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Board of Directors

Position 1 – Joe Spendolini
Position 2 – Kevin Harter
Position 3 – Mike Koger

District Secretary

Brett Blofsky

REGULAR BOARD MEETING MINUTES

October 25, 2022

3:30 PM

Call to Order Chairman Harter called the meeting to order at 3:30 pm.

Roll Call of Directors – Chairman Harter and Directors Koger and Spendolini were present. Also present were District employees Brett Blofsky, Cindy Oden, Sally Bratton, Jason Morrow, and Jon Lee. Also present were Mark Zimel from OZ Investments and Tom Daugherty with TriplePoint. The District's Engineer of Record, Dan Scalas, was present for part of the meeting.

Executive Session ORS 192.660 (2) (f) (h) Consider Exempt public records – consideration of information or records that are exempt by law from public inspection, and to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

1. Entered Executive Session at 3:31 pm
2. Discussion with Hathaway Larsen Legal Counsel Greg Hathaway
3. Exited Executive Session at 4:03pm

Director Spendolini moved to defer action on both the land issues. Seconded by Director Koger. All in favor, motion passed.

Board discussed that they would be looking at all options for the new facility and the district would request proposals (RFP) for the new facility.

NitrOx Presentation - Sally introduced Tom Daugherty with TriplePoint.

Dan Scalas told the board if they want to consider this alternative the board would need to do an addendum to the facility plan. Then do the RFP, after DEQ approves the addendum. Dan also discussed the owner's rep. The District needs to decide what direction they want to go, and either go in the direction of something like the NitrOx system, which would probably be easier to get the costs estimated or go with another system similar in performance. The potential owner's rep agencies would have a difficult time nailing down the costs if we don't know what the system is going to look like, and all we tell them is we want it to meet Class A, Surface Water, etc. Director Spendolini asked that Brett call some of the places that are currently using NitrOx and get additional information from those that are using the system. Dan then said the District will need to do an addendum to the facility plan if you want to look at this further.

Update from Dan that our next compliance date is coming up December 1st for the preliminary design. The District will need to file for an extension and Dan recommends that the District reach out to DEQ

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now and just start telling them before the compliance date is here. DEQ appreciates early communication with them if a deadline extension is needed, and they want to stay in the loop. Dan said the District would need to tell them specifically how much time we need and what we are going to do. Sally asked if this would also be for the Mercury Minimization Plan. Chairman Harter indicated this was the first time he heard about the Mercury Minimization Plan, and Sally and Brett confirmed it is in our permit with a due date of December 15th. Brett will schedule a Teams call with Justin at DEQ to let them know we will be requesting an extension. Director Spendolini made a motion to authorize the District Manager to proceed with the details of requesting an extension for the preliminary design. Seconded by Director Koger. Passed Unanimously.

Approval of September 20, 2022, Board Meeting minutes, and Monthly Budget Report/Accounts Payable - moved by Director Spendolini, seconded by Director Koger. Passed unanimously.

Cindy gave the administration report - and asked if anyone had any questions on the budget. Director Spendolini asked about the concerns on the administration report about the lack of capital projects being done and the budgeted personnel services. Cindy stated this was informational only and she was just trying to keep the board informed that if the capital outlay projects were not done come spring there would be a need to pass a resolution to move personnel services budgeted to in order to pay employees. Cindy reported she was working with the State, Bear Technology and Brett about our Incident Plan that the district will need to put together in order to get Cyber Security Insurance. Cindy gave an update on the Springbrook utility billing system upgrade. We are waiting for more information and programming from Springbrook for the upgrade. The new Springbrook program is still not printing our utility bills.

Collection Systems report was given by supervisor Jason Morrow. The crew has finished the restaurant line cleaning and have now moved on to cleaning some of the trouble spots. We were able to complete a lot of Capital Outlay Projects - Cues installed the new lateral launch TV camera and provided the crew with training on proper use of the lateral launch camera; the TV Van Awning was installed on the truck; and a couple of the dig jobs that were on the list were completed. The District was able to tie-in to two of the dig jobs with Bob's Excavating because they were already performing other work on that same property which saved the District a lot of money. The District also discovered the slip line companies can now fix 4" pipes. So, instead of digging across Homedale Rd for one of the dig jobs, the District had Flow Technologies come in and slip line that section of pipe for half of the price that was originally quoted. Jason also informed the Board the CIPP project through Insituform has gone well and only has one line left to complete. Director Spendolini wanted to say for the record that the savings Jason referred to for the dig job went from \$10,340 to only \$2,750 for a savings of \$7,590. The Board told Jason they thought he was doing a great job and thanked him for controlling costs.

Treatment Plant Report– Sally gave a report that doing the channel cleaning every other week has been keeping up with the permit requirements. Blower number one was having some alignment issues and the crew had some training on being able to align the blowers. They think there is a bent shaft and will be getting a bid from Continental Blower to come out and work on the blower alignment and the blower. Chairman Harter mentioned that with the new facility he didn't want us getting trapped with only having one vendor that could service our equipment. He wants us to have equipment that multi-sources can work on.

Public Input – Mark Zimel from Oz Investments wants to purchase some property from the District at \$25,000/ acres up to 8 acres. Oz would like to build an RV park next to the lagoons and between Wal-Mart. Director Spendolini has some concerns about the smells that may come from time to time due to the lagoons. Mr. Zimel said in all the years of owning the shopping mall next door they have never smelled it

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or never had any complaints of from any of his tenants. Director Koger said he would not feel comfortable getting rid of any land the District currently has until the district is done with the facility upgrade. Director Koger also has some concerns about building close to our dikes. Chairman Harter said he would want to see additional information about a lateral support on the dike done through Adkins before he felt comfortable making a decision. Director Spendolini indicated he didn't mind helping OZ get with Adkins as long as the district isn't spending any money on this project. Director Koger said he would not feel comfortable voting on anything until after the district knows their path for the future project and he doesn't see this happening in 30 to 60 days. Chairman Harter said we are probably 6 to 8 months away from even having a plan.

Items before the Board of Directors – Old & New Business

Legislative Update/Klamath Basin Adjudication discussion with Legal Counsel David Filippi and Southern Oregon Solutions – Nothing to report and no executive session.

- ii. **If necessary, Executive Session ORS 192.660 (2) (f)** Consider Exempt public records – consideration of information or records that are exempt by law from public inspection.

Facility Plan – Brett reported that West Yest addressed all the comments from the board, Adkins and DEQ. Final version will be sent to DEQ.

Newsletter – Board is all in approval of the newsletter. Brett indicated that because of all the time that has gone since they started the newsletter that the sewer rate increase has already come and gone, and he is afraid of keeping the rates section as it will confuse the patrons. Cindy also had concerns about the “negative” feel of the past leadership in the newsletter and that it may affect employee morale and suggested the Board needs to let the past go and move forward. Director Spendolini said he feels strongly that we have to let the patrons know that the previous board purchased the land over market and without an appraisal. Director Spendolini recommended that we modify the delivery of the newsletter and make it a holiday, year end newsletter. Cindy indicated that she felt the board needed to concentrate on the board accomplishments since elected and not what happened two years ago with the previous board. Director Spendolini said he does think we need to change the approach of the newsletter and add a purpose for the newsletter instead of just telling stories. Cindy said she also thinks we need to put in the newsletter that the district has become partners with Klamath & Land Community Action Services and patrons that need help paying their bills should contact them. The board agreed that this should be added to the newsletter. Brett said he wants to put something in the newsletter about the new website as well and for patrons to watch out for Doxo that charges a \$40 fee to process our payments. The board agreed to have the newsletter completed within the next two weeks and all the board of directors will make their final comments and Brett will get the newsletter published.

SSSD Logo update - The board agreed to have the employees vote on which one they wanted and go with what the employee's decide.

Hwy 39 Bryant Property Easement update – working with Parks & Ratliff to file with county and no update.

Resolution #239 – Surplus property 16220 N. Poe Valley House – moved by Director Spendolini to adopt Resolution #239. Seconded by Director Koger. Passed Unanimously.

Other

Adjourn at 6:24 p.m. and the next meeting will be November 15, 2022, at 4:00 p.m.

ATTEST:

Brett Blofsky, Board Secretary

Kevin Harter, Board Chairman

Date