



*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
Position 2 - Kevin Harter
Board Chairman
Position 3 - Michael Koger*

District Manager/Secretary
Brett Blofsky

**REGULAR BOARD MEETING MINUTES
July 18, 2023 @ 3:00 pm
District Office**

Meeting Called to Order - 3:00 pm

Roll call of Directors - Chairman Joe Spendolini and Director Koger. Also present: Brett Blofsky (District Manager), Nicki Strain (Finance Director), Donnie Monroe (Collections Lead), Jon Lee (Treatment Plant), Dan Scalas (Adkin's Engineering) and Rochelle Long (Klamath County Clerk).

Administer Oath of Office to elected Board Member Joe Spendolini - Rochelle Long, Klamath County Clerk swore in Joe Spendolini as an elected Board member of South Suburban Sanitary District. The oath of office was then signed.

Elect Chairman and appoint Secretary of the Board in accordance with ORS 450.065 - Motion was made by Director Koger to appoint Joe Spendolini as Chairman of the Board of South Suburban Sanitary District. Motion passed.

Motion was made by Director Koger to appoint Brett Blofsky (District Manager) as Secretary of the Board for South Suburban Sanitary District, seconded by Chairman Spendolini. Motion passed.

Public Input/Comments - No public present.

Review Today's Agenda and previous Meeting Minutes 6/20/2023 & 7/5/2023 - Motion by Director Koger to approve the meeting minutes as presented. Seconded by Chairman Spendolini. Motion passed.

Engineer Report - Facility Plan Scope from Jacob's, Collection System modeling, etc - Mr. Scalas indicated that this was Jacobs Engineering's 'first stab' at putting this proposal together. He feels we need to engage District staff in this process. Most of the discussion involves the Treatment Plant. He also suggested we have an employee workshop. He then gave an overview of the Request for Proposals (RFP), the process and the results. This is the beginning of contract negotiations. He then described the concerns including the amount of heat the blowers generate. Discussion followed regarding how the blowers operate. There are a few different concepts being considered. There is a lot of preliminary work that has been done and now we are moving on to planning. Chairman Spendolini suggested that we contact the treatment plant in Iowa that he and Mr. Blofsky visited. This treatment plant recommended the SAF but we need to determine what will be best for our District. We are also depending on Jacobs Engineering for guidance.

Director Koger asked if we know of any facilities that are using SAF and if we can contact them to gather information. Mr. Scalas indicated that could be done. Director Spendolini suggested



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floating solar panels as a solution to reduce algae and also help with revenue. Very high shading would be needed for these to be successful. Mr. Scalas suggested that we add this into the scope of work with Jacob's Engineering. Director Koger had questions regarding the buoys vs. solar panels. Discussion followed regarding the cost and the advantages of each. It was generally agreed that this would be added to the scope of work with Jacob's Engineering. Mr. Monroe suggested the usage of DAF pilots. He then explained how this worked in the past. Mr. Scalas will revisit the SAF pilot option with Jacob's Engineering. The District will be having someone onsite to gain recommendations for SCADA.

Discussion followed regarding a conference being held in Chicago, IL on October 2-4, 2023. All of the new treatment plant equipment will be on display at this conference. Mr. Scalas again stated that we need staff input. He then offered to attend this conference if the District would agree to share the cost. The Board feels that Mr. Scalas should go to the conference as our Engineer of Record. Chairman Spendolini would like to attend the conference as well. He also encouraged Director Koger to go as well. Mr. Scalas explained the various benefits of attending this conference. He feels that the scope of work needs to be determined long before the conference.

The Board asked when we would have a recommendation to vote on related to the scope of work. Mr. Scalas suggested that we do an internal workshop with the Treatment Plant staff. Several dates were discussed as to when this workshop could take place. Mr. Scalas indicated that he could do Monday, July 31st at 11:00 am.. Mr. Blofsky indicated that he is available on that date. Chairman Spendolini is tentative.

Mr. Scalas highly recommended consulting our legal counsel on the agreement with Jacob's Engineering. The Board needs to decide which legal counsel they would like to have review the agreement.

Chairman Spendolini asked what state laws guide this process. What is the goal when starting CMGC negotiations Mr. Scalas referred to the schedule provided. He then suggested some items that would reduce consulting costs.

Mr. Blofsky gave an update on compliance with DEQ. DEQ is now considering giving us until the end of this year. DEQ is still reviewing our addendum. It was turned in on March 23, 2023 and it was due June 23, 2023. This is the interim compliance portion.

CIPP Phase 4 - Mr. Scalas indicated that we are assessing liquidated damages of \$200 per day beginning July 1st.. This is supposed to be completed by the end of July. Chairman Spendolini asked what our options are. Mr. Scalas indicated that if we go with another company the cost could be substantially more. Discussion followed regarding how many extensions we have given them. The Board elected to go with them due to the cost savings. Mr. Scalas is wrapping up the bid docs for the other CIPP project.



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Collection System Modeling - Mr. Scalas indicated that this is going well and we are under budget. We are using some of the budget to verify some of the data on the manholes. The model has become more realistic due to the gathering of this information. It may be a couple more months before this will be completed.

Pipeline Cost Estimate - Mr. Scalas indicated that he should have a draft to the Board on this soon.

Mercury Minimization Plan - Mr. Blofsky stated that we received the approval letter from DEQ. Discussion followed regarding the implementation steps.

Administration & Monthly Financial Report -

In Depth Audit Update - Moss Adams concluded Phase 1 and we elected not to proceed with Phase 2. The cost came in much lower than expected and we should be receiving the report from them shortly. Discussion followed regarding the findings. Most of the items in question were workarounds to make Quickbooks work. There were also a lot of manual calculations being done.

Regular Annual Audit - KDP Proposal - Ms. Strain explained the search for a firm to perform our annual municipal audit. KDP was the only firm that sent the District a proposal. They came highly recommended by Moss Adams and specialize in municipal audits. Ms. Strain made the recommendation to accept the proposal from KDP. Discussion followed regarding the cost estimate and what the District has paid for audits in the past. It was generally agreed that we will be receiving a much more thorough audit than in previous years which explains the cost difference.

Motion was made by Director Koger to approve the proposal from KDP for the fiscal year 22/23 annual audit. Seconded by Chairman Spendolini. Motion passed.

Utility Billing/Financial Software Update - Ms. Strain gave an update on the implementation process for CUSI and MIP. We are in the process of compiling the data needed and will be having a 'kick-off' meeting with MIP in August. It takes approximately four to six months from the 'kick-off' meeting before full implementation.

Ms. Strain then reported that the first invoices and communication inserts have been mailed to our patrons. Customers can now pay online, set up auto pay and paperless statements. We can now accept credit and debit cards in our office as well.

Ms. Strain informed the Board of the dollar amount in delinquent accounts that were certified with the Tax Collector. This year was higher than last year but we are hoping to see the amount of delinquent accounts go down with the new billing system we have in place.



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Monthly Financial Report - Ms. Strain presented the financials as of the end of June. She then informed the Board that there are still invoices coming in to be paid out of fiscal year 22/23 so the numbers presented could change some.

Chairman Spendolini had a couple of questions. He addressed the dollar amount in interest the District has earned on the reserves in the LGIP. This is substantially higher than what was budgeted. He then asked about the solar income line item. Ms. Strain indicated that this line item should not be considered revenue since it is deducted off our power bill. It was agreed that the District's solar usage still needs to be tracked but not as income.

Chairman Spendolini asked about the jackhammer and asphalt saw purchase. Mr. Blofsky explained.

Motion was made by Director Koger to approve the financial report for June 2023. Seconded by Chairman Spendolini. Motion passed.

Treatment & Collection Staff Reports

Mr. Lee was present for the Treatment Plant in Ms. Bratton's absence. The new chlorine channel pump has been installed and is working a lot better.

The concrete pads have been poured for the landing and new sodium bisulfate building. We are waiting for the building to be put into place.

The HVAC systems have been cleaned in the lab building and office. They are showing signs of age and wear. One of the HVAC systems broke and we are currently waiting for quotes.

Mr. Blofsky reported that the Treatment Plant crew have been marking the dikes on ponds 3 and 4. Discussion followed on the process of marking the dikes. OAWU will be onsite to perform a sludge profile. It will cost approximately a couple thousand dollars to get this done. Mr. Blofsky feels that this is important to have done before we start using the probiotic enzyme. Director Koger asked questions regarding the temperature limits. There are new temperature limits and will be significantly lower.

Mr. Monroe was present for the Collections Department in Mr. Morrow's absence. He reported on the number of locate requests received for the month of June. No TVing was done.

He then gave an update on the Fairgrounds new RV park. They ran into a lot of groundwater that is running in between the natural surface and hard pan. There was so much water that the pumps could not keep up. They had to build a pond to hold the water and it filled in one day.

The Crest Street project is breaking ground this week for the new road. The sewer part has been completed except for the manholes.



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Items before the Board of Directors - Old & New Business

HB2765 Update - Chairman Spendolini gave an update. This is still sitting in the rules committee and it has been scheduled for a work session to file the amendment. Discussion followed regarding the conversations with the Governor's staff to discuss the solutions of getting water to the refuge. They are trying to get us the \$20 million to pipe the water. There will be a meeting at the District on August 15th. There is not a time set as of yet. This will be a public meeting. He then referenced the email from Richard Koesesan. He would like to help us improve the chances of our bill with the amendment passing. Discussion followed on the work that can be done locally to push the HB forward. Director Koger is concerned about the money being spent when the Governor will most likely not approve it. He feels that we need to hold off on future spending for the bill until we know what we will have to do. Mr. Scalas feels that there will be a lot of future costs for the District if we have to go with a pipeline. It was generally agreed that using the river to move the water makes the most sense. Director Koger feels that having the Governor's staff onsite will help them see the benefits. Mr. Scalas discussed the mitigation fund to help cover operating costs at Modoc Point. This is related to the Chiloquin dam. Chairman Spendolini said he will honor the request to not move forward with consultant Richard Koesesan's proposal at this point.

Facility Plan Amendment - this item was discussed earlier in the meeting.

Mercury Minimization Plan - this item was discussed earlier in the meeting.

Wetland Mitigation N. Poe Valley - Mr. Blofsky reported that we should have the findings by the end of the month. Rabe Consulting put things on hold until they found out what was going to happen with the lawsuit related to the Corp of Engineers. The outcome of that case could affect our plan.

Hwy 39/Bryant Property - We do not have a value on the Hwy 39/Bryant property off of Kings Way yet.

Pond 3 Curtain Removal Plan - We have not come up with a plan to remove the curtain yet. Chairman Spendolini would like a proposal ready by the next regular meeting. Mr. Scalas suggested that we cut it loose and then remove the weights. Discussion followed regarding the various options for removing the curtain.

Harlan Easement Documents - We need to look for the Harlan easement documents that were prepared by Mike Rudd. Mr. Blofsky will look on the server.

Floating Solar Panels – Mr. Blofsky likes the idea of including this request in our scope of work with the facility upgrade proposal with Jacob's Engineering.

Association of Clean Water Agencies Annual Conference July 25-27th in Redmond - Mr. Blofsky reported that he and Chairman Spendolini will be attending this conference next week. He discussed the parties that will be in attendance and the importance to our legislative effort.



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One Stop Meeting - Mr. Blofsky stated that this meeting will take place at the District office on July, 28th at 10am. Mr. Scalas shared how we should prepare for that meeting. He then suggested that we have someone from the Treatment Plant present. There will be different funding agencies present. He then explained the process and what the meeting will consist of. There are a lot of funding options available. Mr. Scalas feels that this is a fantastic opportunity. One Stop is a separate entity from the DEQ. Chairman Spendolini would like for us to put together a good powerpoint. He then volunteered to take the lead on that. This will have to be a noticed meeting since the Board will be present. Mr. Blofsky will get the notice posted.

Other - No other business was discussed.

Meeting adjourned - 4:26pm

ATTEST:

Brett Blofsky, Secretary

Joe Spendolini, Chairman

Date