

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS
REGULAR BOARD MEETING & WORK SESSION
February 11, 2021**

COMMISSIONERS PRESENT VIA ZOOM MEETING:

Sherry French President
Naomi Angier, Secretary
Tessah Danel, Treasurer
Rusty Garrison
Hugh Kalani

STAFF PRESENT:

Todd Heidgerken, General Manager
Karin Holzgang, Executive Assistant to the Board

CRW Employees: Chief Financial Officer, Carol Bryck; IT Manager, Kham Keobounnam; Water Resources Manager Rob Cummings; Sr. Finance & Accounting Specialist, Ted Ebor; Human Resources Generalist, Adora Campbell

COMMISSIONERS ABSENT: 0

VISITORS: Bob Steringer, Kevin Williams, Chris Hawes, James Dille, Bob Rubitschun, Erin Blue

Call Regular Meeting to Order

Commissioner French called the meeting to order at 6:05 pm and roll call taken.

MOTION: Commissioner Angier move to approve the agenda as presented. Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

Ayes: Angier, Danel, French, Garrison, Kalani
Nays: None
Abstentions: None

Public Comment- none

Agenda Item 1.0 Resolution 02-2021 Appointment for 4-year term to Budget Committee for the Biennium 2021-2023

Mr. Heidgerken explained the process for how each of the commissioners will rank their choices for the slots on the budget committee and send their rankings to Carol Bryck in the chat feature of the zoom meeting. Mr. Bryck will collect all the names and report out (rankings are in order below from left to right). This process will be repeated for the two two-year terms.

French- Blue, Leipzig, Rubi, Vasily
Angier-Blue, Rub, Vasily
Danel- Blue, Rub, Vasily, Shireman
Kalani- Blue, James Dille, Vasily, David Shireman
Garrison- Blue, Dille, Vasily, Shireman

MOTION: Commissioner Angier move the Board adopt resolution No. 02-2021 appointing Erin Blue and Vasily Safin as Budget Committee citizen members for four-year terms beginning with the Biennium 2021-2023. Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

Ayes: Angier, Danel, French, Garrison, Kalani

Nays:

Abstentions:

Agenda Item 2.0 Resolution 03-2021 Appointment for 2-year term to Budget Committee for the Biennium 2021-2023

French- Paul, Robert

Angier- Robert, David

Danel Robert, David

Garrison James, David

Kalani -James, David

MOTION: Commissioner Angier move the Board adopt resolution No. 03-2021 appointing Robert Rubitschun and David Shireman as Budget Committee citizen members for two-year terms beginning with the Biennium 2021-2023. Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

Ayes: Angier, Danel, French, Garrison, Kalani

Nays:

Abstentions:

Consent Agenda

CA-1: Gross Payroll and Account Paid for January 2021

CA-2: Cash Position and Transfers January 2021

MOTION: Commissioner Angier moved to approve the Consent Agenda as presented
Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

Ayes: Angier, Danel, French, Garrison, Kalani

Nays:

Abstentions:

Agenda Item 3.0 Quarterly Report (see attached power point)

- 75% through the Biennial Budget
- Total Revenue is 76.4% of the BN budget
- Water Sales are at \$19,637,306.
- Some increase in revenues are- Misc. operating revenue, earnings from investments and Grant revenue from the CARES act reimbursements
- Aging balance over 90 days has increased.
- Personnel Services- 68.7% of biennial budget- Total costs FY 20 is \$6.5 million or 62.5% of budgeted amount. Some reasons for being below are staff vacancies, delayed retirement payouts, modification to health plan
- General Fund expenses- Materials& Services are at 65.4%- Capital outlay is 58.6%
- SDC Revenues-BN budget \$1,655,800; Actual to date \$713,572; should have a payment of \$450,000 by the end of 3rd quarter.
- All backbone projects are completed.

Commissioner Garrison asked about the accounts that have been shut-off and asked if staff went to the doors and staff does not do this. Also asked about the expected SDC payment and if it was a for sure payment and it is.

Agenda Item 4.0 Management Report

- SDAO continues to track the items from the legislature that would impact special districts.
- Tony Lopez has started as a water treatment operator
- Todd will be out on vacation Friday Feb 12- Wednesday Feb 17.
- There will be a February work session on the 22nd
- The Board has received their monthly report, a copy of the bill insert going out with the February utility bills, a letter from Moss Adams related to the audit
- Donn Bunyard has submitted his letter of Retirement

Commissioner Angier asked about the experience necessary to be a water treatment operator- there is a license/certification needed to perform this work. Education and experience play a part of the necessary skill set

Public Comment- None

Agenda Item 5.0 Commissioner Reports and Reimbursement Requests

Commissioner Angier- Attended the SDAO conference and attended five different sessions, three were of particular interest (Advanced Board skills, public contracting and How to tell your story). Attended the RWPC Board meeting where the upcoming budget was discussed, and an emergency planning/preparedness presentation. Appreciated the quick and efficient response to a customer service request mad by her husband regarding a missing meter cover

Commissioner French- Attended the Oak Lodge and SWA Board meetings. Attended the SDAO meeting and liked the opportunity to be able to go back and attend missed sessions because of the virtual platform.

Adjourn to Executive Session

1. To discuss information or records that are exempt by law from public inspection pursuant to ORS 192.660 (2) (f) and 192.355 (9)
2. Conduct deliberations with persons designated by the governing body to carry on labor negotiations ORS 192.660 (2) (d)

Open meeting is adjourned at 7:09pm



Clackamas River Water

Clackamas River Water

Board Meeting – February 11, 2021



2nd Quarterly Update – FY 2021 Agenda Item #3

Carol Bryck, CPFO, CTP

2nd Quarter Update – FY 2021

- 2nd Quarter – Second year of Biennium – July 1, 2020 through December 31, 2020
- Showing costs through 18 of 24 periods for the Biennium – 75%
- This is also 50% of the new fiscal year – but for budgetary purposes we compare actual costs to the two-year budget.
- Sharing impact of decisions related to COVID

2nd Quarter Update – FY 2021 Revenue

Through the second quarter (July 1, 2020 through December 31, 2020) of Fiscal Year 2021- year two of the biennium BN 2019-2021 we are 75% through the budget.

Total Revenue is 76.4% of the biennial budget.

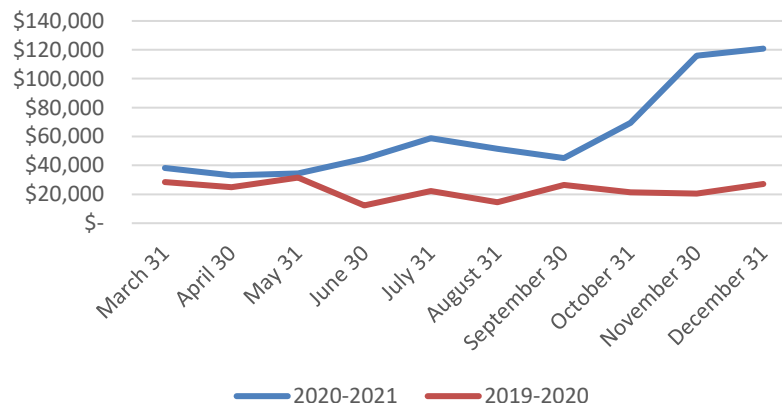
Water sales budget is \$24,880,000 for the biennium and we have recorded \$19,637,306 through December. Water sales are 78.2% of the biennial budget.

2nd Quarter Update – FY 2021 Revenue

- The rate increase schedules for May 2020 was implemented November 2020. We estimate (based on known consumption through October) that our water revenue is \$300,000 lower. We have also forgone late fees and the impact there is more difficult to measure (would customers have paid to avoid negative consequences?) is approximately \$40,000.
- There are increases in some revenues:
 - Miscellaneous Operating Revenue
 - Earnings from Investments
 - Grant Revenue (CRW share of CARES funding reimbursement for COVID related costs). We have received nearly \$140,000 in reimbursement.

2nd Quarter Update – FY 2021 Revenue

- Impacts (of COVID) on outstanding balances. Revenue is recorded when we bill but cash isn't received until customers pay.
- Aging Balance over 90 days has increased significantly (is now one percent of annual water sales).
- Graph is comparison of current aging balances with prior year.
 - All Status is active, closed, collections
 - Active Status – currently active customers



2nd Quarterly Update – FY 2021

General Fund Expenses

- Personnel Services
 - 68.7% of biennial budget
 - Total costs Fiscal Year 2020 and 1st Quarter Fiscal Year 2021 - \$6.5 million
 - 62.5% of budgeted amount - \$7.9 million
 - Reasons we are below 75%
 - Vacancies that have not yet been filled
 - Retirement payouts – anticipated in budget process that have not yet occurred
 - Modification to health plan that lowered premiums in first year of biennial budget





2nd Quarterly Update – FY 2021

General Fund Expenses

- Materials & Services – 65.4%
 - Analysis of categories that are greater than 75% reveal that these are items where payments are made annually, semi-annually or that have seasonal components
- Capital Outlay – 58.6%
 - Was 27.9% at the end of the first quarter
 - Reminder that Capital Outlay items come in larger chunks and can move up quickly

Other Funds

SDC Revenue, CIP and CIP Bond
Construction expenditures

2nd Quarterly Update – FY 2021

new demand

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SDC Revenues

- Biennial Budget - \$1,655,800
- Actual to Date - \$713,572 – 43.1%
- Should have an SDC payment of approximately \$450,000 by end of 3rd Quarter



New Construction

2nd Quarterly Update – FY 2021

Capital Improvements Project Fund

Project #	Description	BN 19-21 Budget	FY 2020 Actual	FY 2021 Actual	Total	% of Budget
5249	ODOT/City/County DTD Adj	\$ 286,000	\$ 67,024	\$ 11,690	\$ 78,714	58.58%
5243	CRC Mobility (see 5249 budget)*	-	50,772	28,547	79,319	N/A
5241	Sunnybrook & 93rd Loop Waterline (see 5249 budget)	-	5,320	-	5,320	N/A
5270	Linnwood Ave Improvements	-	-	4,172	4,172	N/A
5239	Edgewood Neighborhood Waterline	1,045,000	907,777	55,386	963,163	92.17%
5251	Forsythe Rd Waterline - Phase 1	572,000	40,223	365,704	405,927	70.97%
TBD	Leland Rd Master Meter & Waterline	480,000	-	-	-	0.00%
5253	82nd Dr Waterline - Phase 1	814,000	840	61,968	62,808	7.72%
5260	Orchid Waterline & Meter	74,000	35,297	317	35,614	48.13%
5250	Mather Reservoir Control Valve	210,000	50,897	39,851	90,748	43.21%
5248	90th Ave Pump Station Valve Replacement	150,000	13,474	118,859	132,333	88.22%
		<u>\$ 3,631,000</u>	<u>\$ 1,171,623</u>	<u>\$ 686,494</u>	<u>\$ 1,858,117</u>	<u>51.17%</u>

*5243 Prior Period (FY 2019) expense - \$6,309

*5239 Prior Period (FY 2019) expense - \$91,467

2nd Quarterly Update – FY 2021

- **Backbone Projects**

- All project have been closed except for 152nd Ave Reservoir as of June 30, 2020 (end of Fiscal Year 2020)
- BN 2019-2021 Budget for Fund 08 – CIP Backbone was \$3,139,000
- Spend through December 31, 2020 (2nd Quarter of Fiscal Year 2021) is \$3,123,629
- 99.5% of budget has been expended
- Minor additional charges – primarily CRW Staff time may be charged against this budget.
- Backbone Phase 1 completed!

The background is a solid blue color with numerous water droplets of various sizes scattered across it. The droplets are rendered with realistic shading and highlights, giving them a three-dimensional appearance. They are more densely packed in some areas, particularly towards the right side of the image.

Questions or comments ?