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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 October 19, 2019**

- 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, Director of Administrative Services (DAS) Cindy Oden, and Mike Rudd, District Council was also in attendance. Anders Rasmussen, a consultant with SHN Engineers and member of the public was also in attendance.
- 3. Board Minutes**  
The minutes from the September 17, 2019 Board Meeting were reviewed. Director Griffith moved to approve the minutes, Director Bellet seconded the motion, and the motion was approved.
- 4. Monthly Financial & Investment & Accounts Payable** - The October 2019 Monthly Financial & Investment & Accounts Payable reports were reviewed by the Board. Director Dehlinger requested clarification on reoccurring first aid charges by ALSCO, the Secretary mentioned that ALSCO checks and replenishes the first aid boxes at the District office and the Wastewater facility every week for a charge of \$14.00 at each site for each week. Director Bellet suggested that the Secretary try to negotiate with ALSCO to get service reduced to once every 2-weeks at each site. The Secretary will contact ALSCO and attempt to reduce the first aid service. Director Griffith requested clarification on charges related to road building. The Secretary informed the Board that the District has completed a minor road modification to support access to the new calcium hypochlorite storage building, and that the work was completed using District labor and the rental of an excavator. Director Dehlinger moved to approve the reports, Director Griffith seconded the motion, and the motion was approved.

### **5. Public Comment:**

There was no public comment received.

Director moved Old Business Item e. Award Solar Net Metering Contract Sunthurst Energy, LLC & Contract Extension Owners Representative SHN Engineers to the next agenda item:

e. Mr. Rasmussen presented the updated design-build contract to the Board. Mr. Rudd mentioned that he has reviewed the basic contract and that it is basically a boiler-plate contract. Director Bellet requested

the results of the RFP. The Secretary printed out the score sheets and the results of the RFP rating process and apologized for not making those available to the Board earlier. The Board discussed the various RFP submittals and the results of the RFP process. While Sunthurst Energy, LLC was not preferred by Director Bellet and Director Griffith, the company did receive the most points in the RFP rating due mostly to the heavier rating on price. The Board discussed the desire of Sunthurst to receive payment for approximately 50% of the solar panel cost upfront, or roughly \$350,000. The Board mentioned that they do not like the risk of paying for anything that has not been delivered onsite. Mr. Rasmussen mentioned that due to the overall demand on solar panels, manufacturers often require a large deposit. The Secretary mentioned that he will negotiate with the contractor to not pay the upfront deposit for the panels and will release payment only after the panels are delivered.

The Board discussed the RFP results and the overall project for roughly 20 minutes after which Director Griffith moved to approve the contract with Sunthurst Energy, LLC, Director Dehlinger seconded the motion and the motion was not put forward for a vote.

Director Griffith made a new motion to delegate the Secretary to sign the contract once the contract has been signed by Sunthurst Energy, LLC and the bonding and insurance documents have been received, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

Director Griffith moved to approve the Notice of Award for the design/build contract with Sunthurst Energy, LLC, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

The Board reviewed the Contract for Owners Representative for the District Solar Net Metering Project with SHN Engineers. Director Bellet mentioned that there was no language in the task order that states that the Engineer would need permission to exceed the not-to-exceed amount and that there is no schedule of hourly rates included. Mr. Rasmussen mentioned that he can update the task order to reflect the desired changes and resubmit. Director Dehlinger moved to designate the Secretary to sign the updated task order agreement once resubmitted per the Board's requested changes, Director Griffith seconded the motion, and the motion was approved by a unanimous vote.

## **6. New Business**

- a. The Secretary presented the Board with an analysis of the costs/benefits of establishing a PERS Side Account. The Secretary mentioned that the analysis is somewhat subjective due to the large range in actuarial calculation amounts of unfunded liability as performed by PERS every 2 years and due to the effects of a largely unpredictable economy. The Secretary mentioned that the primary benefit of establishing a PERS side account would be if the State of Oregon provided the 25% matching of funds per the current program.

The Board acknowledged that while there may be future benefits to the District for setting up the side account, that there would also be some inherent risk in establishing the side account, as the State would have complete control of the funds. After some discussion, Director Bellet requested that the Secretary place the PERS side account on the agenda for the November Board Meeting and to bring the information of what level of funding the State has allocated to the program in total.

- b. The Secretary discussed his desire to enter into a contract with Adkins Engineering to utilize sonar to map and measure accumulated sludge in the District treatment lagoons. The Secretary

shared results of a small sample of the mapping capabilities with the Board. The Secretary was able to negotiate a verbal cost of \$13,000 to map the treatment lagoons in their entirety and to have volumes recorded based on the mapping. The Secretary mentioned that the information would be very valuable to the District for planning purposes. Adkins has verbally agreed to provide a radio-controlled mapping boat to take the sonar/gps readings if the District would consider a lump sum contract. The Secretary mentioned that by utilizing Adkins radio-controlled boat, the District saves capital and labor expenses by not having to build boat ramps to access the lagoons or to tie up labor with the project. Director Griffith made a motion to allow the Secretary to sign a lump sum task order with Adkins Engineering for \$13,000 to provide the lagoon sludge mapping service, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

- c. The Board reviewed the Letters of Intent for the Land Purchase and Lease Agreements with the “Reeder Group”. Mr. Rudd informed the Board that he will be drafting Option Agreements for each individual landowner for land purchase and that he requests that the Board provide him with the authority to request the Status of Record Title Reports (Preliminary Title Reports) for each of the individual Reeder Group properties. Director Griffith made a motion to grant Mr. Rudd the authority to request the Status of Record of Title Reports for each of the individual Reeder Group properties, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

Director Griffith made a motion to approve the Letter of Intent for the Lease agreement with the Reeder Group, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

Director Griffith made a motion to approve the Letter of Intent for the Purchase and Sales Agreement with the Reeder Group, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote. Director Dehlinger mentioned that it is to bad that we (the District) have to give too much away to get rid of our (Treated Effluent) water. Director Bellet mentions that the District is paying for optimal location and for sellers that were not otherwise prepared to sell.

- d. Director Dehlinger moved to approve the offer as presented for the property APN R39100180000901, Director Griffith seconded the motion, and the motion was approved by a unanimous vote.

## **7. Old Business**

- a. Director Dehlinger moved to approve Ordinance #57 – Skyline Subdivision and Watson Street Sewer Extension Project, Director Griffith seconded the motion, and the motion was approved by a unanimous vote.
- b. The Secretary discussed the various County zoning designations where recreational vehicles can be found. Currently the only RV spaces found in Recreational zoning (within the District boundary) is at the local KOA campground, all others are within Suburban Residential or Medium Density Residential zoning. The Secretary described the difference between an RV space in a campground and that of an RV space in a mobile home park. The Secretary described that an RV space in a campground is basically a parking space, where RV’s typically have a permanent looking lot/yard/appurtenances; in addition, many RVs in mobile home parks have

skirting. Director Griffith mentioned that during the wintertime, many RV spaces at the campground are vacant, while at many of the mobile home parks, the RV's typically inhabit the space year-round. The Secretary suggested informing mobile home parks that request RV space pricing that in order to qualify for the RV pricing, that they modify their zoning to "Recreational" prior to the District providing the RV rate. The Board took no exception.

- c. The Secretary informed the Board that both the City and the County have mentioned that they prefer to insure the (shared) Texum Pump Station. After some minor discussion Director Dehlinger moved to approve insuring the Texum Pump Station, Director Griffith seconded the motion, and the motion was approved 2-1 with Director Bellet voting nay.
- d. The Board directed the Secretary to place the Deferred SDC Payment policy on the November 2020 Board Agenda to give the policy some time to see if the Board would still like to keep the policy.
- e. Item e. was discussed previously at the beginning of the agenda.

**8. Executive Session ORS 192.660 – To conduct deliberations with persons designated by the governing body to negotiate real property transactions.**

The Board did not utilize Executive Session

**9. Other Business**

- a. Director Dehlinger thanked Clay and Sally for the Treatment and Collection System staff reports.
- b. There was no significant correspondence.

**10. Adjourn** – Director Griffith moved to adjourn, Director Dehlinger seconded the motion and the motion was approved. The meeting was adjourned at 7:15 P.M. The next regular board meeting is set for November 19, 2019, at 5 P.M.

Secretary \_\_\_\_\_

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