

**CLACKAMAS RIVER WATER BOARD OF COMMISSIONERS
REGULAR BOARD MEETING
January 13, 2022**

COMMISSIONERS PRESENT VIA ZOOM MEETING:

Sherry French President
Christine Alexander
Naomi Angier, Secretary
Tessah Danel, Treasurer
Rusty Garrison

STAFF PRESENT:

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

CRW Employees: Chief Financial Officer, Carol Bryck; Chief Engineer, Adam Bjornstedt

COMMISSIONERS ABSENT:0

VISITORS: Bob Steringer, Julie Desimone, Kevin Williams, Bob Rubitschun, Chris Hawes

Call Regular Meeting to Order

Commissioner French called the meeting to order at 6:00 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: Alexander, Angier, Danel, French, Garrison
Nays: None
Abstentions: None

Public Comment- none

Presentation Clackamas River Water Audit Presentation for Fiscal Year 2021 (see attached presentation)

Ms. Desimone presented to the Board the findings for the FY 2021 audit. The audit was issued prior to December 31, 2021 with unmodified (clean) opinion. Moss Adams identified items to review specifically (work orders, customer billings, Pension liability, consistent application of internal controls and compliance with federal laws and regulations and Oregon minimum standards) in addition to all other areas of the district. This year's audit was performed in a remote environment so technology and electronic audit tools were utilized, risk assessments were updated and a review of the related disclosures for transparency. The audit occurred in the planned scope and timing, there were no audit adjustments, no disagreements with management, no difficulties in performing the audit, there was no "opinion shopping" by management. No material weaknesses or significant control deficiencies to report.

The one best practice recommendation is the CFO not be the Super User for the accounting software system.

Commissioner French asked about the Super User access for the accounting system used by the district and what this meant, this means that there is complete and full access to the accounting system to create a segregation of duties. Ms. Desimone shared that for many organizations the Super User lands in the IT department. Commissioner Alexander asked about the significant areas of pension and liabilities (the GASB standard of reporting to create more transparency for PERS). Commissioner Garrison asked about the Super User for the financial software if it is not supposed to be the CFO who should it be then? This is for assigning access only.

Agenda Item 1.0 Acknowledge receipt of the audited financial statements for fiscal year 2021

Ms. Bryck shared with the Board that the audit issued was an unmodified opinion and the hard copies are off to the printer with the hope to have them delivered with the Board Work Session packet. The electronic version is online. The Budget Committee will also be receiving hard copies of the audit.

MOTION: Commissioner Angier Move the Board acknowledge receipt of the Fiscal year 2021 Annual Comprehensive Financial Report ending June 30, 2021. Commissioner Danel seconded the motion

MOTION CARRIED 5-0

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

Agenda Item 2.0 Resolution 05-2022- Endorsing CRW FEMA Grant Sub-Applications and Designating Signature Authority

Mr. Bjornstedt explained that this resolution is a part of the FEMA grant process which will allow the GM to sign the forms associated with the district pursuing FEMA grants, this is avoid having the Board to approve a resolution for each form application

MOTION: Commissioner Angier move to approve to approve Resolution 05-2022 endorsing CRW's FEMA Grant Sub-Applications and designating the General Manager's signature authority. Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

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

Agenda Item 3.0 Consider Approval of the Contract Extension with K & D Flagging in Excess of the General Manager's Signature Authority

Mr. Heidgerken shared that this is a contract we have had in place but not that the district is wanting to extend the contract for an additional year it was determined with extra work and increased labor costs there would be a need to increase the NTE amount to \$65,000 which is higher than the GM signature authority and requires Board approval.

MOTION: Commissioner Angier move to approve the contract extension for Traffic Control Services with K & D Services of Oregon, Inc. with a not to exceed amount of \$65,000; and authorize the General Manager to sign the contract extension. Commissioner Danel seconded the motion.

MOTION CARRIED 5-0

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

Consent Agenda

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

CA-2: Cash Position and Transfers December 2021

CA-3 Consider approval of surplus of Hydro Vac Trailer

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

MOTION CARRIED 5-0

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

Agenda Item 4.0 Management Report

- The month in review was sent to the Board prior to the meeting and is posted on the CRW website
- CRW staff have been meeting with Oregon City staff regarding their interest in serving an area that CRW currently can serve, there will be a work session agenda discussion at the January 26 work session
- There will be a more in-depth Emergency Management presentation/discussion at the February work session
- The CRW offices will be closed on January 17 to observe the Martin Luther King Jr Holiday
- The SDAO annual conference will be virtual this year and free to all attendees

- The agenda setting meeting for Commissioner Angier and French will be January 25.
- The February Board meeting will be held on Tuesday February 8 and the February work session will held on February 28
- The Jason Labrie scholarship through Clackamas Community College has been funded and established.
- CRW staff is working on the draft document received back from NCCWC with their edits to the water sales agreement between the two entities.
- Todd thanked Carol and her team on their efforts on working with the auditors on the audit and then producing the audit document.

Commissioner Garrison completed and thanked Carol for her service to the district.

Public comment-

Agenda Item 6.0 Commissioner Reimbursements and Reports

Commissioner French attended the Sunrise Water Authority meeting and the Oak Lodge meeting.

Open meeting is adjourned at 7:00pm



MOSSADAMS



Clackamas River Water

Communication with Those Charged with
Governance



Agenda

1. Nature of Services Provided
2. Significant Audit Areas
3. Auditor Opinions / Reports
4. Required Communications
5. Best Practices
6. Upcoming Accounting Standards



Nature of Services Provided

1

Independent Auditors' Report on the financial statements of Clackamas River Water

2

Assistance with, and technical review of the financial statements for compliance with GAAP

3

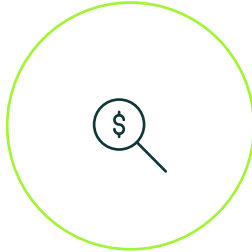
Disclosures and Independent Auditors' Comments Required by the Minimum Standards for Audits of Oregon Municipal Corporations

4

Communication to Those Charged with Governance



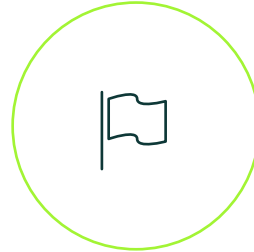
Significant Audit Areas



**WORK ORDERS-
CLASSIFICATION**



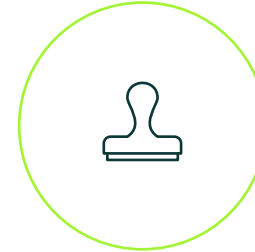
**CUSTOMER BILLINGS -
ACCURACY**



**PENSION
LIABILITIES -
VALUATION**



**CONSISTENT
APPLICATION OF
INTERNAL
CONTROLS**



**COMPLIANCE WITH
FEDERAL LAWS
AND REGULATIONS
AND OREGON
MINIMUM
STANDARDS**



Audit response to COVID

- **Audit performed in a remote environment**
- **Utilized technology and electronic audit tools**
- **Updated risk assessments**
- **Review of the related disclosures for transparency**





Audit Opinion/ Reports

Financial
Statements

Oregon
Minimum
Standards

Communication
to Those
Charged with
Governance

Unmodified
(clean) opinion
on financial
statements

No reportable
findings

Best practice
recommendations



Required Communications

- Planned scope and timing
- Significant accounting policies
- **Audit adjustments – No audit adjustments**
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit
- **Audit observations and recommendations**





Internal Control Communications

- **Material Weaknesses – None**
- **Significant Control Deficiency – None to Report**

Findings and Best Practices

BEST PRACTICES – Current Year Recommendation

- Super user access – we recommend this access not be held by the CFO for better segregation of duties



Audit response to COVID

- **Audit performed in a remote environment**
- **Utilized technology and electronic audit tools**
- **Updated risk assessments**
- **Review of the related disclosures for transparency**





Audit Issues – NEW ACCOUNTING PRONOUNCEMENTS

New Standards

GASB 87 – Leases

Effective Date

For the fiscal year ending June 30,
2022





**THANK
YOU**

Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.