



Tualatin Hills Park & Recreation District Minutes of a Regular Meeting of the Board of Directors

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was held at the HMT Recreation Complex, Peg Ogilbee Dryland Training Center, 15707 SW Walker Road, Beaverton, on Monday, December 6, 2010. Executive Session 6:00 p.m.; Regular Meeting 7:30 p.m.

Present:

William Kanable	President/Director
Bob Scott	Secretary/Director
Joseph Blowers	Secretary Pro-Tempore/Director
John Griffiths	Director
Larry Pelatt	Director
Doug Menke	General Manager

Agenda Item #1 – Executive Session (A) Legal (B) Land

President, Bill Kanable, called Executive Session to order for the following purposes:

- To consider information or records that are exempt by law from public inspection, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Executive Session is held pursuant to ORS 192.660(2), which allows the Board to meet in Executive Session to discuss the aforementioned issues.

President, Bill Kanable, noted that representatives of the news media and designated staff may attend the Executive Session. All other members of the audience were asked to leave the room. Representatives of the news media were specifically directed not to disclose information discussed during the Executive Session. No final action or final decision may be made in Executive Session. At the end of the Executive Session, the Board will return to open session and welcome the audience back into the room.

Agenda Item #2 – Call Regular Meeting to Order

President, Bill Kanable, called the Regular Meeting to order at 7:35 p.m.

Agenda Item #3 – Action Resulting from Executive Session

Joe Blowers moved the Board of Directors authorize the General Manager to negotiate an agreement for construction and use of improvements on the District property in the SE Quadrant subject to the approval of District Legal Counsel, and final formal approval of the negotiated agreement by the Board. Bob Scott seconded the motion. Roll call proceeded as follows:

John Griffiths **Yes**
Larry Pelatt **Yes**
Bob Scott **Yes**
Joe Blowers **Yes**
Bill Kanable **Yes**

The motion was UNANIMOUSLY APPROVED.

Agenda Item #4 – Presentations

A. Audit Report on Park District Financial Statements for Fiscal Year 2009-10

Keith Hobson, Director of Business & Facilities, introduced Kathleen Leader, Audit Committee member, and Cathy Brucker, Finance Manager, to make a presentation on the Audit Report on the Park District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010 and to answer any questions the Board may have.

Kathleen noted that the District Audit Committee met on November 17, 2010, and reviewed and approved the Draft Comprehensive Annual Financial Report as presented by staff and Talbot, Korvola and Warwick LLP, the District's auditors. The meeting focused on a review of the findings and recommendations from the prior year's audit, as well as the current year's audit report, which is included within the Board of Directors information packet and contains no recommendations or findings. Although the charter for the District Audit Committee calls for a member of the auditing firm to present the statements to the Board, since there were no findings or recommendations stemming from the financial statements, the Audit Committee determined it was not necessary for a representative of the audit firm to be present at the Board meeting. Kathleen and Cathy offered to answer any questions the Board may have.

✓ Hearing none, President, Bill Kanable, stated that he would entertain a motion.

Bob Scott moved the Board of Directors accept the Audit Report on the Park District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. Larry Pelatt seconded the motion. Roll call proceeded as follows:

Joe Blowers **Yes**
John Griffiths **Yes**
Larry Pelatt **Yes**
Bob Scott **Yes**
Bill Kanable **Yes**

The motion was UNANIMOUSLY APPROVED.

B. Historic Facilities Advisory Committee

Lisa Novak, Superintendent of Programs & Special Activities, introduced Diane Keaton, Historic Facilities Advisory Committee member, and Lynda Myers, Center Supervisor for the Jenkins Estate, to make a presentation on the activities of the Committee during the past year as well as their goals for the coming year.

Diane provided a detailed overview of the Committee's activities and goals via a PowerPoint presentation, a copy of which was entered into the record. Topics included special projects led by the Committee, Challenge Grant projects, and fundraising events, as well as the Committee's goals for 2010-11, which include promoting public

use of the historical facilities, archiving historic photos, and supporting the plans and improvements to the John Quincy Adams Young House. Diane offered to answer any questions the Board may have.

- ✓ Hearing none, President, Bill Kanable, thanked the Committee for their time and dedication to the Park District.

Agenda Item #5 – Audience Time

There was no testimony during Audience Time.

Agenda Item #6 – Board Time

John Griffiths asked whether there has been any contact with Bonneville Power Administration (BPA) pertaining to locating park amenities within powerline corridors, such as dog parks.

- ✓ Doug Menke, General Manager, replied that contact has been made, noting that the first request submitted listed multiple sites and that BPA requested that the focus be narrowed as they would only approve one site at a time. Staff is regrouping and prioritizing and will time the next contact with the budget process to ensure that funds are set aside. By January, staff expects to have initiated BPA again to begin moving the approval process forward.

John requested that an update be provided once staff has made that contact.

Larry Pelatt requested that consideration be given to moving the January Board of Directors meeting from Monday, January 10, 2011, to Tuesday, January 11, 2011.

- ✓ Doug Menke, General Manager, noted that this item is on his General Manager's Report later in the agenda.

Bob Scott commented that he attended the Old Wagon Trail dedication ceremony on November 6, 2010, and was impressed by the new trail, which is a great improvement over the old trail, especially during the rainy months of the year.

Joe Blowers described an encounter with a patron using a mountain bike on a trail at the Jenkins Estate. The trail is paved up to a certain point, and then transitions to a dirt path. He questioned whether the bicyclist should have been on the dirt portion of the trail and whether signage is needed in order to clear up any confusion.

- ✓ Lynda Myers, Center Supervisor for the Jenkins Estate, commented that the bicyclist should not have been using the dirt portion of the trail and that perhaps signage is needed to clear up any potential confusion.

Joe agreed that signage could be helpful. He noted that the trail is quite rutted, indicating frequent use by bicycles.

Joe asked whether any progress had been made regarding his request for the Park District to explore hosting an event similar to Portland's Sunday Parkways. He described a large event that takes place in Colombia with a similar car-free concept.

- ✓ Bruce Barbarasch, Superintendent of Natural Resources & Trails Management, provided an update on the progress thus far, which included speaking with the City of Portland regarding their program, exploring routes in the Beaverton area, and possible partners for the event.

President, Bill Kanable, stated that he had walked by Meadow Waye Park recently, which is under construction as a 2008 Bond Measure project, and is pleased with the progress. He expressed anticipation for the park being available for use by the public.

Agenda Item #7 – Consent Agenda

Larry Pelatt moved the Board of Directors approve Consent Agenda items (A) Minutes of November 1, 2010 Regular Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, (D) Resolution Appointing Trails Advisory Committee Member, (E) Intergovernmental Agreement with Washington County Relating to Coordination of Construction of Mid-Block Crossings for a Segment of the Rock Creek Trail and Widening of NW 185th Ave., and (F) Amended and Restated Intergovernmental Agreement with Beaverton School District for the Fanno Creek Trail. Joe Blowers seconded the motion. Roll call proceeded as follows:

Bob Scott	Yes
John Griffiths	Yes
Joe Blowers	Yes
Larry Pelatt	Yes
Bill Kanable	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #8 – Unfinished Business

A. Rock Creek Trail Segment 5 Master Plan

Doug Menke, General Manager, introduced Gery Keck, Bond Planning Manager, Patty Freeman, Park Planner, and Tim Clemen, Project Manager with Walker Macy, the project consultant, to provide an overview of proposed master plan for Segment 5 of the Rock Creek Trail.

Gery noted that Segment 5 of the Rock Creek Trail Master Plan was initially presented to the Board of Directors, along with two other trail segments, at their September 13, 2010 Regular Board meeting. During the meeting, public testimony was received regarding the proposed location of the trail in proximity to several residences. The Board directed staff to further explore trail design options and to meet with Clean Water Services (CWS) to discuss potential trail locations in more detail. The design team discussed two new alignment options with CWS and with the public at an open house that was held on November 18, 2010. Gery noted that Option 2 is staff's new recommendation as it is the most cost-effective option at \$10,000 less than the original presented alignment, offers a significant compromise to the neighbors from the original alignment presented, and CWS has indicated that it would qualify as an allowed use.

Tim provided a detailed overview of all three alignment options via a PowerPoint presentation of the site plans included within the Board of Directors information packet. Option 1, initially presented at the September Board Meeting, would be located within 5' of five neighboring properties. Option 2 proposes to locate the trail 17' from the property lines and 3' below the grade at the property lines. Option 3 proposes to locate the trail on the lower flat grade, close to the top of the stream bank, completely within the CWS vegetated corridor. Staff reviewed the two new options with CWS and determined that Option 3 would be costly to build, both from the standpoint of hard

construction costs and regulatory requirements, if it is even approvable, and would thoroughly change the character of the corridor with vegetation removal, extensive retaining walls and guard rails.

Patty described the different requirements by CWS based on each alignment, noting that CWS indicated that Option 2 would most likely qualify as an allowed use, avoiding a Tier 2 Alternatives Analysis review and minimizing mitigation costs, while Option 3 would likely require such an analysis and mitigation work. In addition, the Alternatives Analysis would likely indicate that a more viable trail alignment exists (Option 2) and the District would then have to demonstrate a community benefit in terms of water quality in constructing Option 3 versus Option 2.

Patty commented that the public testimony received on this topic has been placed at the Board's chairs this evening. Copies were also entered into the record. Patty noted that while many neighbors are now satisfied with the District's efforts and proposal of Option 2, some have expressed support for Option 3. Patty described how Option 3 contains a significant grade change and would cost \$150,000 more than Option 2.

- ✓ Larry Pelatt asked what the grade would be for Option 3.

Patty replied that it would meet the District's maximum grade standard of 10%.

Patty noted that the unofficial trail that currently exists along the route of proposed Option 3 is narrow and secluded and that the aesthetics of the trail would be greatly changed if brought up to District standards. In addition, the combined project budget, which includes the two trail segments approved at the September Regular Board meeting, is currently as much as \$200,000 over budget, although staff is hopeful that this number could be reduced once the designs have been finalized and construction bids are received. Staff's recommendation of Option 2 is an attempt to compromise with the neighbors in terms of the trail proximity to property lines, the project budget, and also by retaining the character of the existing vegetated corridor.

President, Bill Kanable, asked whether Option 2 would include vegetated screening measures.

- ✓ Gery replied that vegetated screening would most likely be required by CWS and provided a brief overview using the site plan included within the Board of Directors information packet.
- ✓ Tim noted that consideration would need to be given to the gas line that runs through the area when determining plantings placement.

Bill and Larry discussed the types of vegetation that could be provided along the trail that would provide some screening, but would not be overly invasive or completely block the residents' current views.

Larry asked whether Option 2 would bring the project back within budget.

- ✓ Patty replied that it would get the project closer to, but not within, budget.
- ✓ Doug reiterated that the budget issues are not solely due to this particular segment, but all three segments that have been combined within one project.

Larry asked for confirmation that if Option 3 was submitted to CWS, CWS would ask for proof as to why that alignment so close to the vegetated corridor is the only option.

- ✓ Patty confirmed this, noting that CWS would require an Alternatives Analysis, which would clearly show that there is another viable option that causes less impact to the vegetated corridor.

Larry asked for confirmation that the likelihood is that CWS would not approve Option 3.

- ✓ Patty confirmed this.

Joe Blowers commented that it would be hard to prove to CWS that a 14-foot wide, 10% grade bike path leading down into a stream is going to result in water quality improvement.

- ✓ Patty noted that staff attempted to get a definitive answer from CWS, but CWS would only restate the sections of the code that they felt were applicable.

Bob Scott asked for confirmation that CWS did offer a good indication that Option 2 was a viable option.

- ✓ Patty confirmed this.

Larry commented that it is important to keep in mind that the District is not the only agency involved in this process. In fact, the District does not hold any regulatory power in this situation; CWS does and, as such, will make the final determination.

President, Bill Kanable, opened the floor for public comment.

Tom Hjort, 15715 SW Division, Beaverton, is before the Board of Directors this evening as a member of the Trails Advisory Committee. Tom expressed support for Option 2 of the Rock Creek Trail Segment 5 Master Plan, noting that staff has made a strong effort in order to address the concerns of the Board and neighbors. It is a much needed trail segment and he strongly supports its construction.

Joe Barcott, 715 SW Viewmont Drive, Portland, is before the Board of Directors this evening as a member of the Trails Advisory Committee. Joe expressed support for Option 2 of the Rock Creek Trail Segment 5 Master Plan, noting that staff has thoroughly reexamined and researched the trail alignment options in this area and has either minimized or eliminated concerns of the neighbors. Option 2 is by far the best possible alignment being proposed, as well as the least costly and offers a compromise with the neighbors.

Dr. Paul Schipper, 15191 NW Vance Drive, Portland, is before the Board of Directors this evening as a property owner adjacent to the proposed trail. Paul expressed support for Option 3 of the Rock Creek Trail Segment 5 Master Plan, noting that this alignment follows the current trail, is aesthetically pleasing, and seems like the most logical and pleasing route. It also solves the various issues with the neighbors short of not building the trail at all, which he does not think is an option. He believes that building the best trail possible should be the goal, and if the Board were to look 30 years into the future, he believes that would be Option 3. He and a few other residents visited CWS and found them to be reasonable. CWS staff stated that they would be willing to consider Option 3 and he asks that the Board not base their decision on conjecture. However, if Option 2 is selected, he asks that it be altered in order to preserve the open space for neighborhood use and that the District provide vegetative screening. In addition, he asks that the District leave the existing trail as is and not remove it, such as what was described at the most recent neighborhood meeting.

Andrea Crowe, 15093 NW Vance Drive, Portland, is before the Board of Directors this evening as a property owner adjacent to the proposed trail. Andrea expressed support for Option 3 of the Rock Creek Trail Segment 5 Master Plan, noting that she would like the Board to direct District staff to work with CWS in implementing this option. She read from an email CWS sent to District staff stating that the District is asking CWS to make a recommendation based on an incomplete application and that CWS does not have enough information to make a final decision. In addition, the email indicates that Option 2 would trigger a Tier 1 Analysis anyway and a Tier 2 Analysis would have a 15-day turnaround. She expressed concern with staff being seemingly unaware of significant elements of the site, such as the gas line, powerlines and drainage issues.

- ✓ President, Bill Kanable, noted that staff was aware of the gas line, but was not aware of all of the requirements around the gas line. A lot of this type of information is discovered during the planning process as the project progresses. And when something significant changes within a master plan, staff has to return to the Board. He stated that while he is not opposed to having staff ask CWS for more insight regarding Option 3, the statement in the email that CWS does not have enough information to make a final decision is not necessarily saying that they would approve it. He commented that he has to trust that District staff is attempting to do the best thing for the overall community.

Andrea noted that if the Board approves Option 2 this evening, the decision is final. She is only asking that the Board continue to explore Option 3 as well.

Elizabeth Caswell, 15191 NW Vance Drive, Portland, is before the Board of Directors this evening as a property owner adjacent to the proposed trail. Elizabeth expressed support for Option 3 of the Rock Creek Trail Segment 5 Master Plan, noting that she and a few other residents held their own meeting with CWS on this matter in order to hear from them directly. She read from an email from Damon Reische, Development Services Supervisor with CWS, that "it is impossible and unfair for District staff to make a determination as to whether an alternative with greater encroachments could be approved." A copy of the email was submitted into the record. She asks that the Board direct staff to submit a completed application to CWS for Option 3. She believes this is still too much of a work in progress to be approved this evening by the Board. She supports Option 3 because it is the original trail and a much nicer alignment.

President, Bill Kanable, asked whether it is standard practice not to submit a completed application as the District is going through the design process.

- ✓ Patty confirmed that the District has not yet submitted an application to CWS. Staff asked CWS if they would be willing to give a reading on a trail alignment that causes greater impact. They replied that they would not be willing to give a reading on it until they had a complete application. However, they did quote the code that clearly indicated that in order to justify greater impacts, a Tier 2 Alternatives Analysis would be required, which would show that there is a viable alternative available that causes less impact.
- ✓ Gery replied that standard procedure is for a master plan to be approved by the Board prior to seeking permits from other agencies.

Discussion occurred between President, Bill Kanable, and the three audience members in support of Option 3 regarding what documents were taken to their meeting with CWS

and the standard procedures of getting an informal opinion from an agency prior to submitting a completed application.

- ✓ Doug Menke, General Manager, pointed out that although CWS would not give a yes or no answer without a finite application in front of them, the code does not change.

Larry asked whether the existing trail would be removed if the Board chooses Option 2.

- ✓ Doug replied that there are no plans to remove the trail and that it is not within the Park District's jurisdiction to do so.

Larry asked for confirmation that the existing trail would be left alone, short of some regulatory reason for its removal.

- ✓ Patty confirmed that is her understanding.

Joe noted that it is not unusual for a less developed trail to run parallel to a formal trail. He noted that taking the trail out may do more damage to the vegetation than just letting the vegetation grow in.

Karen Frost, 12725 SW Millikan Way #300, Beaverton, is before the Board of Directors this evening as the Executive Director of the Westside Transportation Alliance (WTA). Karen expressed support for Option 2 of the Rock Creek Trail Segment 5 Master Plan, noting that WTA works with businesses in Washington County to help reduce car trips for their employees. WTA is delighted that the District is completing the trail system because one of the ways to reduce auto trips is by making sure there are safe places for people to walk and bike. She noted that when WTA staff speak to employees in the area, they promote the trails within Washington County and are delighted to provide the THPRD trails map. She listed other trail projects WTA has supported in the past, noting that neighbors near the trails often become the biggest fans of the trails.

Wendy Kroger, 12030 SW Settler Way, Beaverton, is before the Board of Directors this evening as Chair of the Trails Advisory Committee. Wendy expressed support for Option 2 of the Rock Creek Trail Segment 5 Master Plan, noting that this is a regional trail with a lot of connections and it is critical that this segment be built. She listed three negative impacts if the Board does not move forward on Option 2 this evening: environmental, construction delay, and additional costs. In addition, timing is critical. If the Board does not move ahead this evening, it could result in a full year's delay in moving ahead not only on this segment, but the other two trail segments that are tied to this project as well. She does not see how any analysis would not end up with Option 2 as the preferred option, so she urges the Board to adopt Option 2 this evening and approve the Master Plan so that staff can continue to move forward in getting these critical trail segments completed.

Jim Parsons, 12270 SW Center Street #33, Beaverton, is before the Board of Directors this evening as a member of the Trails Advisory Committee. Jim expressed support for Option 2 of the Rock Creek Trail Segment 5 Master Plan, noting that he is happy to hear that the existing trail would not be removed. He described how construction of Option 3 would negatively alter the character of the current trail. He noted that the District needs to get these trail segments built while the momentum and funds are available and agrees with prior testimony that if the Board waits on making a decision, the entire project might be stalled and cost even more. In addition, one of the

environmental impacts that has not been mentioned is that if the project is delayed, the people who would be using the trail as a commuter route would then be stuck in their cars for another year.

Hearing no additional testimony, President, Bill Kanable, stated that he would entertain a motion, followed by additional Board discussion.

Bob Scott moved the Board of Directors approve the Rock Creek Trail Segment 5 Master Plan Option 2 as recommended by staff. Joe Blowers seconded the motion.

Board discussion followed:

Joe Blowers expressed concern with the 10% grade as well as the environmental impacts that would be a result of Option 3. It would be hard to control runoff into the stream and he is concerned with the safety aspects of such a steep grade. He lives near a bike path with a 10% grade and even though it is a straight path, it can be dangerous at nighttime due to the speeds that a bicyclist can attain with a 10% grade. And when taking into consideration that this trail would run alongside a stream and at the bottom of the grade there is a curve, lighting may be required due to safety concerns which would further detract from the character of the current path. He does not feel that the benefits outweigh the costs in this case. In addition, he is concerned that if this project is not sent out to bid soon, it may result in a winter construction. For those reasons, he would like to see the current motion approved. He feels that the District has done the best job it can in compromising between the various concerns of preserving the open space, staying away from the neighbors' property lines, as well as providing them some measure of privacy. And he believes there are other constituents the Board is not hearing from as much this evening that would be opposed to tearing out the riparian corridor in order to construct a trail.

Bob Scott expressed agreement with Joe's comments regarding the 10% grade with Option 3, as well as concern for the cost increase for that option. He believes that if the District were to submit Option 3 to CWS that CWS would most likely defer to Option 2 and he does not want to delay the entire project in order to find that out. The fact that the current trail will remain is an added bonus. Having walked that trail before, he thinks it will be a benefit to the project if it remains and the District constructs Option 2.

Larry Pelatt stated that although he does not have a lot of experience working with CWS, he does work closely with the Bureau of Environmental Services through his job with the City of Portland and when they reiterate code, they are giving the maximum legal answer they can give. And, truthfully, it never changes once the application has been submitted, which has cost funds and staff time to prepare. They always go back to the code. In addition, when the Board did not approve this segment the first time it was presented in September, the Board directed staff to do everything they could to minimize the impact to the effected neighbors who testified, and he believes staff did that and that the District should now move forward.

John Griffiths expressed agreement with the other Board members' comments. In addition, he stated that whether or not CWS would approve Option 3 does not matter to him. The question in his mind is whether he would approve putting a trail that close to a stream and he would not. Therefore, he supports Option 2.

President, Bill Kanable, described a past District trail project that, due to site limitations, the route was somewhat invasive. He noted that the District did the best it could to make the route work because there were no other options. However, in this situation, there are clearly other options without disturbing a natural resource. Bill expressed that while his main experiences lie in sports, he has had to learn other aspects of the District, such as trails and natural resources. And he cannot in clear conscious put a trail within a stream corridor. Therefore, he will support Option 2.

Roll call proceeded as follows:

Larry Pelatt	Yes
John Griffiths	Yes
Joe Blowers	Yes
Bob Scott	Yes
Bill Kanable	Yes

The motion was UNANIMOUSLY APPROVED.

B. FY 2010-11 Park District Goals & Objectives

Doug Menke, General Manager, noted that included within the Board of Directors information packet is a status report outlining the accomplishments to date toward meeting the Action Steps assigned by the Board to the Objectives and Goals identified within the Park District's Comprehensive Plan, and offered to answer any questions the Board may have.

Bob Scott referenced Goal 4, Action Step 1: "Consistent with the intent of the bond measure commitments, work with appropriate agencies (including Metro Open Spaces), environmental advocacy groups and others to identify and acquire natural areas based on criteria provided in the Park District Natural Resource Management Plan and as refined by natural resource staff." He noted that only one site is listed in the update and asked whether there is additional information for this action step.

- ✓ Bruce Barbarasch, Superintendent of Natural Resources & Trails Management, replied that there are several smaller projects at various levels being worked on with partners, including with land acquisitions, which is more sensitive information.
- ✓ Jim McElhinny, Director of Park & Recreation Services, noted that the District is also working with the Bureau of Environmental Services, the City of Beaverton, and Washington County at a number of different sites around the District.

C. General Manager's Report

Doug Menke, General Manager, provided a detailed overview of the General Manager's Report included within the Board of Directors information packet, which included the following topics:

- Business Plan Development Teams
- Naming & Sponsorship Policies
- Trails Grant Award
- Old Wagon Trail Dedication
- Board of Directors Meeting Schedule
 - It was the consensus of the Board of Directors to move the January Board of Directors meeting from Monday, January 10, 2011, to Tuesday, January 11, 2011.

Doug offered to answer any questions the Board may have regarding the General Manager's Report.

Joe Blowers referenced a previously stated goal of the Trails Advisory Committee of completing one trail. He asked how close the Park District is to accomplishing this goal.

- ✓ Doug Menke, General Manager, noted that staff would provide additional information to the Board, taking into account the trail projects that will be completed through the 2008 Bond Measure.

Agenda Item #9 – New Business

A. Resolution for System Development Charge Annual Coast Adjustment

Doug Menke, General Manager, introduced Steve Gulgren, Superintendent of Planning & Development, to provide an overview of the memo included within the Board of Directors information packet.

Steve noted that the recommended annual rate adjustment as prescribed by the District's adopted System Development Charge (SDC) methodology allows the SDC rates to keep up with inflationary increases to land and construction costs. However, due to the current economic landscape, the proposed rate adjustment for 2011 is an overall decrease, as it was for 2010 as well. Staff requests the Board adopt Resolution No. 2010-23 and the staff recommendation to decrease the SDC rates, and direct staff to take the appropriate steps to implement the rate adjustment for 2011. Steve noted that Don Ganer of FCS Group, the Park District's SDC consultant, is in attendance this evening to answer any questions the Board may have regarding the rate adjustment.

Larry Pelatt asked whether the Board is required to adopt the new rate.

- ✓ Don replied that the methodology states that the Board must only consider an annual adjustment. The Board does not necessarily have to change the rate.

Larry noted that this was his recollection as well. He is not arguing that the Board should not adjust the rate; only that it is not required to do so.

- ✓ Doug Menke, General Manager, cautioned that the District is currently at 100% of the allowable rate and that this is quite a variation from when the District started at 65% of the allowable rate. The District is following the market and the calculated number that is utilized is based on a formula within the methodology.

Joe Blowers stated that he believes reducing the rates is the approach that has the most integrity. He reflected that in the past, he argued to increase the rates to 100% when prices were going up, but now the District is potentially paying less for land and benefiting from construction firms needing jobs.

- ✓ Bob Scott expressed agreement with Joe's comments, noting that he also believes reducing the rates is the right thing to do.

John Griffiths asked whether the District made up the difference for all of the years it was at 65% of the allowable rate when it increased the rate to 100%.

- ✓ Larry replied no.
- ✓ Doug replied that every year the District was at 65%, it was 35% under what could have been collected and that has not been recouped. And, unfortunately, during the years with that differential, there was a lot of development.

John stated that he supports keeping integrity in the process by decreasing the rate.

President, Bill Kanable, stated that he would entertain a motion.

Joe Blowers moved that the Board of Directors adopt Resolution No. 2010-23 for the System Development Charge annual cost adjustment and direct staff to coordinate with Washington County and the City of Beaverton to implement the adjusted fees effective January 1, 2011. Larry Pelatt seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Larry Pelatt	Yes
Joe Blowers	Yes
Bill Kanable	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #10 – Adjourn

There being no further business, the meeting was adjourned at 9:15 p.m.

Bill Kanable, President

Bob Scott, Secretary

Recording Secretary,
Jessica Collins