



**BOARD OF DIRECTORS
[REMOTE] SPECIAL MEETING MINUTES – 1:00 P.M.
SEPTEMBER 10, 2020**

Board of Directors – Members Present via Zoom:

Kevin Williams	President
Paul Gornick	Secretary/Vice President
Mark Knudson	Treasurer
Susan Keil	Director
Ginny Van Loo	Director

Oak Lodge Water Services Staff – Present via Zoom:

Sarah Jo Chaplen	General Manager
Gail Stevens	Finance Director
Aleah Binkowski-Burk	Human Resources/Payroll Manager
David Mendenhall	Plant Operations Manager
Laural Casey	District Recorder
Lara Christensen	Water Quality Coordinator

Consultants & Presenters – Present via Zoom:

Laura Westmeyer	Cable Huston, LLP
Libby Barg Bakke	Barney & Worth
Aubrie Koenig	Barney & Worth
Pat McCormick	AM:PM PR
Rob Moody	Merina + Company

1. Call to Order & Meeting Facilitation Protocols

President Williams called the meeting to order at 1:00 p.m.

General Manager Chaplen welcomed everyone and asked District Recorder Casey to facilitate a roll call. District Recorder Casey facilitated the roll call of Board members, staff, and consultants.

General Manager Chaplen introduced guest Sherry French, President of the Clackamas River Water Board of Commissioners, visiting in an official capacity

General Manager Chaplen overviewed the general protocols of a virtual meeting due to the COVID-19 pandemic.

2. Call for Public Comment

President Williams asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were none.

President Williams asked District Recorder Casey if there were any members of the public in

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attendance. District Recorder Casey stated there were none.

3. Community Briefing Materials and Communications Workshop

Consultant Barg Bakke detailed the workshop agenda and the purpose of the PowerPoint presentation. Consultant McCormick introduced himself and his role in providing materials for the District's communication plan. He overviewed the District's demographics.

Secretary/Vice President Gornick asked if the District's lower education level demographic could present a challenge when communicating with customers about complex financial issues. Consultant McCormick stated lower education level would not present a significant challenge but would be something to consider when communicating and creating materials.

President Williams expressed surprise regarding the District being home to more renters than the County's demographic. Consultant McCormick believed the residents of Willamette View and Rose Villa may have skewed the data towards apartment dwellers. Director Keil expressed interest in knowing where mobile homes were included in the demographics. Treasurer Knudson explained that the County's data may also be skewed by communities like Happy Valley comprised largely by single family homes. Director Van Loo asked if the data was compiled using just the Oak Lodge community or if it was reflective of the entire District. Consultant McCormick confirmed the data was compiled using the District's boundaries.

Consultant McCormick overviewed the generational differences related to the mediums in which the public receives news and current trends in how news is accessed. Director Van Loo observed the data reflected the larger Portland area and asked how it affected the District's twenty-seven thousand customers. Consultant McCormick explained the District is part of the Portland area, but a very small fraction of it. He stated the Portland data should be analyzed and used only as a general guide for the District.

Consultant McCormick continued to outline other trends affecting the state of current news media and explained how the District could use the data to develop a communications strategy.

Director Keil stated it was hard to believe that the public getting their news from social media would want news or information from the District. Consultant McCormick explained that developing a connection with the community through social media is just one way the District could reach the public. Consultant Barg Bakke added the importance for the public to understand what their role is in the District's services and how social media algorithms could aid in connecting interested parties with the District.

Consultant McCormick discussed the mechanics of building a communications plan by building the organization's priorities, situation analysis, messaging, identifying audiences, and outline strategies.

General Manager Chaplen asked if the high retirement age and increasing home values in the District indicated a trend that would result in an influx of younger and higher-educated residents in the District. Consultant McCormick confirmed the validity of the statement reflected the data.

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Secretary/Vice President Gornick commented on the striking slide regarding age demographics in the United States, particularly the population of Generation Z. Consultant McCormick agreed and highlighted the fact that people from the younger generations are driving communication technology changes.

Plant Operations Manager Mendenhall asked what geographical areas the Portland media market consisted of. Consultant McCormick stated the market was comprised of parts of southwest Washington, the Tri-County area, and parts of Yamhill and Marion Counties. He reiterated the data of the predominance of newsrooms being on the east coast.

Treasurer Knudson stated the COVID-19 pandemic may only further accelerate and perpetuate the limiting of the media's direct access and local interviews. Consultant McCormick highlighted the book Ghosting the News, which explores those views in depth. Water Quality Coordinator Christensen explained the District's area is unique due to the communication coalitions like Pamplin Media and Oregon Public Broadcasting who are focused on local communities. She stated the District is fortunate to have a strong relationship with the Clackamas Review as well. Director Keil understood the need to publish "feel good" messages about pollution prevention or other District work but believed the more important messaging was on how the District was spending the customer's money. Directors Keil and Van Loo discussed the importance of staying on message and what types of messages were important for District customers to receive.

Consultant Barg Bakke overviewed the sample PowerPoint and addressed the written comments received from various Board members.

Financial Consultant Moody mentioned advertising the District's decision to temporarily suspend water shut offs may not be the best business decision. Treasurer Knudson agreed and offered a refinement of the message. Director Keil thought the slide might not be in the correct place and could be saved for the Q&A section. General Manager Chaplen explained the balancing of water provider messaging and what is enough for the District. Director Van Loo suggested a new order to the bullet points on the page. Consultant Barg Bakke agreed to make the changes discussed.

Consultant Barg Bakke continued her presentation highlighting the PowerPoint slide regarding District partnerships. Director Van Loo asked for Rex Putnum High School's name to be added to the list of partnerships the District maintains. Treasurer Knudson added the Regional Coalition for Clean Rivers and Streams. Director Keil asked if the public would care about the District's partnerships. Consultant Barg Bakke explained the versatility of the PowerPoint and the ability to modify it as needed. Treasurer Knudson noted the approach to present the slide in a way to highlight the strengths the partnerships afford the District and the consistency in messaging.

Consultant Barg Bakke discussed the messaging regarding the reliability of District services.

Director Van Loo asked for clarification of the message about the Water Master Plan as many people would not know the importance of the plan being approved.

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Director Van Loo, Consultant Barg Bakke, and General Manager Chaplen discussed reframing the water audit message to include cost savings language.

Director Van Loo thought adding the fact the District was required to make seismic improvements for the reservoirs was important to note given that it did cost the District money. Director Keil discussed prioritization and identification of deficiencies. Treasurer Knudson noted the messaging should focus on the benefits or outcomes of the improvements. Director Van Loo noted the similar need to focus on the benefits or outcomes regarding leaking water pipes. President Williams agreed and reframed the bullet point to highlight the District's leak detection program and make the emphasis related to asset management.

Consultant Barg Bakke overviewed the slides pertaining to the District's "hot topics," explaining that the PowerPoint could be updated to include new information as future master plans were adopted.

Director Van Loo commented on the Surface Water Management slide that stated additional services would require more resources. She specifically asked when the resources would be needed. General Manager Chaplen stated she had received concerned messages from the public worried about quantity of services, not just quality. She noted that additional resources would be determined by the level of services the public requested. Director Keil noted the importance of highlighting the conversations the District is having with customers, so it is known that the public is driving the District's decision making. Treasurer Knudson asked if this is the slide to discuss the relationship between the County and the District regarding stormwater responsibilities. There was discussion on how to have conversations with the public about the cost of requested services. Consultant Barg Bakke stated she could supply an informational graphic that could help the conversations as well. There was further discussion related to explaining the shared responsibility of stormwater with the County.

Consultant Barg Bakke presented the slide highlighting operational efficiencies due to the District consolidation.

Director Keil asked what "identify lead for asset management" meant. Consultant Barg Bakke described the lead as the person in charge of the program. Director Keil stated the line should be removed from the slide and focus on the consolidation of the asset management systems. Secretary/Vice President Gornick offered *developed a more robust asset management system* as a reframe of the idea.

Director Keil stated the building consolidation and development was not on hold because of COVID-19, noting it was because the District does not have the money. Consultant Barg Bakke asked if a separate slide about building consolidation would be preferable. Treasurer Knudson confirmed the topic would be better served with a separate slide and to focus on the District's efforts to find efficient and affordable solutions. There was discussion about the urgent infrastructure issues that were identified as more of a priority than building consolidation, which has put the project on hold. Director Van Loo and President Williams noted the presence of staff in both buildings and the inability to sell the buildings while they are in use. Director Keil stated the original building consolidation estimates were vastly understated. President Williams

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agreed.

Consultant Barg Bakke moved on to the next slide regarding rate increases. Director Van Loo stated the messaging was never that there would not be rate increases after consolidation, but that consolidation would save money. Director Keil noted that the message was rates would be less due to cost savings. Secretary/Vice President Gornick offered to replace the word *steady* with *smaller*. General Manager Chaplen stated the amount of yearly rate increase is not known. Director Van Loo proposed taking the line out altogether. President Williams asked if the other Board members remembered the historical rate increase projections of twenty percent a year stating the rate increases since consolidation have not been that high. Director Keil noted the high sensitivity to rate increases due to the demographics of the District. General Manager Chaplen noted the difference between rate increases and rate spikes stating there needs to be customer education regarding the District's aging infrastructure and the inevitability that service rates will continue to increase. She also highlighted the public comments given during the last budget adoption process were from a self-selected group of people and not necessarily a representation of the entire District's customers. Consultant Barg Bakke and Director Keil discussed reframing the question and focusing on cost drivers like new regulations and increased costs for materials and services. Director Keil added that using the term *employee benefits* is better than *providing medical and retirement benefits*. She also thought that the fact that the District is taking care of problems not addressed previously needed to be interwoven into the PowerPoint because if the problems did not need to be fixed now, the costs would be lower.

Consultant Barg Bakke overviewed the slide regarding the process of the District becoming an authority. President Williams wanted to make clear that the process for becoming an authority was not driven by the District and needed to come from the community. Consultant Barg Bakke asked if the community could advocate for becoming an authority even if the District did not want to become an authority. President Williams and Director Van Loo stated it was probable. Director Keil stated the Board was able to educate the public on the process and the fact that the cost of service would be the same for an authority as a district. we are out in the community to raise this issue to give pros and cons. There was discussion regarding the cost of service and the status of the process to become an authority. Director Van Loo suggested to remove the slide from the current presentation and create an entire presentation on becoming an authority. Director Keil stated the slide could remain in the presentation and a separate presentation on the issue could still be created. Director Keil asked for clarification on when the District may engage in public discourse regarding becoming an authority. General Manager Chaplen stated District legal counsel would need to review the slide and give a legal guidance on how the District was able to proceed. Treasurer Knudson asked for District legal counsel to review the forthcoming standalone presentation on the issue.

Consultant Barg Bakke and General Manager Chaplen discussed the creation of a general customer service address to include on the last slide of the presentation. Consultant Barg Bakke thanked the Board for their input and discussed next steps.

4. Consideration of Personal Services Contract for a Utility Rate Study

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Consultant Moody summarized the proposed resolution and the purpose of a comprehensive rate study. He outlined the scope, costs, and timeline of the study.

Director Keil asked what the urgency was to complete a rate study. Consultant Moody answered and General Manager Chaplen clarified the rate study would provide a consolidated approach to the financial forecasting model used in the upcoming budget season. General Manager Chaplen explained the rate study to be the next step in consolidating the District as has been done with asset management and master plans. Director Keil stated the rate study felt out of sync with the District's trajectory given the uncompleted Sanitary Master Plan and the unknown conditions of the water system. Director Van Loo agreed and was not pleased with the increase in cost of conducting the study. Consultant Moody explained he was at fault for the perceived increase and that the placeholder of fifty thousand dollars was just a best guess when creating the budget.

Director Van Loo noted the scope of the study was not consistent when referring to the District's services. General Manager Chaplen clarified the difference between service levels and the service rates. She explained the best practice for a rate study to inform the budget and confirmed the Board's consensus that the issue was whether now was the correct time to conduct a rate study.

Director Keil asked if this was the number one priority for the District. General Manager Chaplen explained the importance of the rate study. She stated a one-year delay would be acceptable, but that a five-year delay while the District's stormwater program is established would be too long. President Williams emphasized the District's need for a long-term plan using the best information possible to inform long-term rate planning. Director Keil stated the study would need real data, which the District does not yet have. Treasurer Knudson outlined the fundamental problem of good input and the inability to have a clear picture of rates without a completed rate study. He emphasized the rate study as a tool and suggested moving forward while understanding the limitations.

Treasurer Knudson stated his unease with sole sourcing the project to Galardi Rothstein. Director Keil agreed. Treasurer Knudson stated the process should be transparent and the District should be clear on the scope and deliverables when soliciting proposals.

General Manager Chaplen outlined the Board's input regarding delaying the rate study and conducting a selection process of candidates. President Williams noted preference to wait a year to conduct a rate study at which time a selection process could be performed. Director Keil clarified that if the product of the rate study was only the model and would not be used to inform the budget process, that the study could be delayed. President Williams stated delaying the study should not constrain the upcoming budget/rate process. Treasurer Knudson agreed to delay the rate study stating preference to conduct a selection process for the consultant. General Manager Chaplen restated her commitment to iterative improvement of the financial forecasting model. Secretary/Vice President Gornick stated his concern with sole sourcing and agreed to table the rate study.

5. Public Records Policy Workshop

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District Recorder Casey overviewed the proposed Public Records Policy highlighting the type of records included in the policy and associated fees.

Secretary/Vice President Gornick asked if the policy was model language from the State or the Special Districts Association of Oregon. District Recorder Casey stated it was a blend of samples from cities and special districts in the area and had been carefully edited by District legal counsel Westmeyer.

Director Van Loo asked how the fees were determined. District Recorder Casey detailed her research of fees used by local special districts and the Cities of Milwaukie, Gladstone, and Oregon City.

Director Keil clarified the type of records included in the policy and subject to fees. District Recorder Casey explained the type of records mandated by state law to be provided to the public and the situations in which the public would be asked to pay fees. General Manager Chaplen explained the type of public records requests that have been received by the District. District legal counsel Westmeyer explained District Recorder Casey's discretionary decision to include thirty minutes of complimentary research time for every public records request in the proposed policy, noting the District's legal right to charge fees for every minute spent.

Treasurer Knudson and Secretary/Vice President Gornick approved of the policy.

6. Call for Public Comment

President Williams asked District Recorder Casey if there were any members of the public still in attendance. District Recorder Casey confirmed there were none.

7. Adjourn Meeting

President Williams adjourned the meeting at 4:01 p.m.

Respectfully submitted,

DocuSigned by:
Kevin Williams
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Kevin Williams
President, Board of Directors

Date: 10/22/2020

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Paul Gornick
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Paul Gornick
Secretary/Vice President, Board of Directors

Date: 10/21/2020