



**BOARD OF COMMISSIONERS & BUDGET COMMITTEE
REGULAR MEETING MINUTES – 5:30 P.M.
MARCH 26, 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

BOARD MEMBERS ABSENT:

None.

BUDGET COMMITTEE PRESENT:

Kevin O'Meara		Sunrise Water Authority
Amanda Gresen		Oak Lodge Water Services
Robert Weber		Oak Lodge Water Services
Bart Maley		City of Gladstone

BUDGET COMMITTEE ABSENT:

Markely Drake		Sunrise Water Authority
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STAFF PRESENT:

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

ATTENDEES:

Tim Jannsen		Sunrise Water Authority
Jim Whynot		City of Gladstone
Sarah Jo Chaplen		Oak Lodge Water Services
Laural Casey		Oak Lodge Water Services

BUDGET COMMITTEE MEETING

1. Budget Committee Meeting

1.1 Convene Budget Committee Meeting

Director Tracy called the Budget Committee meeting to order at 5:36 p.m.

1.2 Nominate (Elect) Citizen Representatives

General Manager Hathhorn identified the Budget Committee citizen representatives: Markely Drake, Kevin O'Meara, Amanda Gresen, Robert Weber, and Bart Maley.

Director Tracy asked participants to mute their telephones and for General Manager Hathhorn to conduct a roll call. General Manager Hathhorn confirmed Directors Tracy, Hawes, Bailey, and Williams as present noting Director Gornick as absent. He also identified staff members Laural Casey, Tim Janssen, Rob Moody, Tim Whynot, and Sarah Jo Chaplen as present.

General Manager Hathhorn asked participants to hold comments until called upon by a facilitator.

Director Tracy asked for a roll call vote to elect the citizen representatives to the Budget Committee. Voting Aye: Directors Tracy, Hawes, Bailey, and Williams.

MOTION CARRIED

1.3 Elect Budget Committee Chair

General Manager Hathhorn advised that due to the current situation the fiscal year 2019-2020 Budget Committee Chair, Markley Drake, would maintain the Budget Committee Chair position for the 2020-2021 Budget process. He also advised that due to Mr. Drake's absence, that Director Tracy hold the Chair position and facilitate the current meeting.

1.4 Presentation on Proposed FY 2020-2021 Budget

General Manager Hathhorn, serving as the Budget Officer, presented the Budget.

General Manager Hathhorn explained that the All Fund Summary is a snapshot of the entire budget.

General Manager Hathhorn detailed the conservative approach taken while projecting revenue for fiscal year 2020-2021 using the current fiscal year's actuals.

General Manager Hathhorn overviewed the Personnel Services expenditures of the water treatment plant's three full time employees noting that the proposed fiscal year expenditures will be less than the current fiscal year due to voluntary retirement expenses in the fiscal year 2019-2020 actuals.

Citizen Representative Gresen inquired if the current situation requiring residents to stay at home could affect the current projections for fiscal year 2020-2021. General Manager Hathhorn explained that having more residents at home increases revenue, which does not hurt the Commission from a Budget standpoint.

Citizen Representative Gresen asked if there could be a potential increase in plant maintenance and on-call staffing costs due to the current situation. General Manager Hathhorn replied that extra expenditures would not need to be budgeted explaining that the water treatment plant is highly automated and can regulate production autonomously.

Director Tracy thanked Citizen Representative Gresen for asking questions and General Manager Hathhorn for providing answers.

Citizen Representative Weber inquired if the current situation would lead to a reduction in commercial property water consumption. General Manager Hathhorn confirmed that the Commission supplies water to mostly residential customers and there are no large industrial users that would not be operating due to the current situation.

General Manager Hathhorn overviewed the Materials and Services expenditures noting that this section makes up all the treatment plant expenditures other than personnel expenditures. He detailed electricity, chemicals, and professional contracting services as large yearly expenditures.

General Manager Hathhorn explained the reasoning for the lack of proposed Capital Outlay budget as the items are now accounted for in the Other Requirements section of the proposed budget.

Director Gornick arrived at 5:57 p.m.

General Manager Hathhorn detailed the Other Requirements proposed budget and explained how the double accounting of the Capital Outlay budget is now resolved.

Citizen Representative Weber inquired about the substantial increase of the proposed budget for Equipment in the Plant Reserve Fund. General Manager Hathhorn explained that there has been deferred maintenance in recent years and the proposed budget will accommodate more active replacement and maintenance of the treatment plant systems. Citizen Representative Weber asked if the budget increase would cover maintenance that would last many years. General Manager Hathhorn explained that the proposed budget is in response to the Commission's Capital Improvement Plan Study for ongoing treatment plant maintenance over the subsequent twenty years.

Citizen Representative Weber inquired about the Corrosion Study for Lake Oswego Emergency Pipeline and whether the outcome of the study would include additional financial recommendations. General Manager Hathhorn explained that the study will be followed by implementation and material costs to replace the cathodic protection system in the emergency intertie.

Director Williams commented that it could be beneficial for the new Budget Committee and Board of Director members to tour the water treatment plant. General Manager Hathhorn agreed.

Citizen Representative Gresen asked if any additional energy saving options had been pursued in the planning for the proposed Membrane Roof expenditure. General Manager Hathhorn noted that none had been researched but that it would be beneficial to do so.

General Manager Hathhorn explained the Revenue Bond Debt Service Reserve as a financial requirement noting a possible discussion within the next fiscal year regarding whether to use the fund to pay off a bond.

General Manager Hathhorn overviewed the Bond Redemption Fund explaining that the fund is another financial requirement for a bond.

1.5 Committee Discussion with Public Input/Comment

Citizen Representative Gresen inquired whether the Staff Travel, Training, and Dues budget should be amended due to cancelled conferences during the COVID-19 pandemic. General Manager Hathhorn explained that the training budget would be maintained to fund other trainings throughout the year. Tim Janssen noted that the proposed budget covers trainings and conferences through June 2021, which may not be canceled due to current concerns.

1.6 Motion to Approve FY 2020-2021 Budget

General Manager Hathhorn described the budget procedure for the Budget Committee to approve or amend and adopt the proposed budget. He explained that upon approval the proposed budget would be sent to Sunrise Water Authority, Oak Lodge Water Services District, and the City of Gladstone for additional approval. General Manager Hathhorn detailed the final meeting of the Budget Committee to adopt the budget for fiscal year 2020-2021.

Director Tracy called for a motion. Director Hawes moved to approve the proposed budget as presented; Director Bailey seconded. Director Tracy called for comments. There were none. Director Tracy called for a vote. Voting Aye: Citizen Representatives O'Meara, Weber, Gresen, and Maley. Directors Tracy, Hawes, Bailey, and Williams. Abstaining: Director Gornick.

MOTION CARRIED

1.7 Close Budget Committee Meeting

Director Tracy called for a motion. Director Hawes moved to adjourn the Budget Committee meeting; Director 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 Budget Committee meeting was adjourned at 6:16 p.m.

REGULAR MEETING OF THE BOARD OF DIRECTORS

1. Convene Regular Meeting

Director Tracy called the Board of Directors meeting to order at 6:18 p.m.

2. Approve Agenda

Director Tracy called for a motion. Director Williams moved to approve the agenda; Director Hawes seconded. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams and Gornick.

MOTION CARRIED

3. Public Comment

3.1 Public Comment

There was none.

4. Approval of Minutes

Director Tracy called for comments on the minutes of the January 23, 2020 Board of Directors meeting. There was none. Director Tracy called for a motion. Director Hawes moved to approve the minutes as presented; Director Williams seconded. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams and Gornick.

MOTION CARRIED

5. Adoption of Consent Calendar

Director Tracy called for comments on the authorization of checks for January and February 2020. There were none. Director Tracy called for a motion. Director Williams moved to approve the checks for January and February 2020; Director Hawes seconded. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams and Gornick.

MOTION CARRIED

6. Board Discussion

6.1 Adopt Resolution 2020-6 Establishing Authority to Declare Emergency

General Manager Hathhorn overviewed the proposed resolution noting that both Sunrise Water Authority and Oak Lodge Water Services District have adopted resolutions with similar language.

Director Williams reported that the Oak Lodge Water Services District Board of Directors supported this resolution and a Board succession plan. Director Hawes voiced agreements.

Sarah Jo Chaplen explained the amendments made to the resolution approved by the Oak Lodge Water Services District Board of Directors including adding "entering into agreements" to the emergency authority of the General Manager.

Director Tracy called for comments. There were none. Director Tracy called for a motion. Director Hawes moved to adopt Resolution 2020-6 Establishing Authority to Declare State of Emergency or Related Actions; Director Williams seconded. General Manager Hathhorn asked that the motion include the amendment to section 3H suggested by the representatives of Oak Lodge Water Services District. Director Tracy amended the motion to include the amendment read by Sarah Jo Chaplen. Director Hawes accepted the amendment; Director Williams seconded. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams and Gornick.

MOTION CARRIED

6.2 Adopt Resolution 2020-7 Declaring Emergency for COVID-19

General Manager Hathhorn overviewed the proposed resolution declaring an emergency due to the current outbreak of COVID-19 noting that the resolution template was taken from Oak Lodge Water Services District and includes an effective end date of April 14, 2020 that was missed by staff. General Manager Hathhorn asked for discussion regarding the effective end date of the State of Emergency noting that the legal recommendation is to include a specific date in the adopted resolution.

Director Hawes stated that the Sunrise Water Authority Board of Commissioners had adopted the resolution to remain in effect until terminated by Board action. Director Tracy asked if legal counsel would accept terms similar to those of Sunrise Water Authority's resolution. General Manager Hathhorn believed legal recommendations were to state an effective end date and extending said date as needed to allow for greater control. Sarah Jo Chaplen explained the legal recommendations given to the Oak Lodge Water Services District Board of Directors.

Director Williams commented that Oak Lodge Water Services District had extended the effective end date. Director Tracy agreed that the date should be extended until the end of April. Director Hawes agreed and requested that a meeting be scheduled at the end of April to discuss a possible extension of the State of Emergency.

Sarah Jo Chaplen requested that the Board also amend the resolution to include "entering into agreements" to the emergency authority of the General Manager.

Director Tracy called for a motion. Director Williams motioned to adopt Resolution 2020-7 Declaration of State of Emergency Related to COVID-19 as presented and to include the amendment to 2H authorizing the General Manager to enter into agreements as needed and that the resolution will terminate on April 30, 2020. Director Hawes 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

7. Monthly Items

7.1 Financial Reports

General Manager Hathhorn commented that Independent Financial Consultant Moody was available to answer any questions on the Financial Reports for January and February 2020.

Director Tracy called for comments. There were none.

Director Tracy acknowledged Board receipt of the January and February 2020 Financial Report.

Independent Financial Consultant Moody clarified that the included letter to the Secretary of State in response to the audit findings is a draft copy and that the final version will be presented to Director Tracy for execution. Director Tracy called for comments. There were none. Director Tracy acknowledged Board receipt of the letter.

7.2 Operations Report

General Manager Hathhorn stated that the Operations Report has been temporarily suspended due to current staffing constraints.

7.3 Manager's Report

General Manager Hathhorn highlighted the Manager's Report including an update on the employment interviews for the third plant operator. He also noted a possible future call for outdoor water use curtailment to maintain an emergency supply of water at the plant.

Director Tracy inquired about the process of creating a public engagement or branded message for water curtailment. General Manager Hathhorn described the availability of the Clackamas River Water Providers to facilitate public engagement for the Commission or partner organizations.

Director Gornick surmised that a curtailment may be aided by a decrease in customer income due to the current COVID-19 pandemic noting that the situation may be facilitated naturally if customers do not have the income to support outdoor watering.

General Manager Hathhorn asked the Board to consider meeting on a more frequent basis during the COVID-19 pandemic. Directors Tracy, Williams, and Hawes agreed. General Manager Hathhorn confirmed preparing for a meeting at the end of April. Director Tracy suggested that the Commission consider a video conferencing option for the next meeting.

7.4 Business from the Board

There was none.

8. Convene Executive Session

Director Tracy convened the Executive Session under ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed at 6:54 p.m.

General Manager Hathhorn updated the Board of Directors on current litigation matters.

Director Tracy adjourned the Executive Session at 7:12 p.m.

9. Reconvene Regular Meeting

Director Tracy reconvened the regular meeting at 7:15 p.m.

General Manager Hathhorn facilitated a roll call of the Board of Directors.

9.1 Take Action from Executive Session

Director Gornick moved to direct the Commission's attorney to resolve a dispute over a pending personnel issue; Director Hawes 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

10. Adjourn

Director Gornick moved to adjourn March 26, 2020 meeting of the North Clackamas County Water Commission; Director Hawes seconded. Director Tracy called for a vote. Voting Aye: Directors Tracy, Hawes, Bailey, Williams and Gornick.

MOTION CARRIED

The Board of Directors meeting was adjourned at 7:17 p.m.