



**BOARD OF COMMISSIONERS & BUDGET COMMITTEE
REGULAR MEETING MINUTES – 5:30 P.M.
JUNE 25, 2020**

THIS MEETING WAS CONDUCTED REMOTELY VIA TELECONFERENCE.

BOARD MEMBERS PRESENT:

Paul Gornick	NCCWC	Oak Lodge Water Services
Kevin Williams	NCCWC	Oak Lodge Water Services
Matt Tracy	NCCWC	City of Gladstone
Chris Hawes	NCCWC	Sunrise Water Authority
Kevin Bailey	NCCWC	Sunrise Water Authority

STAFF PRESENT:

Wade Hathhorn	NCCWC	Sunrise Water Authority
Rob Moody	NCCWC	OLWS Ind. Finance Consultant

ATTENDEES:

Sarah Jo Chaplen	Oak Lodge Water Services
Laural Casey	Oak Lodge Water Services
Tim Jannsen	Sunrise Water Authority
Wayne Barstow	Sunrise Water Authority
Kim Anderson	Sunrise Water Authority

CONVENE PUBLIC HEARING ON FY 2020-21 BUDGET

1. Open Public Comment

Director Tracy opened the Public Hearing at 5:30 p.m.

General Manager confirmed there were no members of the public in attendance.

2. Board Comments and Discussion

There were none.

General Manager Hathhorn explained the purpose of the LB-1 form and what details would be overviewed and discussed during the regular Board meeting.

3. Adjourn Public Hearing

Director Tracy called for a motion to close the public hearing on the FY 2020-2021 Budget. Director Hawes moved, Directors Gornick and Williams seconded. Director Tracy called for

comments. There were none. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

The Public Hearing was closed at 5:32 p.m.

CONVENE REGULAR BOARD MEETING

1. Open Regular Meeting

Director Tracy called the Board of Directors meeting to order at 5:34 p.m.

Director Tracy conducted a roll call and confirmed a quorum of Directors.

2. Welcome Visitors – Public

There were none.

3. Public Comment

General Manager Hathhorn confirmed there was no written comments submitted and no members of the public in attendance.

4. Approval of Minutes

Director Tracy called for comments on the minutes of the March 26, 2020 Board of Directors meeting. There were none. Director Gornick moved to approve the minutes from the March 26, meeting. Director Hawes seconded. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

5. Adoption of Consent Calendar

Director Tracy called for comments on the Consent Calendar; authorization of the checks for March, April, and May 2020. There were none. Director Tracy called for a motion to adopt and authorize the checks for March, April, and May 2020. Director Gornick moved. Director Bailey seconded. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

6. Board Discussion

6.1 Adopt Resolution 2020-8 Adopting FY 2020-21 Budget and Appropriations

General Manager Hathhorn overviewed the budget as approved by the Budget Committee.

Director Tracy called for a motion to adopt the Budget. Director Williams moved. Directors Hawes and Gornick seconded. Director Gornick clarified that the resolution adopted both the Budget and made appropriations. General Manager Hathhorn confirmed. Director Tracy amended the motion on the table to adopt Resolution 2020-8 Adopting the FY 2020-2021 Budget and making appropriations. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

6.2 Adopt Resolution 2020-9 Setting Wholesale Rates for FY 2020-21

General Manager Hathhorn overviewed how rates are set, audited, and true-up, noting the conservative approach to budgeting and demand estimates. He discussed the double accounting issues that have been fixed and explained cash roll-over balances, which are tied to rate stabilization. Sarah Jo Chaplen added the Budget is not only affected by higher expenses, but also if there is less projected water demand. General Manager Hathhorn agreed.

Director Tracy asked about establishing a reserve fund and setting a minimum balance as a rate stabilization fund. General Manager Hathhorn explained that establishing a reserve fund with a minimum target balance would not be the best approach to rate stabilization.

Sarah Jo Chaplen stated the plan would work as long as the Board and the General Manager kept an eye on it. She noted the budgeting hardship created by receiving a Commission bill in the latter part of a fiscal year. General Manager Hathhorn summarized the small changes made to rates due to the more stable budgetary changes.

Director Tracy called for further discussion. There was none. Director Tracy called for a motion to adopt Resolution 2020-9 setting the wholesale rates for FY 2020-2021. Director Hawes moved. Director Williams seconded. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

6.3 Adopt Resolution 2020-10 Waiving the True-Up for FY 2018-19

General Manager Hathhorn explained the audit and true-up process for fiscal year 2018-2019. He detailed the missed transfer to the reserve fund and due to the current sufficient balance in the reserve fund, staff's proposal to waive the true-up.

Director Tracy called for further discussion. There were none. Director Tracy called for a motion to adopt Resolution 2020-10. Director Gornick moved to adopt Resolution 2020-10 Waiving the True-Up for FY 2018-2019. Director Bailey seconded. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

7. Monthly Items

7.1 Financial Reports

General Manager Hathhorn noted no issues and stated the Commission was on target for the year. He asked Financial Consultant Moody if a true-up would be necessary at the end of the current fiscal year. Financial Consultant Moody noted he had not looked into it yet. General Manager Hathhorn explained the learning process still underway and the automated transfers which will smooth out the process in future years. He noted the difficulty of the Board meeting quarterly and the fact that budget actuals are delayed by a month. Director Gornick asked if the ending General Fund Balance was projected by looking at the last two months. General Manager Hathhorn stated that staff looked closely at the last two year's trends.

Financial Consultant Moody thanked the Board and stated that the meeting would be likely be his last due to the arrival of a permanent Finance Director at Oak Lodge Water Services on July 6, 2020.

7.2 Operations Report

General Manager Hathhorn overviewed normal spring numbers and stated the Plant is ready for summer.

7.3 Manager's Report

General Manager Hathhorn highlighted the Plant's newest employee Mike Page, who has a number of years of experience in water treatment, noting a fully staffed plant. He thanked Human Resources Manager, Aleah Binkowski-Burk for facilitating the hiring process. General Manager Hathhorn also thanked the City of Lake Oswego for staffing support.

General Manager Hathhorn noted low snowpack and a wet spring stating it will be an interesting summer. Director Gornick asked about snow water equivalent denoted as SWE. General Manager Hathhorn explained SWE measures the content of water in snow and how the median number is calculated and used. He discussed the curtailment messaging used last year and how it may need to be used again in late July or early August.

General Manager Hathhorn discussed the general production and demand of water, tying the numbers to the weather. He noted the general trend of less water use by customers.

Director Gornick asked if there was natural curtailment during the 2008 economic turmoil. General Manager Hathhorn confirmed examination of the impact financial crises have on water use, stating that the impact was short lived. He noted the tendency for customers to use water not associated with their livelihood, i.e. on lawns and for outdoor use, even during economically difficult times.

General Manager Hathhorn overviewed the Treatment Plant Operator Training Program being created by South Fork Water Board (SFWB) and how the Commission could benefit by participating. Sarah Jo Chaplen confirmed a shortage in certified Water Program Operators and the benefit of local recruiting and internships. General Manager Hathhorn agreed the program would be a very good opportunity. Director Williams commended Human Resources Manager Aleah Binkowski-Burk for a series of good wastewater operator hires from Clackamas Community College and offered his support of the program. Director Tracy concurred and asked what the time involvement was for a certification. General Manager Hathhorn answered that a level one required two years and education could be substituted for part of the requirement.

Sarah Jo Chaplen noted the requirement to pass a final test as well, which some students need extra instruction for. Director Hawes stated the program was a great idea. General Manager Hathhorn stated he would share the Commission's interest with SFWB and work closely with them as the program is developed.

General Manager Hathhorn stated the Plant did not need to extend the Declaration of State of Emergency due to the COVID-19 pandemic and no action would be required.

General Manager Hathhorn overviewed the draft procurement rules intended to prevent the misuse of funds while allowing for the procurement of highly specialized equipment for the Treatment Plant. He stated the draft would be sent to the Board before the next meeting, but that the Board would not need to be experts on the rules. Sarah Jo Chaplen added that the Commission's legal counsel have framed procurement rules as the ability to maintain maximum legal flexibility within the rules. Director Tracy highlighted experience in his professional work with METRO that benefited from a procurement program, which had preapproved a list of businesses and services. The list was particularly helpful during COVID-19 and he encouraged the Commission to do the same. He supported individualized procurement rules as well as working within the inclusion and diversity lists.

Director Tracy asked if the Commission should be concerned about the loss of reimbursement opportunities by not extending the Declaration of State of Emergency. General Manager Hathhorn explained there have been no costs incurred by the Commission through the COVID pandemic.

General Manager Hathhorn stated he would point out the changes made to the procurement rules in the draft that will be sent to the Board. Sarah Jo Chaplen noted the financial auditors focus on procurement and how much better it will be to have them in place.

7.4 Business from the Board

Director Hawes mentioned Plant Operator Rogers efforts to rebuild the pumps and bring the plant up to speed. General Manager Hathhorn agreed that Plant Operator Rogers has done a very good job and has a good handle on operations.

Director Tracy expressed thankfulness to have Mike Page at the Plant and asked if there was any additional training needed for the employees to maintain a healthy culture. General Manager Hathhorn stated the culture of the Plant is much more positive and supportive, noting Tim Janssen's involvement and more open communication.

8. Adjourn Regular Meeting

Director Tracy called for a motion. Director Williams moved to adjourn the June 25, 2020 meeting of the North Clackamas County Water Commission. Director Gornick seconded. Director Tracy called for discussion. There was none. Director Tracy conducted a roll call vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams, and Gornick.

MOTION CARRIED

The Board of Directors meeting was adjourned at 6:36 p.m.