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### **Board of Directors**

Position 1 – Mike Griffith  
Position 2 – Jim Bellet, Board Chairman  
Position 3 – Charles R. Dehlinger

### **District Manager/Secretary**

Michael Fritschi

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## **REGULAR BOARD MEETING MINUTES January 21, 2020**

- 1. Call to Order** – Director Bellet called the meeting to order at 5 P.M.
- 2. Roll Call of Directors** - Director Griffith, Director Bellet, and Director Dehlinger were present. District Manager Michael Fritschi and Director of Administrative Services (DAS) Cindy Oden were also in attendance.
- 3. December 17, 2019 - Board Minutes**

The minutes from the December 17, 2019 Board Meeting were reviewed. Director Griffith mentioned that there was a typo in the Old Business, Section f.:

“Director Griffith made a motion to instruct the Secretary to meet with Wells and offer \$500,000 and a 10-year free lease to farm approximately 100 acres on the Bryant property for the **7-acre** portion of the Wells property, Director Bellet seconded the motion, and the motion was approved by a majority vote with Director Dehlinger abstaining.”

Should have read:

“Director Griffith made a motion to instruct the Secretary to meet with Wells and offer \$500,000 and a 10-year free lease to farm approximately 100 acres on the Bryant property for the **65-acre** portion of the Wells property, Director Bellet seconded the motion, and the motion was approved by a majority vote with Director Dehlinger abstaining.”

Director Griffith moved to approve the corrected minutes, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

- 4. December 18, 2019 – Board Workshop Minutes**  
The Minutes from the December 18, 2019 Board Workshop were reviewed, Director Dehlinger moved to approve the minutes, Director Griffith seconded the motion, and the motion was approved unanimously.
- 5. Monthly Financial & Investment & Accounts Payable** - The December 2019 Monthly Financial & Investment & Accounts Payable reports were reviewed by the Board. Director Bellet inquired about

placing long term contracts on the A/P Aging Summary. The Director of Administrative Services (DAS) mentioned that it is a correct accounting standard to list it in the aging category for accrual accounting. The Secretary suggested a little note at the bottom of the Aging Summary to mention that some of the longer-term projects are listed in the Aging Summary. After some additional discussion, Director Griffith moved to approve the reports, Director Dehlinger seconded the motion and the motion was approved unanimously.

**6. Public Comment** – There was no public comment received

**7. Old Business**

- a. The Secretary requested that the Board provide receipts for the pre-paid lodging or any additional conference related purchases.
- b. The Secretary informed the Board on the progress of the District Solar Project. The Secretary mentioned that the contractor was unable to drive posts last week due to snow and equipment issues. The posts and racking are laid out and the Secretary expects that work will resume the following week. The Secretary also mentioned that Pacific Corp is waiting to hear back from the Bureau of Reclamation regarding ditch ownership in the project vicinity, as that ditch ownership would influence either of the proposed inter-connection point costs and/or methods.
- c. The Secretary briefed the Board on the status of the Skyline Subdivision and Watson Street Sewer Extension project. The Secretary mentioned that the project is just past the 60% design level and that the District has the final number of 25 customers opting out of the program and 18 requesting financing. The Board reviewed the correspondence relating to the project, one for access to property and the other correspondence notifying the undeveloped lot owner that a pump system (less installation/construction) would be included in the cost of the system development charge.

The Secretary mentioned that the current design has no provision for bringing services to property lines or “stubbing out” any laterals or partial tee’s to people who have opted out of the program, or to people who have opted in, but currently have an undeveloped lot. It was discussed that it would be easier for the property owner to connect to the sewer system in the future if the laterals were brought to the boundary of the utility right of way. It was also discussed that installing the laterals across the County road would increase construction costs to District for customers that have opted out of connecting to the District sewer. The Secretary mentioned that a stubbed out lateral to an unconnected property may pose an unnecessary risk of the line accidentally being damaged by excavation, creating a substantial sewer leak from the pressurized system. The Secretary explained that this risk of accidentally hitting the line increases, if the buried line is unexpected, due to no current public sewer connection to the residence. The Secretary mentioned that if the Board wanted to change the design, now would be the time, while the project is just past 60%. After some discussion, there was no action taken.

- d. The Secretary updated the Board on the District Recycled Water Project. The conditional use permit (CUP) application was submitted to the County on the 10<sup>th</sup> of January, and the Secretary was informed by the Planning Director that the CUP will be sent to the February 25<sup>th</sup> Planning Commission Meeting. The Secretary also met with the Bureau of Reclamation and mentioned that the Bureau will require the NEPA process for any crossings. The Secretary stated that

overall, the meeting was productive, and the Secretary will contact the Bureau when design reaches the 30% level. The Secretary informed the Board that he had also met with DEQ and mentioned that DEQ is currently supportive of the concept of the project. The Secretary mentioned that he received a letter of support from Klamath County Economic Development. The Secretary mentioned that work is currently being performed by West Yost and Associates on the Recycled Water Plan and the Environmental Report, as well as with the District Facility Plan.

The Secretary stated that the District will soon be undertaking a disinfection study to determine if Class C Recycled water can be produced by increasing chlorination dosage to the point where the effect of (algae) particle shielding is reduced to provide a better total coliform reduction. The Board was curious what the project cost increase would be to add algae removal to the project. The Secretary mentioned that he will investigate the capital cost associated with adding filtration or floatation to the project. The Secretary mentioned that the increased capital cost would likely be in the \$4-6 million range, per previous study documentation.

Director Bellet and the Secretary had previously met with the Reeder Group landowners and discussed the need for more public information and minor contractual details of the option agreements. The Secretary mentioned that he had sent a letter to the surrounding property owners, noting that he would be happy to meet with small groups and show them the treatment process, hear their concerns and attempt to provided them with more project information.

- e. Currently all of the Reeder Group has signed the option agreements with the exception of Dolores King, who has requested a slight modification. The Secretary has requested that a single Board member meet at the office of Brandsness, Brandsness, and Rudd P.C. and sign all 5 option agreements in the presence of a notary. The Board Chairman Jim Bellet agreed to do the signing for the Board. Each Board member took home a different copy of the landowner signed option agreement for further review.

## **8. Other Business**

- a. The Board reviewed the Treatment and Collection System staff reports. Director Bellet noted the higher % of personal services spent in the Collections System report due to the timing of capital project labor being utilized and transferred between budget categories. The Board thanked staff for the Treatment and Collection System staff reports.
- b. The Board had previously discussed the correspondence in item 7. c
- c. The Board made no comment on the SDAO bylaws change notification
- d. The Secretary mentioned that the newly released Western CPI is 2.8%.

- 9. Adjourn** – Director Dehinger moved to adjourn, Director Griffith seconded the motion and the motion was approved. The meeting was adjourned at 6:15 P.M. The next regular board meeting is set for February 18, 2020, at 5 P.M.

Secretary \_\_\_\_\_

Board Representative \_\_\_\_\_