



South Suburban Sanitary District
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Board of Directors
Position 1 - Joe Spendolini
Board Chairman
Position 2 - Kenneth DeCrans
Position 3 - Michael Koger

District Manager/Secretary
Brett Blofsky

Regular Board Meeting Minutes
January 21, 2025 @ 10:00AM
South Suburban Sanitary District (SSSD) Office

Meeting called to order at 10:00am

Roll Call of Directors - Chairman Joe Spendolini, Director Kenneth DeCrans and Director Michael Koger. Also present: Brett Blofsky (SSSD District Manager), Nicki Strain (SSSD Finance Director), Jason Morrow (SSSD Collections Supervisor), Jon Lee (SSSD Treatment Operator), Justin Hawkins (SSSD Treatment Operator) and Alex Grounds (SSSD Maintenance). Brady Fuller (Jacobs Engineering) and Erik Brahmer (Slayden) attended virtually.

Review Today's Agenda, 12/17/2024 Meeting Minutes & December 2024 Monthly Financials -

Motion by Director Koger to approve Today's Agenda, 12/17/2024 Meeting Minutes and the December 2024 Monthly Financials as presented. Seconded by Director DeCrans. Motion passed unanimously.

Public Input/Comments - No one from the public was present.

Engineer Report

Project Cost Reduction Discussion - Jacobs Engineering/Slayden

Brett began with an explanation of the items identified in the last board meeting that need to be addressed. He indicated that there is a meeting this Thursday to discuss items to be purchased. There should be a 60% design meeting by the end of this month. Brady gave an update on where we are in this process. Erik reported that some of the Value Engineering (VE) will be incorporated into the 60% design. Brady suggested that the Board look at the updated VE log before the 60% design is finalized. This log has not been received by the District yet.

Director DeCrans had a question regarding the type of pipe that we will be using in our project. He is wondering if there are less expensive options. Brady explained why some materials cannot be used. Erik stated that this has been reviewed and some changes have already been made where appropriate.

60% Design Update - Jacobs Engineering

Chairman Spendolini asked for a timeline on what happens after the 60% design. There will be a 90% design review in April. If there are significant VE changes, this can set the 90% design date out further. There could be many impacts to schedule and costs at this point. Brady does not believe that the October 2026 deadline will be attainable. Chairman Spendolini asked if we can request and extension with DEQ without paying a large fee. Brett will contact DEQ to find out.

Brady addressed the geo technical drilling in the dikes. This will most likely take place in March of this year. This will determine the stability of the dikes.

District Updates - Adkins Engineering

Brett and Jason gave the update in Dan's absence. The CIPP with the City of Klamath Falls is in process. The manhole project has been awarded to Bob's Excavating.

Department Updates

Administration –

Grant Research – We are continuing to seek out grant funding opportunities for the facility upgrade. In addition to the grant applications Chairman Spendolini has completed, on January 2nd, Brett, Dan and Nicki met with Larry Holzgang from Business Oregon to discuss the Community Development Block Grant (CDBG).

On January 3rd, we met with Kirk Young with the Bureau of Reclamation. Kirk is going to share additional contacts he has that he thinks will be helpful.

Business Oregon Loan – We received our second draw in the amount of \$332,285.00 on December 18th. Our total amount drawn as of today is \$1,168,764.00. Our third draw request will be submitted once we receive our next invoice from Jacob's Engineering.

DRA Grant Funds – On December 26th, we received \$65,660.00 from the Klamath Project Drought Response Agency for 2024 partial irrigation at the North Poe Valley property.

Washington Federal Bank – Our bank representative let us know that beginning in January, our monthly analysis fees will be a flat rate of \$75.00 per month. This is a significant savings of approximately \$250.00 per month.

LGIP Interest – The LGIP accounts earned \$158,471.61 in interest during the month of December. The interest rate on our LGIP accounts decreased from 4.85% to 4.70% on January 8, 2025.

Treatment - Jon gave the December report for the Treatment Plant in Sally's absence. One of the ultrasonic buoys had to be removed due to ice in the pond. There was an algae test that failed but it has since been resubmitted and passed. The effluent flow was shut off during Christmas. The HOBO probe was installed and we are now getting readings. This helps monitor temperature readings more accurately. The new Texum pump has been installed and is up and running.

Collection - Jason gave his report for the month of December. There was a 4-inch line on Shasta Way that was replaced. The GIS equipment we ordered has been received. Anderson Perry was on site to train staff on how to use the new equipment. It will take time to get the GIS system up to date.

District Manager - Brett doesn't have any additional items to add.

Items before the Board of Directors - Old & New Business

Western CPI for December & FY 2025/2026 Sewer Rate Discussion - Nicki will get the proper notices posted and add Ordinance #62 to the February and March Board meetings.

Oregon DEQ CWSRF Loan Application Update - Brett gave an update on this. Chairman Spendolini clarified that cost estimate for the facility upgrade is now twice what was initially quoted. We have reached out to DEQ to verify how much can be borrowed with our current loan application. It is \$26 million for this fiscal year. Brett suggests that we submit our revised budget numbers to DEQ and request to borrow the maximum amount. We may need to request more in subsequent fiscal years due to the drastic price increase of the project.

Director Koger asked if we could request more funds from Business Oregon. Brett will contact Larry Holzgang to find out.

Motion by Director Koger to allow District Manager Brett Blofsky to proceed with applying for \$26 million from the Department of Environmental Quality (DEQ) Clean Water State Revolving Funds (CWSRF). Seconded by Kenneth DeCrans. Motion passed unanimously.

SDAO Annual Conference in Bend - February 6-8, 2025 - Brett reminded everyone about the upcoming conference and who will be attending.

Capital Construction CAPCON Request – Chairman Spendolini gave an update on this funding request. He explained how this process works. State Representative Emily McIntire submitted the application on behalf of the District.

Legislative Bipartisan/Bicameral Water Caucus Survey/request – Chairman Spendolini was successful in getting an extension in applying for these funds due to the need for a letter of support from the Klamath County Board of Commissioners. This has now been completed and submitted. This District Board and staff are doing everything possible to not burden the citizens of our District with the cost of the facility upgrade.

Other – No other business was discussed.

Next meeting scheduled for February 18, 2025 at 10:00am.

Meeting adjourned at 10:42am

ATTEST:

Brett Blofsky, Secretary

Joe Spendolini, Chairman

Date