Director Harter if you change the permit for class A water. We can put it almost anywhere. Director Griffith and Director Harter discuss back & forth about going to N. Poe Valley and canceling the permits. Trisha Roninger asked to have the floor. Let me be clear on what your land use compatibility statement (LUCS) is conditioned on. You have to satisfy all those other terms and conditions and get all those permits from all those other entities before the county will issue you your LUCS. There are 7 or 8 terms that are attached to the permit, which means you have to go do all those other things before you get your LUCS and you cannot approach DEQ and get a recycle water plan without your LUCS. You should make sure you can absolutely implement the project and go get all those other permits. Director Griffith: I understand that I know that.

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Director Griffith: This is a 5-year time frame at the best.

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Director Koger: If I am understanding from what you are saying, if the permit could be amended for class A water only that still is only one part of the seven other things we will need to get.

Trisha Roninger – You will have to go to all the other agencies whether you amend it or not.

Director Koger – so if we amend it to class A plus we still need the other seven. If we apply for another one, we have to start all over and get the one we already have plus the other seven.

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Cindy asked about how the board felt about what Sally had said about not be involved in the projects since Mr. Fritschi has resigned. Director Koger stated he thought everyone should know what is going on with the projects the district is working on. Director Harter stated the employees are the ones that know how to do their jobs, and everyone should know what is going on. Both Director Harter and Director Koger agreed to have Sally be involved in all projects and meetings taking place on projects involving the treatment plant.

- h. Director Harter stated it was his understanding the land partition at N. Poe Valley should fall back on Mr. Chapman. The planning department would not approve the original partition submitted and it appears the district will be giving up additional land the district has already paid for, and the district can not just donate land to a private citizen. This partition was to be done prior to the

closing of the property when the district purchased the property. Mr. DeJong should take this up with Mr. Chapman. Director Griffith I do not know why it was not done prior to closing. Director Harter it is my understanding with EFU land is not easily partitioned. Director Griffith the board was told there was potential to partition the property by legal counsel, but no guarantee we could partition the property into smaller parcels. Director Harter stated it was two separate things and he did not understand why the prior board agreed to honor Mr. Chapman's obligation. My suggestion would be to run it through our legal counsel and ask for payment for the difference in what we are giving up and what we are getting. Director Koger I agree. Director Griffith I agree. Director Harter asked Cindy to send all contracts for the purchase of the N. Poe Valley property to the district's legal counsel.

8. New Business

- a. Director Harter asked how many people are needed on the audit committee. Cindy responded that one board member is needed. The auditors for the district will call that board member around the time they are doing the independent audit for the district and ask them questions. Director Koger asked what type of questions. Director Griffith said they are easy financial questions about the district and whether you are receiving financial information you need to perform your duties. Director Koger made a motion to have Director Griffith be the audit committee. Director Harter discussed what information should be given to the auditors and the importance of being transparent. There was a lot of discuss back and forth on this point. Director Koger stated that the board does not want to point fingers and place blame. That he feels we need to be open about what was not done correctly and that we do it right in the future. Director Koger motioned that Director Griffith be the audit committee, seconded by Kevin Harter. Passed by a unanimous vote.
- b. Discussion on what the irrigation district representative would need to do. Director Griffith stated that the representative would represent the district at irrigation district meetings and vote for the district. Director Koger moved to have Director Harter be the district's representative and to pass Resolution #227 Irrigation District Representative, seconded by Director Griffith. Passed by a unanimous vote.
- c. Director Harter updated the board on the well issues at N. Poe Valley. The well is running low, and the pump was dropped an additional 50 feet. The board may need to look at the options out there. Do we punch the well deeper and what if it collapses? The district needs to direct the tenants through the property manager to only use water for their basic needs and not water lawns. Director Griffith indicated directing the tenants to only use the water for basic needs is a good idea. Director Koger agreed that this was a must. Director Koger also asked how far down in the water is the pump? Director Griffith indicated that the board needed to know the static water level and how deep the well is at N Poe Valley and if it services one or two houses. More discussion on the well issues and what might be done if it goes dry. It was the consensus of the board the to find out how deep the well, the static water level, and whether it serves one or two residences and report back to the board as soon as possible.

Director Koger asked that since this is a natural event would the district be liable for providing water? The wells are going dry through out the basin. Director Harter said it is an act of God. Joe Spendolini told the board wells are going dry all over the community and the State is providing millions of dollars to help with dry wells and they are providing water tanks free to anyone needing them if their well went dry. Heather Tramp stated that if the well is going dry you need to report it,

and she will email Cindy with the information to report the well. Cindy will email the board and keep everyone informed.

- d. Director Harter asked Clay what the need for such a large F550 service truck. Clay indicated that he did not work at the plant and deferred to Sally. Sally indicated that the district uses DeVry a couple of times a year. The current cranes at the main pump station are not capable of pulling the pumps completely out to work on the pumps. You could remove the fence around the pump station and remove the pumps with this crane. Clay indicated that the F550 service truck was modelled after the flight pump truck and besides the cranes there will also be a welder, generator, and tools on this service vehicle. There was additional discussion about the service vehicle, the size of the cranes and what the district needs. Director Koger said he would like to know how long it would take the district to recoup their cost on the crane and to receive a justification of the need for such a large crane. Director Griffith and Director Harter agreed, and the matter was tabled until next month for the maintenance operator to gather the requested information.

9. The Board moved into Executive Session ORS 192.660 (2)(h) at 7:05 p.m.

10. Other

- a. The Board came back into regular session at 7:50 p.m. It was the consensus of the Board to take the advice of legal counsel and accelerant the District Manager's resignation to 45 days based on his resignation letter dated July 7, 2021.
- b. The Board thanked Sally and Clay for their hard work and their Staff Reports.
- c. Director Griffith moved to reinstate Sally to Salary. Second by Director Koger passed unanimously.
- d. The Board approved the following contracts:
 - i. Viking Concrete in the amount of \$1,600 for cutting of two vault tops because of a trip hazard in front of the blower building. Motion by Director Griffith and second by Director Koger. Passed by a unanimous vote.
 - ii. Audit contract with Wise & Co. in the amount of \$10,400 to perform the annual 2020/2021 independent audit. Motion by Director Koger and second by Director Griffith. Passed by a unanimous vote.
 - iii. Xylem in the amount of \$1,394 for a new propellor for an impeller for the Flygt pump. Motion by Director Griffith and second by Director Harter. Passed by a unanimous vote.
 - iv. Pacific Electrical Contractors in the amount of \$595 to provide power to an existing fan in Chlorine storage building. Motion by Director Griffith and second by Director Koger. Passed by a unanimous vote.
 - v. Washington Federal Bank a two-year contract for bank service fees. Motion by Director Koger and second by Director Griffith. Passed by a unanimous vote.
 - vi. Task Order #20 Amendment #1 from Adkins Engineering in the amount of \$13,000. Board discussion on the work being done prior to board approval. Cindy explained that Mr. Scalas did mention to the Board during the August 18, 2020, Board meeting that there would be an increase in engineering and inspection fees, but the additional cost was not taken to the Board until she found the error during her audit of the job cost file. Consensus of the board to approve the task order amendment since the work had already been performed.

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- e. The Board reviewed the information given to them for the District Manager opening. The Board will email Cindy with any comments.

11. Adjourn

Director Koger made a motion to adjourn, Director Griffith seconded the motion, and the motion was approved by a unanimous vote. The meeting was adjourned at 8:14 p.m. The next board meeting is set for August 17, 2021, at 5 p.m.

Secretary _____

Board Representative _____



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- a. The Board came back into regular session at 7:50 p.m. It was the consensus of the Board to take the advice of legal counsel and accelerant the District Manager's resignation to 45 days based on his resignation letter dated July 7, 2021.
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South Suburban Sanitary District
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- e. The Board reviewed the information given to them for the District Manager opening. The Board will email Cindy with any comments.

11. Adjourn

Director Koger made a motion to adjourn, Director Griffith seconded the motion, and the motion was approved by a unanimous vote. The meeting was adjourned at 8:14 p.m. The next board meeting is set for August 17, 2021, at 5 p.m.

Secretary _____

Board Representative _____



2201 Laverne Avenue
Klamath Falls, OR. 97603
Phone 541.882.5744 Fax 541.882.5013

Board of Directors

Position 1 – Mike Griffith, Board Chair
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Position 3 – Michael Koger

District Manager/Secretary

Michael Fritschi

REGULAR BOARD MEETING MINUTES July 20, 2021

- 1. Call to Order** – Director Harter called the meeting to order at 5:00 P.M.
- 2. Roll Call of Directors** - Director Koger, Director Harter, and Director Griffith were present. Cindy Oden, Sally Bratton, Clay Northrop, and Jason Morrow District Staff were present. Also in attendance were public members Heather Tramp, Trisha Roninger, Joe Spendolini, Laura Spendolini, and Dan Scalas with Adkins Engineering. District Manager/Secretary Michael Fritschi absent.

Director Harter asked Cindy Oden to act as Secretary to the Board for this meeting and take minutes for the Board, since Mr. Fritschi is not present.
- 3.** Director Koger moved to accept the June 15, 2021, Board meeting minutes. Director Griffith seconded the motion with the note that none of the current board attended the June 15, 2021, meeting.
- 4.** Director Harter asked for a correction to the July 1, 2021, board minutes to have the motion he made corrected per the transcripts that the board went over on July 12, 2021.
- 5.** Director Koger asked if the accounts payable were for the contracts that were to be approved later tonight. Cindy said no the financial statements and the accounts payable provided are as of June 30, 2021. Motion by Director Griffith to accept the monthly financial statements and accounts payable as presented. Second by Director Koger. Passed by a unanimous vote.
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- a. Director Harter stated the district needs to pull the permit applications for both the Reeder Road and N. Poe Valley Projects with the Klamath County. Director Griffith stated he is opposed to pulling the permits for N. Poe Valley. The district paid a lot of money to get those permits and we should hold onto those permits just in case they are needed later. Director Harter stated there is not enough acreage to do the project at N. Poe Valley without the Reeder Group property and we have released that property back to the property owner. Director Griffith indicated there is enough property at N. Poe Valley except on the rare occasion of a wet year. Director Harter then why did we tie up the Reeder Road Group property and purchase the Bryant property? Director Griffith told the board that the district was searching for property out in that area and the Reeder Road Group was found first. The district tied up the property and later the N. Poe Valley Property was purchased because the Reeder Road Group did not have enough acreage and we thought the City might join us. Director Harter we still do not have easements and will not be able to get one from KID. Director Griffith I would defer that to Dan with Adkins Engineering he has done this before. Dan stated the approval will come from the Bureau of Reclamation and we have gotten approval from the Bureau before. Director Harter are you still working with Yost on this project? Dan stated no, we have stopped all work. Director Griffith which ever direction we go we will need the easements and when we figure out the direction, we are heading we would check off the boxes and get easements. Director Harter the voters were not happy with the direction of the Reeder Group or N. Poe Valley. Director Griffith that is why we hire consultants. The district has money invested on the N. Poe Valley and we should not just throw that away. Director Harter if you change the permit for class A water. We can put it almost anywhere. Director Griffith and Director Harter discuss back & forth about going to N. Poe Valley and canceling the permits. Trisha Roninger asked to have the floor. Let me be clear on what your land use compatibility statement (LUCS) is conditioned on. You have to satisfy all those other terms and conditions and get all those permits from all those other entities before the county will issue you your LUCS. There are 7 or 8 terms that are attached to the permit, which means you have to go do all those other things before you get your LUCS and you cannot approach DEQ and get a recycle water plan without your LUCS. You should make sure you can absolutely implement the project and go get all those other permits. Director Griffith: I understand that I know that.

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Director Koger: If I am understanding from what you are saying, if the permit could be amended for class A water only that still is only one part of the seven other things we will need to get.

Trisha Roninger – You will have to go to all the other agencies whether you amend it or not.

Director Koger – so if we amend it to class A plus we still need the other seven. If we apply for another one, we have to start all over and get the one we already have plus the other seven.

them to review prior to the board meeting. Director Harter stated we appointed a committee and why not follow the suggestions of the committee. Director Griffith I did not get the email with the changes. Perhaps Director Koger can get with Jason and discuss and bring it back to the next board meeting. Director Harter asked if Director Koger had the time to meet with Jason and Cindy to discuss the changes and to get back to the board at the next meeting. Director Koger said he did. It was the consensus of the board to put the matter back to the community of Director Koger, Cindy and Jason and bring it back to the next board meeting.

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Director Harter I would like to see the district form a letter to the tenant Mr. Balin on lease agreement of the Bryant property and inform him he is in breach of contract by not paying the district any rent. Director Koger I move to form a letter to tenant that he is in breach of contract. Director Griffith without Mr. Fritschi here to discuss his conversations with the board I do not see how we can proceed. Cindy mentioned Mr. Fritschi discussed with her that the board may not want a lease if the board is wanting to get rid of the property. Director Harter that is a possibility why would we retain this property if we are not moving forward with the project on the Reeder Group Project? There was more discussion on the old Bryant Balin lease and the liability for the district to terminate the lease. Director Harter said I see we have two options one for Balin to sign a current lease with the district and back pay the district or two to terminate his lease. Director Griffith perhaps Mr. Balin has not signed the lease because there are changes to the lease that he wants, and those changes have not been done yet. Director Harter I would move to terminate the lease. Director Griffith should we have an attorney look at the lease and we should touch base with Mr. Fritschi to see where the new lease stands. Director Koger and Director Harter agree with Director Griffith and the lease is tabled.

- f. Director Harter stated it appears there is some problems or violations of the CIPP contractors' contract, and their work is subpar. Dan with Adkins Engineering stated yes, the district can direct them to fix it. There was discussion on how to proceed with the project and the problems with the wrinkles in the pipe and how those wrinkles would affect the flow of sewage. Director Harter stated it appears they will be over budget by \$149,000. Cindy explained it is a timing issue. This project was to be completed by June 30th the end of the fiscal year and it was not. Now for our new fiscal year we only have \$91,544 budgeted and the cost of this contract is \$240,549, so budget will be over but not the contract price. Director Harter asked if the project was in compliance with the contract. Dan stated the wrinkles are less than ¼" the project is completed, and they are in compliance, but we do not know. If it is not complete you are entitled to liquid damages. Director Harter asked Clay which line it was. Clay said it is one line on South Sixth Street and it is a line that

the crew flushes about 3 times a year because it is known to have problems with FROG. (Fats, rags, oil, and grease) Dan if they are out of compliance, they would pay liquid damages. The district has a few options: we could direct them to do the investigation on the size of the wrinkles; hire a third party to do the investigation and depending on what is found would determine who would pay for the investigation. Director Harter do we trust them to investigate themselves. Dan Adkins would monitor the investigation and if the wrinkles are less than ¼ of an inch they would be compliant and if not, they would be out of compliance. The contractor estimated up to \$10,000 for the investigation. More discuss on what the district should do about the wrinkles in the line. Director Harter stated he would like to see an itemized cost analysis before the investigation is done. Director Koger said he agreed. Director Griffith stated Mr. Fritschi already said the contractor would negotiate the cost. Director Koger made a motion to have a complete detail cost analysis provided by the contractor. Director Griffith seconded the motion. Passed by a unanimous vote.

- g. Director Harter asked Sally about the Sludge Removal project. Sally said the project is in the works and training on the Brown Bear Aeration Paddle should take place on Thursday, July 22, 2021. Clay mentioned they are going to cut the shaft on the Brown Bear. Sally said I need to be more informed and involved in the projects at the treatment plant. Currently the Manager and the maintenance person has not been including me in their meetings. I was told the tractor is not big enough and the brown bear is not big enough. I recommended we get a 966 loader with a paddle wheel with a Brown Bear. We already took the tractor out 30 feet off the dike and got stuck. More discussion about the size of the tractor and the Brown Bear.

Cindy indicated it is a state requirement any time the district uses its own equipment and personnel for a capital improvement project over \$200,000 the agency must show a cost analysis showing that the agency's decision conforms to the state's policy that the agencies do the work at the least cost to the agency. Cindy indicated she has been unable to find the form WH-119 that can be used to do the cost analysis and the analysis was to be turned into the State no later than 180 days before the start of the project. Director Griffith stated the board did discuss with Mr. Fritschi the cost of a contractor doing the sludge project. Cindy said she found the memorandum given to the board on the cost analysis for the district to do the project but has been unable to find the contractor costs or the form WH 119 and Mr. Fritschi was not in today so I was unable to ask him for the costs, but I can. Director Harter said he would ask Mr. Fritschi for the quotes and cost comparisons and why the WH 119 was not filed with the state.

Cindy asked about how the board felt about what Sally had said about not be involved in the projects since Mr. Fritschi has resigned. Director Koger stated he thought everyone should know what is going on with the projects the district is working on. Director Harter stated the employees are the ones that know how to do their jobs, and everyone should know what is going on. Both Director Harter and Director Koger agreed to have Sally be involved in all projects and meetings taking place on projects involving the treatment plant.

- h. Director Harter stated it was his understanding the land partition at N. Poe Valley should fall back on Mr. Chapman. The planning department would not approve the original partition submitted and it appears the district will be giving up additional land the district has already paid for, and the district can not just donate land to a private citizen. This partition was to be done prior to the

closing of the property when the district purchased the property. Mr. DeJong should take this up with Mr. Chapman. Director Griffith I do not know why it was not done prior to closing. Director Harter it is my understanding with EFU land is not easily partitioned. Director Griffith the board was told there was potential to partition the property by legal counsel, but no guarantee we could partition the property into smaller parcels. Director Harter stated it was two separate things and he did not understand why the prior board agreed to honor Mr. Chapman's obligation. My suggestion would be to run it through our legal counsel and ask for payment for the difference in what we are giving up and what we are getting. Director Koger I agree. Director Griffith I agree. Director Harter asked Cindy to send all contracts for the purchase of the N. Poe Valley property to the district's legal counsel.

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District Manager/Secretary

Michael Fritschi

REGULAR BOARD MEETING MINUTES July 20, 2021

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- e. Director Harter mentioned the Balin Lease for the Bryant property has never been signed between Mr. Balin and the District. Cindy stated that Mr. Fritschi has been talking with Mr. Balin and there are more items on the lease that Mr. Rudd wrote up that Mr. Balin wants changed.

Director Harter asked if appraisals were done on the Bryant or Chapman properties prior to the purchase of the properties? Cindy stated not that she was aware of. Director Griffith said no. Director Harter asked if appraisals were not done how would we know we got a good deal for our rate payers? Director Griffith we just accepted the market value. Director Harter I looked and seen the property was taken off the market a few months prior to the district purchasing the property for a lot less than the district paid for the property.

Director Harter I would like to see the district form a letter to the tenant Mr. Balin on lease agreement of the Bryant property and inform him he is in breach of contract by not paying the district any rent. Director Koger I move to form a letter to tenant that he is in breach of contract. Director Griffith without Mr. Fritschi here to discuss his conversations with the board I do not see how we can proceed. Cindy mentioned Mr. Fritschi discussed with her that the board may not want a lease if the board is wanting to get rid of the property. Director Harter that is a possibility why would we retain this property if we are not moving forward with the project on the Reeder Group Project? There was more discussion on the old Bryant Balin lease and the liability for the district to terminate the lease. Director Harter said I see we have two options one for Balin to sign a current lease with the district and back pay the district or two to terminate his lease. Director Griffith perhaps Mr. Balin has not signed the lease because there are changes to the lease that he wants, and those changes have not been done yet. Director Harter I would move to terminate the lease. Director Griffith should we have an attorney look at the lease and we should touch base with Mr. Fritschi to see where the new lease stands. Director Koger and Director Harter agree with Director Griffith and the lease is tabled.

- f. Director Harter stated it appears there is some problems or violations of the CIPP contractors' contract, and their work is subpar. Dan with Adkins Engineering stated yes, the district can direct them to fix it. There was discussion on how to proceed with the project and the problems with the wrinkles in the pipe and how those wrinkles would affect the flow of sewage. Director Harter stated it appears they will be over budget by \$149,000. Cindy explained it is a timing issue. This project was to be completed by June 30th the end of the fiscal year and it was not. Now for our new fiscal year we only have \$91,544 budgeted and the cost of this contract is \$240,549, so budget will be over but not the contract price. Director Harter asked if the project was in compliance with the contract. Dan stated the wrinkles are less than ¼" the project is completed, and they are in compliance, but we do not know. If it is not complete you are entitled to liquid damages. Director Harter asked Clay which line it was. Clay said it is one line on South Sixth Street and it is a line that

the crew flushes about 3 times a year because it is known to have problems with FROG. (Fats, rags, oil, and grease) Dan if they are out of compliance, they would pay liquid damages. The district has a few options: we could direct them to do the investigation on the size of the wrinkles; hire a third party to do the investigation and depending on what is found would determine who would pay for the investigation. Director Harter do we trust them to investigate themselves. Dan Adkins would monitor the investigation and if the wrinkles are less than ¼ of an inch they would be compliant and if not, they would be out of compliance. The contractor estimated up to \$10,000 for the investigation. More discuss on what the district should do about the wrinkles in the line. Director Harter stated he would like to see an itemized cost analysis before the investigation is done. Director Koger said he agreed. Director Griffith stated Mr. Fritschi already said the contractor would negotiate the cost. Director Koger made a motion to have a complete detail cost analysis provided by the contractor. Director Griffith seconded the motion. Passed by a unanimous vote.

- g. Director Harter asked Sally about the Sludge Removal project. Sally said the project is in the works and training on the Brown Bear Aeration Paddle should take place on Thursday, July 22, 2021. Clay mentioned they are going to cut the shaft on the Brown Bear. Sally said I need to be more informed and involved in the projects at the treatment plant. Currently the Manager and the maintenance person has not been including me in their meetings. I was told the tractor is not big enough and the brown bear is not big enough. I recommended we get a 966 loader with a paddle wheel with a Brown Bear. We already took the tractor out 30 feet off the dike and got stuck. More discussion about the size of the tractor and the Brown Bear.

Cindy indicated it is a state requirement any time the district uses its own equipment and personnel for a capital improvement project over \$200,000 the agency must show a cost analysis showing that the agency's decision conforms to the state's policy that the agencies do the work at the least cost to the agency. Cindy indicated she has been unable to find the form WH-119 that can be used to do the cost analysis and the analysis was to be turned into the State no later than 180 days before the start of the project. Director Griffith stated the board did discuss with Mr. Fritschi the cost of a contractor doing the sludge project. Cindy said she found the memorandum given to the board on the cost analysis for the district to do the project but has been unable to find the contractor costs or the form WH 119 and Mr. Fritschi was not in today so I was unable to ask him for the costs, but I can. Director Harter said he would ask Mr. Fritschi for the quotes and cost comparisons and why the WH 119 was not filed with the state.

Cindy asked about how the board felt about what Sally had said about not be involved in the projects since Mr. Fritschi has resigned. Director Koger stated he thought everyone should know what is going on with the projects the district is working on. Director Harter stated the employees are the ones that know how to do their jobs, and everyone should know what is going on. Both Director Harter and Director Koger agreed to have Sally be involved in all projects and meetings taking place on projects involving the treatment plant.

- h. Director Harter stated it was his understanding the land partition at N. Poe Valley should fall back on Mr. Chapman. The planning department would not approve the original partition submitted and it appears the district will be giving up additional land the district has already paid for, and the district can not just donate land to a private citizen. This partition was to be done prior to the

closing of the property when the district purchased the property. Mr. DeJong should take this up with Mr. Chapman. Director Griffith I do not know why it was not done prior to closing. Director Harter it is my understanding with EFU land is not easily partitioned. Director Griffith the board was told there was potential to partition the property by legal counsel, but no guarantee we could partition the property into smaller parcels. Director Harter stated it was two separate things and he did not understand why the prior board agreed to honor Mr. Chapman's obligation. My suggestion would be to run it through our legal counsel and ask for payment for the difference in what we are giving up and what we are getting. Director Koger I agree. Director Griffith I agree. Director Harter asked Cindy to send all contracts for the purchase of the N. Poe Valley property to the district's legal counsel.

8. New Business

- a. Director Harter asked how many people are needed on the audit committee. Cindy responded that one board member is needed. The auditors for the district will call that board member around the time they are doing the independent audit for the district and ask them questions. Director Koger asked what type of questions. Director Griffith said they are easy financial questions about the district and whether you are receiving financial information you need to perform your duties. Director Koger made a motion to have Director Griffith be the audit committee. Director Harter discussed what information should be given to the auditors and the importance of being transparent. There was a lot of discuss back and forth on this point. Director Koger stated that the board does not want to point fingers and place blame. That he feels we need to be open about what was not done correctly and that we do it right in the future. Director Koger motioned that Director Griffith be the audit committee, seconded by Kevin Harter. Passed by a unanimous vote.
- b. Discussion on what the irrigation district representative would need to do. Director Griffith stated that the representative would represent the district at irrigation district meetings and vote for the district. Director Koger moved to have Director Harter be the district's representative and to pass Resolution #227 Irrigation District Representative, seconded by Director Griffith. Passed by a unanimous vote.
- c. Director Harter updated the board on the well issues at N. Poe Valley. The well is running low, and the pump was dropped an additional 50 feet. The board may need to look at the options out there. Do we punch the well deeper and what if it collapses? The district needs to direct the tenants through the property manager to only use water for their basic needs and not water lawns. Director Griffith indicated directing the tenants to only use the water for basic needs is a good idea. Director Koger agreed that this was a must. Director Koger also asked how far down in the water is the pump? Director Griffith indicated that the board needed to know the static water level and how deep the well is at N Poe Valley and if it services one or two houses. More discussion on the well issues and what might be done if it goes dry. It was the consensus of the board the to find out how deep the well, the static water level, and whether it serves one or two residences and report back to the board as soon as possible.

Director Koger asked that since this is a natural event would the district be liable for providing water? The wells are going dry through out the basin. Director Harter said it is an act of God. Joe Spendolini told the board wells are going dry all over the community and the State is providing millions of dollars to help with dry wells and they are providing water tanks free to anyone needing them if their well went dry. Heather Tramp stated that if the well is going dry you need to report it,

and she will email Cindy with the information to report the well. Cindy will email the board and keep everyone informed.

- d. Director Harter asked Clay what the need for such a large F550 service truck. Clay indicated that he did not work at the plant and deferred to Sally. Sally indicated that the district uses DeVry a couple of times a year. The current cranes at the main pump station are not capable of pulling the pumps completely out to work on the pumps. You could remove the fence around the pump station and remove the pumps with this crane. Clay indicated that the F550 service truck was modelled after the flight pump truck and besides the cranes there will also be a welder, generator, and tools on this service vehicle. There was additional discussion about the service vehicle, the size of the cranes and what the district needs. Director Koger said he would like to know how long it would take the district to recoup their cost on the crane and to receive a justification of the need for such a large crane. Director Griffith and Director Harter agreed, and the matter was tabled until next month for the maintenance operator to gather the requested information.

9. The Board moved into Executive Session ORS 192.660 (2)(h) at 7:05 p.m.

10. Other

- a. The Board came back into regular session at 7:50 p.m. It was the consensus of the Board to take the advice of legal counsel and accelerant the District Manager's resignation to 45 days based on his resignation letter dated July 7, 2021.
- b. The Board thanked Sally and Clay for their hard work and their Staff Reports.
- c. Director Griffith moved to reinstate Sally to Salary. Second by Director Koger passed unanimously.
- d. The Board approved the following contracts:
 - i. Viking Concrete in the amount of \$1,600 for cutting of two vault tops because of a trip hazard in front of the blower building. Motion by Director Griffith and second by Director Koger. Passed by a unanimous vote.
 - ii. Audit contract with Wise & Co. in the amount of \$10,400 to perform the annual 2020/2021 independent audit. Motion by Director Koger and second by Director Griffith. Passed by a unanimous vote.
 - iii. Xylem in the amount of \$1,394 for a new propellor for an impeller for the Flygt pump. Motion by Director Griffith and second by Director Harter. Passed by a unanimous vote.
 - iv. Pacific Electrical Contractors in the amount of \$595 to provide power to an existing fan in Chlorine storage building. Motion by Director Griffith and second by Director Koger. Passed by a unanimous vote.
 - v. Washington Federal Bank a two-year contract for bank service fees. Motion by Director Koger and second by Director Griffith. Passed by a unanimous vote.
 - vi. Task Order #20 Amendment #1 from Adkins Engineering in the amount of \$13,000. Board discussion on the work being done prior to board approval. Cindy explained that Mr. Scalas did mention to the Board during the August 18, 2020, Board meeting that there would be an increase in engineering and inspection fees, but the additional cost was not taken to the Board until she found the error during her audit of the job cost file. Consensus of the board to approve the task order amendment since the work had already been performed.

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- e. The Board reviewed the information given to them for the District Manager opening. The Board will email Cindy with any comments.

11. Adjourn

Director Koger made a motion to adjourn, Director Griffith seconded the motion, and the motion was approved by a unanimous vote. The meeting was adjourned at 8:14 p.m. The next board meeting is set for August 17, 2021, at 5 p.m.

Secretary _____

Board Representative _____