



**BOARD OF DIRECTORS  
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.  
December 15, 2020**

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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/Payroll Manager
Gail Stevens	Finance Director
David Mendenhall	Plant Operations Manager
Todd Knapp	Field Operations Manager
Brad Lyon	Field Operations Supervisor
Laural Casey	District Recorder
Alexa Morris	Outreach and Communications Specialist

Consultants & Presenters – Present via Zoom:

Laura Westmeyer	Cable Huston
Keith Simovic	Moss Adams
Laurel Stevens	Moss Adams

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**1. Call to Order & Meeting Facilitation Protocols**

President Williams called the meeting to order at 6:00 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 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. Retirement Celebration: Todd Knapp**

Field Operations Manager Todd Knapp was thanked for his thirty-seven years of service to the community. General Manager Chaplen spoke on his long tenure, valuable experience, and

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dedication to the community. President Williams presented him with service awards. Field Operations Supervisor Lyon, Valerie Knapp, and Director Keil recounted memories of working with Field Operations Manager Knapp. Treasurer Knudson thanked his family for their commitment and support. Field Operations Manager Knapp thanked the District and the Oak Lodge community.

### **3. Call for Public Comment**

President Williams asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were two letters that had been distributed to the Board.

President Williams asked District Recorder Casey if there were any members of the public in attendance. District Recorder Casey stated there was one.

Thelma Haggenmiller congratulated Field Operations Manager Knapp on his retirement.

### **4. Consent Agenda**

Secretary/Vice President Gornick asked for staff reports related to contracts to include whether the item had been budgeted and where to find it in the budget document.

Regarding the Insurance Renewal, Treasurer Knudson disclosed his professional relationship with the Special Districts Association of Oregon (SDAO), the parent organization of Special Districts Insurance Services (SDIS). Human Resources/Payroll Manager Binkowski-Burk reported she had received the insurance proposal and could present the numbers if requested.

Treasurer Knudson acknowledged staff for the successful cooperative procurement approach for SCADA services. There was discussion regarding economies of scale and Plant Operations Manager Mendenhall explained the rates.

Director Keil noted the Emergency Customer Assistance Program (ECAP) did not seem well utilized. Finance Director Stevens agreed but noted there had been more interest recently. There was discussion regarding the parameters of the program. Finance Director Stevens highlighted future communication outreach efforts. There was discussion regarding the rising number of delinquent accounts. Finance Director Stevens explained the anticipation of greater demand on the ECAP program as the District resumed normal operations and began expanding customer communication efforts.

Director Keil inquired about the General Ledger's special payment line. Finance Director Stevens confirmed a payment to the PERS side account in November.

Finance Director Stevens noted an edit to the Monthly Overview stating, "at the end of November expenditures were 26.33% of budget and, when excluding Contingencies, expenditures are 35.7% of budget with 41.7% of the fiscal year completed."

Director Van Loo asked why so many budget lines seemed above budget for the year. Finance Director Stevens explained some budget lines were paid early in the fiscal year and a perceived

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overage could be dependent on the timing of the expenditure. The presented report divided expenditures into equal twelve-month units while actual expenditures may occur in a different pattern. She noted some lines were indeed above budget due to COVID-19 improvements or new County requirements. Finance Director Stevens noted some lines would be corrected by a supplemental budget later in the fiscal year.

Secretary/Vice President Gornick moved to approve the Consent Agenda with Finance Director Stevens' correction to the Monthly Overview. Treasurer Knudson seconded. President Williams asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

**5. Consideration of 2021/2022 Budget Calendar**

Finance Director Stevens overviewed the proposed calendar.

There was discussion about starting the Budget Committee process earlier. Finance Director Stevens stated she would be open to evolving the process.

Treasurer Knudson moved to approve the proposed budget calendar for the 2021/2022 fiscal year budget and encouraged the General Manager to work with the Finance Director to look for opportunities to bring background information to the Board and Budget Committee and noted a scrivener's error noting that April 27 is a Tuesday. District Engineer Rice also noted the dates should be changed to 2021. Director Keil seconded. President Williams asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

MOTION CARRIED

**6. Appointment of 2021/2022 Budget Officer**

Finance Director Stevens overviewed the staff recommendation to appoint herself as the Budget Officer for the 2021/2022 fiscal year.

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

MOTION CARRIED

**7. Appointment of Budget Committee Members**

Finance Director Stevens overviewed the open positions on the Budget Committee and the recommended appointment of Ann-Marie Cordova and reappointment of Joseph Healy.

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Director Keil moved to appoint Ann-Marie Cordova to position number one and Joseph Healy to position number five for three-year terms ending June 30, 2023. Secretary/Vice President Gornick seconded. President Williams asked District Recorder Casey to conduct a roll call vote to approve the Consent Agenda. Voting Aye: President Williams; Secretary/Vice President Gornick; Treasurer Knudson; Directors Keil and Van Loo.

### MOTION CARRIED

Director Keil noted the Budget Committee alternate position was open. There was discussion regarding potential candidates.

General Manager Chaplen requested President Williams to sign a thank you letter on behalf of the Board to outgoing Budget Committee member John Klum for his service.

Treasurer Knudson asked that President Williams reach out to the Budget Committee members about serving as Chair and Secretary/Vice Chair before the first Committee meeting.

### **8. Moss Adams' Presentation of Audited 2019/2020 Financial Statements**

Consultants Simovic and Stevens reported on the 2019/2020 audit results highlighting the nature of services provided, significant audit areas, audit opinion, audit adjustments, and audit observations and recommendations.

Director Keil asked about the estimated inventory misstatements. Finance Director Stevens explained that the cost per inventory item was not updated with the most recent purchase. She noted District inventory is one of the next process improvement projects to be performed.

Consultant Simovic continued to outline internal control recommendations: resolved, partially resolved, control deficiency, and best practices.

There were questions regarding the purchase order process for non-inventory items. Consultant Simovic and Finance Director Stevens discussed recommended guidelines and current policy.

Consultants Simovic and Stevens reported on significant improvements in the areas highlighted by the last financial audit, including the District's public procurement process. They covered new recommendations including annual review of doubtful accounts and inventory valuation. They reported no internal weaknesses in the 2019/2020 fiscal year.

Director Keil thanked the financial auditors for their thorough audit. Treasurer Knudson agreed.

### **9. Second Reading of Proposed Ordinance No. 2020-03 Revising the Rules and Regulations**

Secretary/Vice President Gornick moved to read the ordinance by title only. Director Keil 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.

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MOTION CARRIED

President Williams read the Ordinance by title.

District Engineer Rice overviewed proposed changes to the Industrial Pretreatment Program, Backflow Prevention Program, and general housekeeping items throughout the District's Rules and Regulations. He notified the Board that there had been no additional public comment regarding the proposed changes since the public hearing on November 17, 2020.

Director Keil moved to approve Ordinance No. 2020-03. Treasurer Knudson 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

**10. Public Hearing: Water System Development Charges Update**

President Williams stated the purpose of the public hearing and opened the hearing for public testimony.

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.

There were no comments.

Hearing no further testimony, President Williams closed the public hearing.

Director Keil asked what measures had been taken to gather public input. District Engineer Rice explained the State requirements and the District's process, including noticing all Permitting contacts and the Homebuilders Association.

**11. First Reading of Proposed Ordinance Updating Water System Development Charges**

Director Keil moved to read the ordinance by title only. 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

President Williams read the Ordinance by title.

District Engineer Rice outlined the proposed changes to the District's System Development Charges (SDCs).

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Directors Van Loo and Keil noted concern about the six thousand dollars increase in fees. District Engineer Rice explained the District was currently missing about fifty percent of SDC fees because not all three types of SDCs were in place. He overviewed the SDC Comparison Chart in which the full amounts were charged.

There was discussion regarding local growth expectations and projects covered by improvement fees. Director Keil inquired how Accessory Dwelling Units (ADUs) were calculated. District Engineer Rice explained the current rules and that the upcoming Sanitary Sewer Master Plan would identify options for calculating fees associated with ADUs.

Secretary/Vice President Gornick had questions regarding SDC eligibility and capital improvement project costs. District Engineer Rice explained the requirements for both.

**12. Consideration of 2019 Interim Sewer Intergovernmental Agreement Extension with the City of Gladstone**

General Manager Chaplen provided an update on the process to create a long-term agreement with the City of Gladstone and asked for approval of the proposed extension.

Treasurer Knudson moved. Director Keil seconded.

Director Van Loo asked what would happen if the extension was not approved. General Manager Chaplen explained the two entities would revert back to an agreement made in 1971.

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

**13. Business Oregon Infrastructure Bond Refinancing**

Finance Director Stevens overviewed the status of the current bond refinancing.

Treasurer Knudson disclosed his relationship with the Infrastructure Finance Authority who has approved the refinancing effort.

Director Keil moved to approve Resolution No. 2020-16. 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

**14. 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 two.

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Jane Civiletti asked why the public was not invited to participate via videoconference. District Recorder Casey explained the District's public meeting procedures following State and Federal guidelines and attorney direction.

### **15. Departments Reports**

Due to time, President Williams did not facilitate verbal department reports noting the written Department Reports published in the meeting packet.

Finance Director Stevens reported on current delinquent accounts and Board consensus was given to move forward with a new communication strategy to reach customers before hanging red tags and reinstating water shut offs. Outreach and Communication Specialist Morris highlighted her efforts to create a press release for publication in January.

### **16. Business from the Board**

Treasurer Knudson provided an update on his presentation regarding the District during an Oak Grove Community Council meeting. He also reported on the Regional Water Providers Consortium meeting.

Secretary/Vice President Gornick overviewed the recent Sunrise Water Authority and C4 meetings.

Director Keil reported on North Clackamas County Chamber Public Policy Committee meeting at which she and Director Van Loo gave a presentation regarding the District.

Director Van Loo discussed an email she received asking for links to be added to our website. There was discussion about current District practice and General Manager Chaplen stated staff would reach out to the member of the public.

President Williams reported on the Jennings Lodge Community Planning Organization and Clackamas River Water meetings.

General Manager outlined the two letters received by the Board since the last meeting. There was discussion regarding the letter from the Oak Lodge Governance Project (OLGP). In response to OLGP's request to post their letter on the District website, it was decided that the letter would be included in the meeting packet. Treasurer Knudson highlighted Mr. Elliott's letter requesting periodic in-depth conversations with OLGP. The Board also asked General Manager Chaplen to draft a letter to OLGP inviting them to participate in the monthly meetings. President Williams proposed that the entire Board signed the letter. Everyone agreed.

### **17. Adjourn Meeting**

President Williams adjourned the meeting at 9:27 p.m.

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Respectfully submitted,

DocuSigned by:  
  
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Kevin Williams  
President, Board of Directors

Date: 1/21/2021

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

Date: 1/21/2021