

Scappoose Drainage Improvement Company
Board of Directors Monthly Meeting Minutes – March 10, 2022

Present via Zoom video/teleconference:

Jeff Mapes, President	Geoff Wenker, Landowner
Gary Wheeler, Vice President	Marie Gadotti, Landowner
Amanda Hoyt, Secretary/Treasurer (joined 6:15)	Robert Hostettler, CalPortland
Len Waggoner, Director	Christy McDonough, Cadman
Karen Kessi, Director	(503) 894-9662 per Zoom ID
Chase Christensen, General Manager	(704) 564-2025 per Zoom ID
Laurie Mapes, Staff	
Jeff Condit, SDIC Attorney	

President Mapes called the meeting to order at 6:01 p.m. through the Zoom virtual meeting platform. President Mapes read the names of the persons in attendance with the exception of the attendees noted above by telephone number, who declined to identify themselves. Minutes below associate with Agenda items.

Public Comment

There was none.

Meeting Minutes Approval

Director Wheeler made a motion to approve the minutes of the February 10, 2022 board meeting as presented. Director Waggoner seconded the motion. All directors voted in favor of the motion except Director Hoyt, who had not yet joined the meeting. Later in the meeting, President Mapes made a motion to adopt as presented the minutes of the special meeting on February 28, 2022 with IT consultant Todd Graham. Director Kessi seconded the motion. All directors voted in favor of the motion.

President's Message

President Mapes reported he had no president's message for this meeting but would have comments under the agenda items.

Company Financial Review & Expenditure Approvals

GM Christensen reviewed the transaction list and noted that the most recent electric bill was substantially less. Director Hoyt reported she had reviewed the financials and did not see anything of concern. Director Waggoner made a motion to approve the financials as presented. Director Kessi seconded the motion, and all directors voted in favor of it. President Mapes made a motion to authorize Director Hoyt to move \$40,000 from the state pool into the checking account. Director Waggoner seconded the motion, and all directors voted in favor of it.

Amendments to Bylaws Review, Approval

President Mapes noted that, based on response at the last landowner meeting, the board decided not to pursue the proposed amendment that would authorize seeking landowner reimbursement of SDIC's costs related to permitting. He noted that the currently proposed amendments are for housekeeping and compliance with state law and now have been vetted through entities who expressed interest. Attorney Jeff Condit stated that comments from Debbie Murphey, CalPortland attorney, have been incorporated and were mostly minor language changes. He sent the proposed amendments to interested parties again, noting that the 2022 annual meeting has

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been postponed. Because additional comments may be received, Mr. Condit recommended that the board delay formal vote on sending the amendments to the membership to a future monthly meeting.

Director Waggoner stated that the SDIC should have lien authority for SDIC's costs related to a specific landowner's project, for example the gravel pit seepage analysis done for the Interior Drainage Analysis to satisfy the U.S. Army Corps of Engineers (USACE). He opined that SDIC is a "captive" of other entities' processes, and that a process is needed for SDIC to recover expenses that should be funded by another party. He described SDIC as a political entity with responsibility but no authority. Director Waggoner made a motion that the board address this issue by vote at the upcoming landowner meeting and recommend that the SDIC have lien authority when it is evident that SDIC is paying for processes that should be funded directly by another party. Director Wheeler commented that he did not disagree with the concept but wondered how this proposal is different from the proposed bylaws amendment that was put before the landowners at the last annual meeting.

Director Kessi seconded the motion. Director Kessi stated that she appreciated Director Waggoner's stewardship of landowner resources. She added that a proposal for lien authority would have to be separated from the bylaws amendments that have been prepared for the upcoming landowner meeting because recovery of SDIC's costs was the issue that caused the other proposed (housekeeping) amendments not to go through at the last landowner meeting. She added that a proposed bylaws amendment would have to be carefully crafted and would need more clarification before she could vote for it. President Mapes also appreciated Director Waggoner's comments and agreed that landowners as a whole should not have to pay the costs of a single landowner's project. President Mapes added that he was taken aback by the backlash at the landowner meeting and that everything needs to be done not only with transparency but also caution to make sure landowners understand what the board is doing and why. He stated that he would not be in support of moving forward on Director Waggoner's proposal because it is too soon after the contentious experience at the August 2021 landowner meeting. Director Wheeler agreed that landowners should not have to pay for one landowner's project and questioned whether there would be a way to narrow the scope of the reimbursement requirement. Mr. Condit was asked to comment. He noted that the seepage study was required for accreditation, that SDIC has an obligation to participate in 408s as the local sponsor, and that it is unlikely USACE would direct SDIC to do an expensive study as part of a 408 process. President Mapes noted that there is only one confirmed 408 pending, for Cadman, that Cadman has been a responsible entity to work with, and that Cadman has entered into a reimbursement agreement with SDIC. He added that, if the other mining interest ends up in a 408 review, he hoped they would be as appropriate as Cadman has been regarding reimbursement of expenses.

There was no public comment. Director Waggoner voted in favor of the motion, Director Wheeler abstained, and the remaining directors voted against the motion.

President Mapes stated the expectation is that the board will vote next month on a recommendation to the landowners regarding the proposed bylaws amendments. GM Christensen will post to the website the latest version of the proposed amendments.

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Planning for Annual Meeting

President Mapes reported that Mr. Condit had answered questions about the new state law that requires public bodies to provide for virtual attendance at public meetings. Mr. Condit's assessment is that SDIC should make it possible for virtual attendees to vote. All votes are public record, and written documentation of the votes is needed. President Mapes reported that SDIC's IT Consultant, Todd Graham, is willing to help SDIC figure out a virtual process for the annual meeting and voting. Mr. Condit noted that Mr. Graham already is under contract; board members had no objection to adding the virtual process of the annual meeting to Mr. Graham's tasks. Dates for the annual meeting were discussed. By consensus, the board determined that the date choices are, in order of preference: June 9, 8, 27, 29. Laurie Mapes will check on availability of the Council Chambers.

There was discussion of preparations for the annual meeting, the requirement to mail notice of the meeting at least seven days in advance, and the contents of the notice to be mailed. Mr. Condit noted that newspaper publication is not needed. Mr. Condit suggested that, if a method for virtual voting cannot be set up, the meeting notice could ask members to either attend in person or appoint a proxy for voting. He added that the landowners are the governing body of a public body, and therefore votes must be public and indicate the name of the voter.

Manager's Report

GM Christensen reviewed his monthly report. During discussion of the report, the following comments were added:

Infrastructure: GM Christensen reported that he gave up on trying to get replacement parts for the two North pump siphon breakers. Dave Graham of Crow Water was able to bronze the old parts and machine them down. The one siphon breaker that has been replaced so far is working well. Director Kessi stated that GM Christensen has done a superb job on the Evans pump and other infrastructure projects, and other directors echoed that comment. Regarding the tree fallen across the Santosh, GM Christensen thinks the fire department cut it down during a fire last May and that he simply will pull the tree back to where it came from. He reported that the power bill was low because the river was low and the tide gates remained open until the rains at the end of February. Director Hoyt said the Johnson pump intake problem should go on the list to repair before the winter. GM Christensen replied that he temporarily secured the No. 2 Johnson pump, and it is working well although it remains on the official repair list. Both Johnson pumps are running well, and he does not believe there have been water issues at that location through the majority of the wet season.

Personnel: Director Kessi commented that staff is doing a good job for SDIC.

408s: GM Christensen noted that Cornforth Consultants has received Cadman's 30% design and is reviewing also a single-phase 408 needed for exploratory borings. There was discussion about Cadman's questions for WEST Consultants identified in a March 3, 2022 (1:30 p.m.) e-mail from Christy McDonough and how to arrange for Cadman's payment of WEST's bill to address Cadman's questions. President Mapes opined that payment should be arranged between Cadman and West, in part because the reimbursement agreement is for SDIC's expenses related to the

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LONO request; Director Wheeler agreed. Ms. McDonough raised the question of conflict of interest because WEST is SDIC's consultant. Mr. Condit was asked for comment and recommended that the board make a motion that the board agrees to waive any conflict of interest regarding Cadman working directly with WEST to answer these questions and paying directly WEST's bill. President Mapes made a motion to waive any conflict of interest that may be present for WEST Consultants, who work for SDIC, to answer and bill directly Cadman Materials for questions and follow up to Ms. McDonough's e-mail dated March 3, 2022. Director Wheeler seconded the motion. All directors voted in favor of the motion.

In response to Director Waggoner's question, GM Christensen stated that the three public information requests for Cadman's 30% submission were from Geoff Wenker, Debbie Murphey and Bruce Estok.

GM Christensen stated that there has been no new information from USACE or CalPortland about USACE's review of CalPortland's proposal to expand mining into Bible College property and whether it will require a 408 determination.

Regarding the Comcast/Xfinity single-phase 408 LONO request in the Manager's Report, GM Christensen noted the location is the Multnomah Channel Yacht Club, and the Bernets are the property owners. He hopes to have this LONO request ready for the board next month.

Accreditation/LOMR: President Mapes noted he had asked City of Scappoose staff Laurie Oliver Joseph and Chris Negelspach as well as Paul Vogel, Director of the Columbia Economic Team, for updates and that GM Christensen would inform the board about conversations he had with Mr. Vogel. GM Christensen reported that SDIC still does not have a bid from WEST for analysis of system-wide deficiencies, a topic that came up when the IDA first was done. He had considered that the analysis might be something Business Oregon would pay for, perhaps in conjunction with the current effort by the city, county and other entities who want additional analyses added to the IDA. He had discussed this possibility with Mr. Vogel, noting that he would not want analysis of system-wide deficiencies to slow down accreditation or obligate SDIC to undertake any identified improvements. GM Christensen added that analysis of system deficiencies would help SDIC spend its money most efficiently.

President Mapes responded that it is unclear why the group working on additional analyses in the IDA is taking so long if the only goal is to have WEST add the city's infrastructure to the IDA and stated that SDIC must be careful not to provide any cause for additional delay. Director Waggoner stated that the city's storm water analysis should be providing the same information about collection and release of the city's water that WEST is being asked to analyze. President Mapes stated his position that any request to Mr. Vogel for his group's participation in additional analysis should be a separate request made later. Director Kessi agreed.

GM Christensen reported that he received an e-mail from the PUD regarding its grant to SDIC, asking for a letter explaining how the funding was used. GM Christensen will follow up after reviewing SDIC's file on the grant.

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GM Christensen reported that SDIC is eligible for grant money now that FEMA has approved Columbia County's Multi-Jurisdictional Hazard Mitigation plan.

Best Practices: Director Kessi noted that the board at some point should address whether it will continue to meet virtually.

Scappoose Storm Water Master Plan: Director Waggoner reported he had shared information with the board about storm water at the airport. He questions whether SDIC should be responsible for collecting runoff from hundreds of acres of impervious surface at the airport and bearing the cost. He suggested consideration of pumping the water into a mining pit and stated he would like to start that negotiation between CalPortland and the city, adding that 100% of the waters will be given to SDIC's system, and SDIC should be compensated because the city does not pay for the piping or disposal. President Mapes noted that Mr. Condit had shared the Intergovernmental Agreement between the City of Portland and the Multnomah County Drainage District (MCDD). President Mapes suggested that discussions between the SDIC and the city over the city's storm water plan could be a forum for proposing an IGA for cost sharing with the City of Scappoose. There was discussion about whether a city council presentation as opposed to a meeting with the city about the storm water master plan would be the best forum for proposing an IGA. President Mapes stated that any presentation should reflect the position of the SDIC board as a whole and not individual board members.

Mr. Condit was asked his thoughts. He noted that the City of Scappoose cannot be forced into an agreement and that MCDD's IGA took years of negotiation and extensive engineering analysis. He noted that the four drainage districts managed by MCDD all were taking water from outside their districts while the City of Portland collected storm water fees. He suggested that SDIC might approach the City of Scappoose about whether they would be willing to entertain an IGA to recognize SDIC's role in draining city water, and that there probably would have to be engineering to calculate what the contribution is. There was discussion of the uncertain contribution of Airpark development considering the retention ponds on the property and the possibility of addressing this issue through IGA discussions with the city. President Mapes made a motion to task Mr. Condit with drafting a historic, objective and well-reasoned explanation to the city about double billing of properties and SDIC's processing of storm water from the city system for presentation to the city council. There was no second to this motion. Director Waggoner made a motion to have Mr. Condit draft a document to present to the city an opportunity to do an IGA that allows the SDIC and the city to participate in the collection and disposal of storm water. President Mapes seconded the motion, and all directors voted in favor of it.

Rental Home: Director Kessi reported that there are no issues. Rent is due on the 10th, today, and Director Kessi will follow up to verify receipt.

Legal: There was no additional report.

Mercury TMDL: GM Christensen reported that he has talked with Tim Couch, SIDIC's manager. MCDD is working through its mercury plan, and the expectation is for the districts to work collaboratively on this project. A plan is due in September.

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GM Christensen reported that he is working on adding pages to the website, including a page regarding 408 projects.

Schedule Upcoming Meetings

The next SDIC board monthly meeting will be April 14, 2022 at 6 p.m.

Review of Action Items

GM Christensen will post the most recent version of the proposed bylaws amendments to the website. President Mapes will reach out to Todd Graham regarding help with the virtual aspects of the upcoming landowner meeting. Laurie Mapes will check on availability of the Council Chambers for the annual meeting. Mr. Condit will draft a letter for approaching the City of Scappoose regarding a possible IGA. President Mapes encouraged directors to notify other board members, ahead of meetings, of topics they intend to raise at the meetings and their proposed solutions, being careful not to start discussion. Mr. Condit confirmed that such advance notification is acceptable as long as board debate over a topic does not ensue outside of a public meeting. Directors Wheeler and Hoyt will sign checks. Director Hoyt reported she already had moved \$40,000 from the state pool to the checking account and received confirmation of the transaction.

Director Wheeler noted that GM Christensen is interested in a way to compensate himself for use of personal equipment, specifically his truck and trailer that were used to transport the Evans pump for repair. GM Christensen will come up with a mileage basis. Mr. Condit noted that an employee can be reimbursed for personal expenses, that there can be tax implications, and that there is a standard reimbursement amount for vehicles.

Adjournment

Director Waggoner made a motion to adjourn. Director Hoyt seconded the motion. All directors voted in favor of the motion. The meeting adjourned at 8:35 p.m.

Associated documents:

- Meeting Agenda
- SDIC Monthly Manager’s Report 3/10/2022
- 20220310 Balance Sheet
- 20220310 P&L Budget vs Actual
- 20220310 P&L This vs Last
- 20220310 Check Register
- 20220310 Credit Card Register
- 20220310 Transaction List

Approved by the Board of Directors on : _____

Signature

Printed Name and Title