**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS**

**REGULAR BOARD MEETING**

 **BOARD INDEX OF AUDIOTAPE**

 **December 10, 2015**

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| **COMMISSIONERS PRESENT:** | **STAFF PRESENT:** |
| Naomi Angier, Secretary  | Lee Moore, General Manager |
| Ken Humberston | Carol Bryck, Chief Financial Officer |
| Hugh Kalani, President | Karin Holzgang, Exec. Assistant to the Board |
| David Mc Neel |  |
| Larry Sowa, Treasurer |  |
|  | CRW Employees: Bob George, Chief Engineer; Adam Bjornstedt, Principal Engineer; Rob Cummings, Water Resources Manager, Kham Keobounnam IT Manager, Donn Bunyard, Emergency Manager |

**VISITORS:**  Mona Kalani, Jeff Griffin, Julie Desimone, Ernie Platt, Gary Kerr, Warren Mitchell, Jim Martin, Tammy Stevens

**Call to Order**

The Special meeting was called to order at **6:00 pm** by President Kalani. The pledge of allegiance was recited.

**Agenda Item 1.0 Overview of Southside Service Area Project “Backbone”-** *Carol Bryck, CFO and Bob George, Chief Engineer*

Where we are: cool and damp summers in 2010 and 2011 causing a drop in water revenues. Then in FY 2011 and FY 2012 CRW drew from the rate stabilization fund. The Board has approved an 8 year rate structure and has approved reserve polices that will help CRW get ready to go to the rating agencies to improve our rating for purposes to secure bond monies.

Water sales are increasing due to the rate plan approved by the Board but consumption has been flat

Completion of this Backbone project provides for:

* Reduced reliance on the water purchased from South Fork water Board
* Our plant has sufficient additional capacity that can be utilized
* Improve the resiliency of the water system
* Proposed system improvement will improve fire flows
* The addition of the reservoirs in the projects will enhance the ability to provide water during peak demands

CIP projects that have been on the books will be moved to the backbone project list and will be paid by bond monies providing about 14 million to go back to the general fund to work on improvements to the infrastructure.

**Public Comment**: none

**Special Meeting adjourned at 6:13pm**

**Call to Order**

The Regular meeting was called to order at **6:13 pm** by President Kalani.

**MOTION:** Commissioner Humberston moved to approve the agenda as presented Commissioner McNeel seconded the motion.

 **MOTION CARRIED 5-0**

 **Ayes:** Angier, Humberston, Kalani, Mc Neel, Sowa

 **Nays:**

 **Abstentions:** None

**Presentations:**

**Audit Presentation –** *Julie Desimone from Moss Adams*

The audit is almost complete and should be released next week. CRW received an unmodified (clean) opinion. The big emphasis in the audit was the implementation of the GASB 68 with regards to PERS reporting. With this reporting of the GASB 68 standard there is a PERS obligation of 800k put on the books for CRW (this is just for reporting and has no effect on the cash flow). The Oregon Minimum standard had no findings. The only differences on the financials for this year were the reporting of the pension reporting. No material weaknesses or significant control deficiencies were found and any prior year significant deficiencies were all resolved. Auditors reviewed the cost sharing accounting for the transactions related to work with SWA and found no issues with this.

**Insurance Presentation-** *Jeff Griffin from Wilson-Heirgood*

CRW is currently insured by SDAO which is a state pool (not for profit). The coverages are more robust with this type of insurance. Insurance coverage premium with SDAO is about 29% less than the for profit insurance company premiums at CRW left at the end of June 2015. Jeff is predicting a rate decrease for the next renewal.

**Agenda Item 1.0 Acceptance of the audited financial statement for Fiscal Year 15-** *Carol Bryck, CFO*

**MOTION:** Commissioner Angier moved that the Board acknowledge receipt of the FY 2015 Comprehensive Annual Financial Report ending June 30, 2015. Commissioner Humberston seconded the motion.

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**MOTION CARRIED 5-0**

 **Ayes:** Angier, Humberston, Kalani, McNeel, Sowa

 **Nays:**

 **Abstentions:**

**Agenda Item 2.0 Project Acceptance:** SE Tolbert Street Waterline Relocation, CIP 14-5148 **–** *Adam Bjornstedt, Principal Engineer*

**MOTION:** Commissioner Humberston moved that the Board approve and authorize the Board President’s signature of the “Notice of Acceptance” for the SE Tolbert Street Waterline Relocation, CIP 14-5148, which establishes the project completion date as December 10, 2015. Commissioner McNeel seconded the motion.

Adam shared that the project went as planned. This project is a result of a county project and provided CRW to improve the pipe size of waterline. The contractor, Kerr Contractors did a good job on the project. The project ran over less than 1% due to additional fill that was needed during the project. The original contract was $312, 412 and the final contract amount was $314,002.97.

**MOTION CARRIED 5-0**

 **Ayes:** Angier, Humberston, Kalani, McNeel, Sowa

 **Nays:**

 **Abstentions:**

**Consent Agenda**

 CA-1: Gross Payroll and Account Paid for November 2015

 CA-2: Cash Position and Transfers November 2015

 CA-3: Camp Withycombe, Clackamas Oregon- CRW “Rules and Regulations’ Ch. 8 & 11- Temporary Irrigation Water Service exemption request

**MOTION:** Commissioner Humberston moved the Board approve the Consent Agenda as presented. Commissioner McNeel seconded the motion.

**MOTION CARRIED 5-0**

 **Ayes:** Angier, Humberston, Kalani, McNeel, Sowa

 **Nays:**

 **Abstentions:**

**Agenda Item 3.0 Informational items: South Service Area Projects Update-** *Adam Bjornstedt, Principal Engineer*

Adam provided an overview of the project execution. His intent is to provide every month or every other month updates to the Board. The project is primarily on the south side but does have components of the project on the north side of the district. Phase 1 will from 2016-2019 and Phase 2 will go from 2020-2023 (these schedules are bond driven). Once phase 1 is completed the Redland pressure zone will be supplied with water as a result of the project. The budget includes design, construction, project administration, overhead and contingency cost. The budget will be updated and refined as the project moves forward.

Project executions:

* Preliminary design and surveying (surveying will be out-sourced)
* Design delivery in house v. out-sourced (pump stations and reservoirs will likely have outside engineering and inspection components).
* Property acquisition and easements – research will determine potential property purchase, research will determine potential easement areas (likely with the help of the surveyors and title company)
* Traditional design-bid-build method most likely on water transmission main projects
* Alternative bidding options are possible for the reservoirs and pump stations may be utilized
* All projects will be designed, procured and constructed in accordance with the CRW LCRB rules and ORS 279 and any other applicable rules and requirements

Recap of project status (as well as projected timeline for each project):

1. Butterfield lane transmission main- topographical survey, initiating easement discussion with property owners near Redland/Beckman roads, start waterline design, drafting and revised cost estimates (July 1, 2015 to October 4, 2016).
2. 152nd Ave. Reservoir- review existing design concepts, initiate discussions with community (June 1, 2016 to August 7, 2018).
3. Springwater road transmission main- investigate geotechnical consulting options, alignment through rock. There will be boring done to determine the type of rock (June 1, 2016 to May 23, 2017).

The commissioners would like to see the project on the CRW website and do periodic updates as the project progresses. Mr. Moore clarified that the funds have been budgeted for the 152nd Avenue reservoir as a sole CRW project for purposes of having enough bond funds. No decision has been made as to whether or not the reservoir would be a joint venture with SWA.

Public Comment: Jim Martin from Oak Lodge Board shared that Oak Lodge water and sanitary district are talking about consolidation. There will be a vote by the people in 2016.

**Agenda Item 4.0: General Managers Report** *– Lee E. Moore, Sr. General Manager*

 **Bond Update:** Staff has spent a great deal of time preparing for obtaining the bond. In January staff and Commissioner Kalani will be traveling to San Francisco to meet with the rating agencies. CRW has secured DA Davidson as the underwriter for this project. Bob and Carol have been working hard and have done a great job getting ready for the bond presentation. Res. 07-2016 has been approved by the Board to authorize the notice and publishing of CRW’s intent to issue bonds.

 **Replacement General Manager interview process:** December 14th the Board will be interviewing two additional candidates for the GM.

 **Board Special Meeting November 23:** The Board elections were re-done to be in compliance. The election in July was done by secret ballot which does not meet law so the elections were re-done with voice votes. The Board also passed Res. 08-2016 to reaffirm all votes made by the Board since July 2015.

 **Board Work Session November 23:** The Board discussed having a joint Executive Session between CRW and SWA. The commissioners would create an outline for the meeting and then the SWA Board would do the same and then on December 21, 2015 the Executive Session will be held. The Board members received the draft outline for their review and were asked to provide feedback and then the draft will go to the SWA Board.

 **Clackamas County Industrial Water Rights:** Clackamas County contacted all of water providers to see if they were interested in purchasing the industrial water rights from the Blue Heron plant. All providers passed on the option to purchase.

**Public Comment: none**

**Regular Meeting adjourned at 7:29p**