



**BOARD OF DIRECTORS
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.
JULY 21, 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
Jason Rice	District Engineer
Aleah Binkowski-Burk	Human Resources and Payroll Manager
David Mendenhall	Plant Operations Manager
Todd Knapp	Field Operations Manager
Gail Stevens	Finance Director
Brad Lyon	Field Operations Supervisor
Laural Casey	District Recorder
Haakon Ogbeide	Water Services Engineer

Consultants & Presenters – Present via Zoom:

Rob Moody	Merina & Company, LLP
Tommy Brooks	Cable Huston, LLP
Scott Duren	Water Systems Consulting, Inc.
Kimberly Swan	Clackamas River Water Providers
Christine Hollenbeck	Clackamas River Water Providers

1. Call to Order & Meeting Facilitation Protocols

President Williams called the meeting to order at 6:03 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 extended a special welcome to Gail Stevens, the District's new Finance Director, joining the District for her very first regular meeting.

General Manager Chaplen introduced guests visiting in an official capacity: Chris Hawes, Chair of the Sunrise Water Authority Board of Commissioners, and Sherry French, President of the Clackamas River Water Board of Commissioners. She introduced consultant Scott Duren from Water Systems Consulting and Clackamas River Water Providers presenters, Kimberly Swan and Christine Hollenbeck.

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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 attendance. District Recorder Casey confirmed that there were two.

President Williams asked members of the public if any would like to provide testimony.

Lynn Fischer said hello and that he was just listening in.

Thelma Haggenmiller stated she was on the line and had no comment.

3. Consent Agenda

Director Keil asked if the State Grant Revenue on the General Ledger was related to COVID. Financial Consultant Moody confirmed. Director Keil asked why the District had not spend any of the funds. Financial Consultant Moody explained that they were reimbursement funds for COVID related expenditures.

Director Keil asked what the Advertising line in the Administrative and Finance fund covered. Financial Consultant Moody explained it was for Budget related publications.

Director Keil noted underspending in the Technical Services Materials and Services line, asking for staff to pay attention to previous year spending when formulating the next year's budget. Financial Consultant Moody explained that the Technical Services team was understaffed during the previous fiscal year resulting in underdevelopment of planned projects. He noted that the current fiscal year budget had been calculated correctly.

Director Keil noted the Wastewater Contracted Services line was severely overspent on. Financial Consultant Moody explained that the previous fiscal year's budget was artificially low, noting that staff had allocated expenses to the appropriate line instead of where they had been budgeted. Plant Operations Manager Mendenhall confirmed the adjustment to historical accounting of that line during the previous fiscal year.

Director Keil stated the District should do better with the Building and Grounds expenses. Financial Consultant Moody agreed and explained the report reflects an allocation to the correct fund regardless of where it was budgeted for.

Financial Consultant Moody highlighted the Emergency Customer Assistance Program (ECAP) payments reflected in the General Ledger. He noted the budget had not been identified for the line item, but the line had been created so that funds would not be categorized in Contracted Services.

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Plant Operations Manager Mendenhall stated HVAC expenses once categorized as Contracted Services were now in Buildings and Grounds, noting that not all expenses in that line were for landscaping.

Director Keil noted the high ending balance in the Drinking Water Capital Outlay. Financial Consultant Moody explained the budget reflected an anticipated purchase of land or construction of a new District building, which did not occur.

Secretary/Vice President Gornick noted the Drinking Water Capital Improvement Projects line was underspent. Financial Consultant Moody explained budgeting strategy to allow for maximum flexibility, noting the unspent funds roll into the next fiscal year's beginning balance. District Engineer stated there was exaggerated budgeting to allow the District flexibility when planning for a new building.

Treasurer Knudson asked for an explanation of what happens to delinquent time payment agreements. Secretary/Vice President Gornick asked for a comparison of delinquent accounts to last year's totals. Financial Consultant Moody stated the District was not tracking accounts in that way last year and that there is not a lot the District can do at this time regarding delinquent accounts. He noted accounts have been notified in writing and customers have been encouraged to contact the billing department to create an achievable agreement. Treasurer Knudson added that the District was not engaging in service shut offs. Financial Consultant Moody noted consequences for delinquent ECAP time payment agreements and staff's continued work on the ECAP program. General Manager Chaplen stated that staff would address shut offs with the Board when the time was right, but in the interim, staff may need to address individual unresponsive and delinquent customers with the Board. Treasurer Knudson stated that without shut offs, the District would most likely see underutilization of customer assistance programs.

Treasurer Knudson asked about the Bank Charges line in the General Ledger and whether there was an increase of credit card processing fees due to COVID in the recent months. Finance Director Stevens explained the increase was due to a large system development charge (SDC) made at the end of the fiscal year with high bank fees.

President Williams called for a motion. Treasurer Knudson moved to approve the Consent Agenda. Director Keil seconded.

Secretary/Vice President Gornick asked about the Sewer Pump Station 5 Rebuild project costs and if the remaining funds were anticipated to cover the construction portion of the project. Water Services Engineer Ogbeide explained the special issues related to the project that highlighted possible underbudgeting, including prioritizing the most difficult pump station and working on a very steep embankment.

Director Keil asked if the mobile generator could be used elsewhere. Water Services Engineer Ogbeide and Plant Operations Manager Mendenhall confirmed the generator's compatibility at Pump Stations 4, 5, and 6. Director Keil asked if the solution was just a better place to store the mobile generator. District Engineer Rice explained the generator was an eye-sore to the

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neighbors and staff's intent was to look into various options that would suit District needs while being a good neighbor. President Williams asked if there would be use for the mobile generator if a permanent generator was installed. Plant Operations Manager Mendenhall confirmed the generator's compatibility with all Pump Stations besides Pump Station 3 and the reason for the current full-time station at Pump Station 5.

President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

4. Presentation by Clackamas River Water Providers

General Manager Chaplen introduced presenters, Kimberly Swan and Christine Hollenbeck, from Clackamas River Water Providers (CRWP).

Ms. Swan overviewed the local agency conservation efforts made possible through partnership with CRWP. She detailed historical support of EcoBiz and Pollution Prevention Resource Center. Ms. Swan highlighted summer water supply and the geographical water use outlook in the coming months. She discussed fish flow targets and voluntary water curtailment.

Director Van Loo asked if there were fish being put in the river currently. Ms. Swan noted PGE's chart denoting what fish are in the river at any given point in time. Director Van Loo asked if there were any summer Steelhead in the river. Ms. Swan was unsure without further research. Secretary/Vice President Gornick accessed the chart and stated the peak for summer Steelhead being May through July.

Secretary/Vice President Gornick asked what caused the intraday rise and fall in river water levels. Ms. Swan guessed it could be caused by customer water use fluctuations based on time of day. Director Van Loo added the Willamette River tides could be a cause.

Ms. Swan concluded that while there has not been much discussion about water curtailment at the end of the summer, CRWP encourages wise water use year-round.

Ms. Hollenbeck overviewed water conservation tools available to District customers including rebate programs, landscape water audits, and the Fish on the Run campaign.

Director Van Loo asked if the Oregon Department of Fish and Wildlife's In-Water Work Window was still during August and September. Ms. Swan stated CRWP was not involved in fish restoration and mostly focused on water levels in the river during the fish run in September and October. General Manager Chaplen reiterated that if there is not enough water in the river for fish, the District would have to ask customers to use less water.

5. Unclaimed Property: Checks Policy Adoption

Financial Consultant Moody overviewed the policy reviewed during the previous meeting. He

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answered the question asked by Director Van Loo regarding if unclaimed funds were sent to the State, confirming that they were.

President Williams called for a motion. Director Van Loo moved to approve the Unclaimed Property: Checks Policy as presented. Secretary/Vice President Gornick seconded. President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

6. Water Master Plan Workshop

District Engineer Rice reviewed the input received for the Water Master Plan (WMP).

Director Keil asked if Treasurer Knudson's remarks had been integrated into the WMP and when the plan was due to the Oregon Health Authority (OHA). District Engineer Rice stated each remark had been addressed and all staff responses would be overviewed throughout the presentation.

District Engineer Rice discussed the WMP drafting process and how the necessary information was gathered. He answered Director Keil's question regarding a due date stating there is not one, only a need for OHA to approve the WMP when completed. Director Keil asked if it was reasonable to assume the WMP would be approved by January. District Engineer Rice explained that the approval process should not be much longer than a month.

District Engineer Rice overviewed the five-year review cycle of the WMP using new data about population, zoning changes, and other standards.

Consultant Duren summarized each chapter of the WMP. He highlighted important notes such as the District's reliance on one water source, right-sizing performance goals, and characterizing existing demand to project future demand. Consultant Duren noted the WMP calculations included non-revenue water, which the District has already implemented mitigation efforts for. Consultant Duren highlighted fire flow modeling, rehabilitation and replacement timelines, seismic analysis, water quality, and the Capital Improvement Program.

Secretary/Vice President Gornick asked if the density projection calculations were annual percentages. Consultant Duren replied the projection percentages were calculated over the life of the WMP.

Director Keil asked if age was the only factor in assessing the replacement of infrastructure. Consultant Duren noted the WMP only assessed infrastructure based on age, but overall, the District has multiple means by which the repair and replacement of infrastructure is assessed.

Consultant Duren overviewed the changes in SDCs since last presented to the Board and how the charges are calculated. Director Keil stated that if compared to income levels, the regional SDC costs would be disproportionate. Financial Consultant Moody asked if there was a breakdown between the SDC reimbursement costs and the growth component. Consultant

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Duren noted he did not have one, but that the calculations were about fifty-fifty. President Williams asked how the District could explain a ten-thousand-dollar SDC to customers unhappy with a two-thousand-dollar charge. Consultant Duren explained the proposed charge is the upper boundary of the District's ability and that the Board was able to set the charge at an appropriate amount after receiving all the information. General Manager Chaplen stated the SDCs were not only for customers, but also developers, noting the general public's opinion seemed to be for growth to pay for growth. Financial Consultant Moody stated the need for the Board to have a conversation with the rate consultant regarding this issue as the District decides what to do with rates. Treasurer Knudson cautioned the Board to not be sidetracked by an SDC conversation when discussing the role of the Water Master Plan.

Treasurer Knudson credited Consultant Duren and those working on the WMP. He noted concerns with the short period of population projections, but stated the plan was an effective starting point for an iterative process based on the annual budget and financial plan. Director Keil expressed concern about the financial plan, stating the plan should cover all three services and rank across all asset classes.

Director Van Loo supported the WMP and was in favor of an update every five years. President Williams agreed and was optimistic of the relationship between an iterative WMP process and long-term financial planning.

Director Keil asked how many of Treasurer Knudson's comments had been addressed. District Engineer Rice overviewed the different types of comments and confirmed every item had been addressed.

There was a discussion on the Oregon Health Authority (OHA) approval process and speculation of what items the reviewer would be looking for. Treasurer Knudson believed OHA would focus on the seismic updates.

Director Keil moved to approve staff to send the Draft Water Master Plan to OHA. Director Van Loo seconded.

President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

Secretary/Vice President Gornick asked to return to the Declaration of State of Emergency extension stating the Addendum did not have a date to be extended to. General Manager Chaplen noted staff's recommendation was for one month until the next Board meeting.

Treasurer Knudson moved to reconsider the Consent Agenda item and modify the extension date to August 18. Director Van Loo and Secretary/Vice President Gornick seconded.

President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye:

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President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

7. Departments Reports

- **Finance Report**

Financial Consultant Moody overviewed the Finance Department report highlighting a new Finance Director, the beginning of the fiscal year 2019-2020 financial audit, and staff efforts to verify meter data in the financial system. He gave an update on the billing verification process. Director Keil asked if there were any findings after assessing the commercial accounts. Financial Consultant Moody replied there was nothing remarkable found, noting an approximate discrepancy of twenty-five thousand dollars that has been corrected in the system.

Director Keil asked if the more complex meter testing had been started. Field Operations Supervisor Lyon stated four meters had been replaced and that the District's large volume customers using ten-inch meters would receive new meters with bypass technology so the meters could be easily tested in the future. General Manager Chaplen explained the meter testing program is still being developed, but efforts are being made to make the process more efficient. Field Operations Supervisor Lyon detailed bypass installation and vault updates as improvements in the system.

Financial Consultant Moody summarized the updated Corrective Action Plan matrix that has been shared with the financial auditors. General Manager Chaplen explained staff's ability to work on the corrective action items for only half of the year being audited but stated the current year will show much improvement. Director Keil stated there has been a lot of progress based on the Corrective Action Plan matrix and it was not a small accomplishment. Treasurer Knudson asked if there have been any personnel changes with the auditor's team. Financial Consultant Moody and General Manager Chaplen confirmed the same team members as the previous audit.

- **Plant Operations Report**

Plant Operations Manager Mendenhall thanked the Field Operations team for biosolid hauling support. He overviewed the monthly Plant Operations Report highlighting photos of work being done at the treatment plant and District rainfall compared to other local areas.

Director Keil asked if the District could resample within 24 hours of an exceedance. In response, Plant Operations Manager Mendenhall stated the permit is based on a monthly average, during which there may be single exceedances as there was during the last month.

- **Field Operations Report**

Field Operations Manager Knapp overviewed the year-end graphs included in his report. He

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detailed a water main break, leak detection efforts, new meter installations, and non-revenue water testing being conducted on old water meters. Field Operations Manager Knapp reported on work to redirect beaver activity in the waterways along the trolley trail, commending both the Water and Collections teams. He noted Backflow Program enrollment statistics and Director Keil mentioned the ease of the Backflow Program process.

- **Technical Services Report**

District Engineer Rice highlighted an MS4 draft permit, the final developments for the Boardman Wetland Complex, various completed sewer and water projects, and work on the Water Master Plan. He reported on staff member Lara Christensen's promotion to Water Quality Coordinator and the need to fill the Outreach Specialist position. District Engineer Rice overviewed meter performance and non-revenue water tracking. He noted an increase in development due to the School District's work on local schools and Rose Villa's project.

Secretary/Vice President Gornick asked for specifics related to the new Clackamas County pavement restoration standards. District Engineer Rice confirmed a request to have the County present the new paving standards to the Board. He provided a general overview of the standards and the issues that have been identified by the District, including additional project costs and communication between the District and the County. Secretary/Vice President Gornick noted the new standards do not take road condition into account. There was discussion on the difficulty of maintaining County standards within the District.

8. 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 that there was one.

President Williams asked members of the public if any would like to provide testimony.

There were none.

9. Business from the Board

President Williams reported on the June 27, 2020 North Clackamas County Water Commission meeting, highlighting no rate increase and no fiscal year true-up. He overviewed the Water Plant Operator Training Program being formed by the Southfork Water Board. Director Van Loo asked if the Board of Directors could send a letter of support. General Manager Chaplen stated she would collaborate with the Commission's General Manager to facilitate a letter of support. Human Resources Manager Binkowski-Burk asked how the training program would differ from the Clackamas Community College WET program. President Williams noted the program's focus would be on water plant operators versus wastewater plant operators.

President Williams reported on the Jennings Lodge Community Planning Organization meeting highlighting budget shortfalls, a petition for park services, records requests regarding HB 2001, a County Library Forum, and an Equity Resolution Petition.

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President Williams reported on the June 11, 2020 Clackamas River Water meeting, highlighting the use of County Corrections work crews to complete projects and an extension of the current labor agreement with a 2.6 percent wage increase.

Secretary/Vice President Gornick reported on the June 24, 2020 Sunrise Water Authority meeting, highlighting an end to the Authority's State of Emergency and the addition of employer paid PERS payments for staff.

Secretary/Vice President Gornick reported on the July 2, 2020 C4 meeting held as a substitute for the annual retreat. Agenda items prioritized for discussion were the I-205 widening and seismic upgrades, the Strategic Investment Fund, I-205 tolling, HB 2001, and the Get Moving 2020 measure.

Director Keil stated she did not attend the North Clackamas Chamber webinar but would like to use the Chamber's Public Policy Forum to present various issues the District is facing. General Manager Chaplen overviewed work with the District's communications consultants on the refinement of an overarching approach. She stated the consultants would like to meet with each Director to hear about the various experiences they are having with other entities. Directors Keil and Van Loo stated they would work on a presentation for the Forum. Director Van Loo thought the Emergency Customer Assistance Program was worth promoting. General Manager Chaplen offered staff support in the formulation of the presentation.

10. Adjourn Meeting

President Williams adjourned the meeting at 9:12 p.m.

Respectfully submitted,

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

8/20/2020
Date: _____

DocuSigned by:
Paul Gornick
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Paul Gornick
Secretary/Vice President, Board of Directors

8/20/2020
Date: _____