



**South Suburban Sanitary District**  
**2201 Laverne Avenue**  
**Klamath Falls, OR. 97603**  
**Phone 541.882.5744 Fax 541.882.5013**

**Board of Directors**  
**Position 1 - Joe Spendolini**  
**Board Chairman**  
**Position 2 - Vacant**  
**Position 3 - Michael Koger**

**District Manager/Secretary**  
**Brett Blofsky**

**Regular Board Meeting Minutes**  
**December 19, 2023 @ 3:00 PM**  
**South Suburban Sanitary District (SSSD) Office**

**Meeting Called to Order - 3:00 PM**

**Roll Call of Directors** - Chairman Joe Spendolini and Director Michael Koger. Also present: Dan Scalas (Adkin's Engineering), Brett Blofsky (SSSD District Manager), Nicki Strain (SSSD Finance Director), Jason Morrow (SSSD Collections Supervisor), Sally Bratton (SSSD Treatment Plant Supervisor) and Jon Lee (SSSD Treatment Plant Operator).

**Public Input/Comments** - No public present.

**Review Today's Agenda and previous Meeting Minutes (11/21/2023 Regular Board Meeting) -**

**Motion by Director Koger to approve the meeting minutes as corrected, seconded by Chairman Spendolini. Motion passed.**

**Motion by Director Koger to approve the agenda, seconded by Chairman Spendolini. Motion passed.**

**Engineer Report -**

**Loan Application Updates - DEQ Clean Water SRF & BizOR Public Works Fund** - Mr. Scalas gave an update on the loan applications. He needs direction if the District is formally going to apply. Mr. Blofsky recommended that we initiate a task order due to the price and recommended that we move forward. Chairman Spendolini asked for clarification for the record. The District is on the intended use plan and that qualifies us to apply for the loans. The District applied for this loan because we are currently earning 5% on our LGIP funds and the loan interest is at 2%. There are two loans - one through Business Oregon for engineering and one through DEQ for the infrastructure. The timeline was discussed. It takes approximately 6 to 9 months to get approved. The District will not have to repay the loan until we use the funds. The intended use plan is out for public comment. Mr. Scalas feels that this will be less than \$5000 which can be approved by the District Manager.

**CIPP Phase 4 Update** - Mr. Scalas indicated that this has been completed with the exception of one item. This item will be deleted out of the contract. The video needs to be reviewed. This is related to items that were noted two years ago. The other issue that needs to be discussed is the liquidated damages. Mr. Scalas stated that he sent the response letter. The contractor showed up onsite and completed the job other than the one item that will be removed from the contract. Chairman Spendolini would like for Dan and Brett to figure out a dollar figure on the liquidated damages and come back to the Board with a recommendation. Mr. Scalas will get back to us with the numbers that cover his and the District's costs. Director Koger asked if we will be using this company again. There will be an ongoing need for this type of work at the District. This company is out of Medford and there is no one local that does this. Insituform does not want to rely on Flow Tech in the future. Director Koger would like to just cover our costs in case the District needs to contract with this company

again. He feels that this company needs to know that the District could pursue a lot more money than just covering our costs due to the various delays.

**CIPP Phase 5 Update** - Mr. Scalas contacted the City of Klamath Falls again and has not gotten a response. He then stated that we should have bid documents prepared and posted no later than February 2024.

**System Valuation Update** - Mr. Scalas reported that he is coordinating with HDR and Corollo Engineers. Jacob's Engineering is doing the same.

**Administration & Monthly Financial Report -**

**DRA Grant Update** - Ms. Strain updated the Board on the DRA Grant application for the North Poe Valley property. The District has been deemed eligible for 571.6 acres at approximately \$300.00 per acre. We should receive the funds in early January 2024.

**Bryant Property Cost Breakdown** - As per request from the last Board meeting, the Board reviewed the annual cost reports presented by Ms. Strain. The District's only income on this property is lease payments. This property has not been eligible for DRA grant money for the past two grant cycles.

**New Employee Assistance Program** - Sky Lakes is no longer offering Employee Assistance Program (EAP) services as of December 31, 2023. Klamath County as well as other employers in our community decided to pool employee numbers to obtain the best rates possible and ensure the ability to continue to provide this benefit to employees. After a demonstration and cost analysis, the group decided to go with a provider by the name of ENI. The cost turned out to be the same amount the District was paying to Sky Lakes but ENI's program offers many more benefits and is more accessible. We received our contract and sent it to Matt Parks (Legal Counsel) for review.

**Accounting Software Update** - The training for our new MIP Fund Accounting software has been completed and we will be going live in January. We will use QuickBooks to process the 2023 1099's and W2's then cancel our subscription. We will still have access to old records. Chairman Spendolini asked about the retention for the new Cloud based system with MIP. He wants to ensure that the District is able to retain records onsite as well. Ms. Strain will touch base with MIP to confirm the Cloud retention and backup information.

**Audit Update** - We are continuing to work with KDP and the Districts financial statements for FY 2022/2023 are currently being reviewed. KDP noticed a substantial calculation error on one of the supplemental reports from a prior year reviewed by Wise & Co. KDP had a meeting with Capstone CPA (Wise & Co.) on December 4, 2023 to discuss this discrepancy. KDP will share their findings with the Board at the January Board meeting.

Ms. Strain recommended that a Special Session be scheduled to meet with KDP. There is a lot of information to cover and may take some time. The Board agreed. Ms. Strain will schedule a meeting date and time. KDP will be attending virtually.

Discussion followed regarding unfunded liabilities and how the District addresses this moving forward. This will be a topic of discussion during the Special Session with KDP.

The Board reviewed the financial reports presented. There were various questions, discussion and clarifications. It was noted that the P&L report from QuickBooks is not calculating correctly. Ms. Strain will look into this. The Board will approve the financials once the calculation error in the P&L report is discovered.

**Treatment & Collection Staff Reports -**

**Treatment Plant Report** - Ms. Bratton updated the Board. The effluent discharge was turned off from November 18 - 25th. The flow is shut off in order to be in compliance. There is no discharge but we are still treating. The

lagoons are not sampled when there is no flow. She then referenced the test results and reported that we met the NPDES requirements for November.

**Collection Report** - Mr. Morrow reported that there were 92 locates in November. The Collections Crew jetted and cleaned 3,680 feet of sewer main line. He then referenced the work being done at Sunset Village. He discussed the TVing and the time it takes for 6" pipe. The work at the 11th addition of Sunset Village just began with Rocky Mountain Construction installing the 8" sewer main.

The new PetSmart is opening and has a new 4" service tied to the manhole on Pershing Way. It will be in the same building as Sherm's Thunderbird and Sportsman's Warehouse. The District boundary runs down the middle of the building. It was discovered that our District is responsible for that area. Sherm's Thunderbird and Sportsman's wastewater goes to the City of Klamath Falls but the rest of the building's wastewater comes to the District. It was less expensive for PetSmart to get connected to the District.

Mr. Morrow wants the Board to be aware of the truck/equipment maintenance issues Collections has been having. Both tanks on the 2014 Vac Truck developed leaks. One of the tanks was covered under warranty and we are waiting for a response on the 2nd tank.

The City of Klamath Falls reached out and needed our camera for some work they were doing at Harbor Isles. The District needed a point patch so we were able to trade to get both projects done. The point patch was on Kimberly Drive. Mr. Blofsky stated that we need to be active in looking for some new equipment including a Vac Truck. The 2014 is the newest one that we own. This truck has some issues. Discussion followed on the cost of Vac Trucks.

**District Manager Report** - Mr. Blofsky gave an update on the Bryant property and the pending sale. Sale closings are taking a little longer due to having only one title company in town. Chairman Spendolini clarified for the record how the citizens will come out financially on this land sale. Mr. Blofsky feels that this will save the District and our patrons money in the long run. Chairman Spendolini reminded everyone that the District has an easement through this property for future use.

Mr. Blofsky then reported on the pre-enforcement notice the District received from DEQ for not meeting the Preliminary Design deadline of Aug. 1, 2023; even though we hadn't received DEQ approval to proceed with the upgrade proposed in the Facility Plan Addendum yet. This is the second time this deadline has not been met, which warranted the notice. If any more deadlines in the future are in jeopardy of being missed, we need to file a permit modification request with DEQ before the deadline, and pay the required fee associated with it. These are flat fees (Minor or Major), but DEQ indicated that they have discretion on which fees are charged. Chairman Spendolini wanted to clarify what this letter means and the response that needs to be prepared. He feels that everything is fine, and we have a good partnership with DEQ. Mr. Blofsky explained the additional extensions we might need, but we will have to wait until we get closer to the deadline before filing the request. As for the Addendum itself, Jon Gasik with DEQ indicated in an email on November 1, 2023 that we have met all of the requirements for the Clean Water State Revolving Funds loan application, but the Addendum was incomplete as a stand alone document. However, he also stated since the District will be using the CM/GC procurement process for the upgrade, the District can proceed with the predesign report as long as all of DEQ's comments are addressed in the report. Mr. Blofsky and Mr. Scalas will meet with Jacob's Engineering to review the new dates. Chairman Spendolini suggested a meeting with DEQ to go over everything and see what they suggest. Everyone agreed. He then suggested that we have Mike Hiatt with DEQ attend as well.

### **Items before the Board of Directors - Old & New Business -**

**Water Reuse Project Update** - Chairman Spendolini reported that there is some new information on this topic. He has been in contact with State Representatives and County Commissioners. The Governor is paying attention to what the District is trying to accomplish. She would like to see the District's water get to the refuge. They are still trying to find funding to pipe the water to Klamath Drainage District (KDD) and on to the refuge. Chairman Spendolini feels that this is likely not going to result in legislation but our HB has helped get attention. It looks more likely that we will be piping the water with minimal charge to the citizens.

**DEQ Notice** - This item was covered in the District Manager Report.

**WaterIQ Technologies - Pilot Study for Ultrasonic Buoy to start Feb/March 2024** - Mr. Blofsky reported that the District is going to do a 4 month ultrasonic buoy pilot. The buoy will be sent in January but we won't start the pilot until February or March. This will cost \$350 per month and the money we spend goes towards the purchase price. If the District is not happy with the pilot results, we just ship the buoy back.

**ArcGIS Update - Agreement with Anderson Perry Executed** - Mr. Blofsky updated the Board on this agreement. This agreement has been signed and we should begin after the first of the year.

**Duperon Multi-Rake Bar Screen Follow-up** - Mr. Lee reported that there are none of these particular bar screens in Oregon yet. There are several in California. Mantica, California is very happy with this bar screen. They had a 500 year storm and this system handled it without a problem. He would like to travel to Mantica to see this bar screen in action. Mr. Blofsky would like to visit this facility as well.

**Other** - No other business was discussed.

**Adjourn - 4:20 PM**

ATTEST:

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Brett Blofsky, Secretary

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Joe Spendolini, Chairman

\_\_\_\_\_  
Date