



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
November 19, 2024 @ 10:00am
South Suburban Sanitary District (SSSD) Office

Meeting called to order at 10:00am

Roll Call of Directors: Chairman Spendolini, Director DeCrans and Director Koger present. Also present: Brett Blofsky (SSSD District Manager), Nicki Strain (SSSD Finance Director), Jason Morrow (SSSD Collections Supervisor), Sally Bratton (SSSD Treatment Plant Supervisor), Jon Lee (SSSD Treatment Plant Operator), Justin Hawkins (SSSD Treatment Plant Operator), Alex Grounds (SSSD Maintenance), Dan Scalas (Adkins Engineering), Brady Fuller (Jacobs Engineering) and Jeff Wall (Slayden Contractors). A representative from Sundt Construction attended virtually.

Public Input/Comments - No public present.

Review Today's Agenda, 10/11/2024 & 10/15/2024 Meeting Minutes & October 2024 Monthly Financials

Motion by Director DeCrans to approve today's meeting agenda, 10/11/2024 & 10/15/2024 Meeting Minutes and the October 2024 Monthly Financials as presented. Seconded by Director Koger. Motion passed unanimously.

Engineer Report -

30% Cost Estimate discussion - Jacobs Engineering

Brett introduced Brady Fuller and Jeff Wall. They are here to discuss the substantial increase in the cost estimates. Brady explained the additional costs and the comparisons. There were some slight differences in the scope of the plans. He explained the value engineering effort which is required for the DEQ loan funds. They were able to shrink the footprint of the project by approximately 40%. He then explained how the cost estimates are composed at Jacobs Engineering.

Jeff addressed the estimate and the internal errors that occurred. He explained how Slayden's estimates are composed. He indicated that he would have to go out for quotes from the market and then apply the fees. The estimated value engineering will cut the cost by \$15 million. There are other items that can be changed in order to reduce the cost further. There are also items added in that are not included in the drawings. There are contingency items that can be reduced but he doesn't feel that 15% contingency is enough.

Director Koger addressed Jeff with questions regarding the cost of the project. He explained the various sites the District has been to looking at other operations. He doesn't feel that the cost estimate reflects the size and scope of our project. Items do not typically triple in price during the scope of the design. Director Koger then explained the items we are upgrading and adding to our treatment facility. He would like an explanation. Brady explained that Slayden didn't do any estimating until the 30% design phase. He also indicated that the \$48 million dollar estimate was done at the planning phase. He stated that there are a lot of unknowns until you get into the design phases.

60% Design Update –

The 60% design should be completed by January if we keep moving forward. Discussion followed as to whether we are on the right design track. It was generally agreed that going back to the old plan is not an option. Director Koger feels that the District is happy with the options chosen. We are also adding the biosolids option which increases the cost of the design.

Chairman Spendolini explained that the Board of Directors are volunteers. They do the job only to help the citizens of the District. He is very concerned about maintaining credibility and trust with the citizens. He stated that he has been promoting this upgrade and there is a lot of work that has been done. He promoted this because it was going to save the District and the citizens a lot of money. This has gone to a barely affordable project to a project the District cannot afford. He is not comfortable advocating for this due to this huge dollar increase. He is concerned about the citizens' view of the District and losing trust. The Board needs to know what can be done to reduce the cost. One option is to defer the biosolids portion of the project. We do not want to defer any of the options that are necessary. They may be more expensive further down the road.

Jeff gave examples of potential savings and changes to the current plans that could save the District money. He indicated that he would go to the treatment plant and see which items can be changed or reduced. Dan said that there are many items that will be different at the other sites than what we need at our District. There was a lot of discussion regarding what could be reduced within the design to save money.

Jeff indicated that we could get by with one screw press. Brady agreed. There are some items that may not be required. The Board and the District need numbers they can rely on and can feel comfortable advocating for.

Discussion followed regarding the fill dirt that is available. This needs to be tested before it can be used on the project.

Director DeCrans stated that he has been involved with many public projects. He has never seen the cost increase by this much. Brady understands that they need to find cost reductions within the project.

Dan expressed his concern regarding the costs to the District. Chairman Spendolini clarified what he is asking Jacobs and Slayden to do regarding cost reductions. Brady explained that there is an alternate approach that can be taken to reduce costs.

It is generally agreed that the blowers should be housed in a building and not be left outside due to the weather.

Chairman Spendolini is concerned about delays and meeting the deadline with DEQ. Discussion followed regarding the fees from DEQ for requesting a permit modification. It may be worth asking for the modification in order to save a substantial amount on the project. July 21st of 2025 is the final design deadline requirement. This date cannot be moved.

Discussion followed regarding the ditch that needs to be done and the cost sharing with the County. The ditch in question belongs to the County.

District Updates - Adkins Engineering

Dan reported on the meeting with the City on the CIPP project.

There are quotes coming in for the manhole estimates.

Department Updates -

Administration –

Audit for FY23/24 – Our financial statements for fiscal year ending 23/24 were filed with the State of Oregon on October 31st. A meeting has been scheduled for the Board to meet virtually with the auditors on November 15th at 10:00am.

Grant Research – On November 13th, the District had a consultation with a representative from the National Special Districts Coalition to discuss grant opportunities. We should be hearing back from them within a week or so with potential funding source leads.

SDAO Membership Dues – The District received an invoice from SDAO for our annual membership dues. The amount due is \$525.00 less than last year.

Business Oregon Loan – The first draw from this loan was deposited into our LGIP account on November 13th in the amount of \$836,479.00. This is the amount the District has paid thus far for engineering/design through September 2024.

LGIP Interest – The LGIP accounts earned \$160,438.23 in interest during the month of October. The interest rate decreased to 5.00% on October 23rd.

Treatment - Sally reported that the sludge samples were taken but we have not received the results yet. Duke Wynne construction began construction on the new maintenance building. She explained the outfall inspection report and it is good.

Collections - Jason gave his report on what the Collections crew did during the month of October. He explained the deterioration of the pipe connected to Kentucky Fried Chicken. Bob's Excavating came in to assist in replacing this pipe. There was not enough integrity in the line to line it. It needed to be replaced instead. The District needs to update the sewer use Ordinance related to grease disposal and include the mercury minimization plan.

District Manager - DEQ is ready to issue the CWSRF loan contract. An update to the project budget will need to be done before we sign. Dan will stay in communication with DEQ. It was agreed that we will wait for the new cost estimates from Jacobs and Slayden before we adjust the loan amount with DEQ.

Items before the Board of Directors - Old & New Business

DEQ Civil Penalty - Brett explained the letter he received from DEQ and the cost associated with it. The fee was reduced after hearing our explanation during our requested hearing. Chairman Spendolini noted that the District was aware that we were going to miss the deadline and get a potential penalty. It was in the best interest of the District to pursue the new cost-saving alternative that made us late.

DEQ CWSRF Loan Update - Dan already gave an update on this earlier in the meeting.

Surplus Vehicles Sold at Auction - Brett reported on the two vehicles that recently were sold at auction. These vehicles had already been surplus by approval of the Board a few years ago.

Crescent Sanitary District (CSD) Final Assessment – Chairman Spendolini gave an update on the report he composed after the site visits. The assessment was well received by DEQ, Business Oregon, the County Board of Commissioners and CSD.

Thanksgiving and Christmas reminders - Brett is going to get turkeys or gift cards for employees and Board members.

SDAO Annual Conference in Bend - February 6th - 9th, 2025
The hotel rooms have been booked for those who chose to attend.

Other – No other business was discussed.

Adjourned at 11:21am. Next meeting scheduled for December 17, 2024 at 10:00am

ATTEST:

Brett Blofsky, Secretary

Joe Spendolini, Chairman

Date