

**Rivergrove Water District
Minutes-Regular Board Meeting
December 17th, 2018**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:34 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners DeVries, Roth, McDowell, Johnson, and Patterson were present. Water District Manager DJ Ezell, Acting Finance Specialist Colleen Jacobson was also present. District Auditor Dennis Connor was present.

CONSENT AGENDA

Public Comment: None

TAB 2-Inside Tab Audit Report

Dennis started on page 3 about $\frac{3}{4}$'s down the page it says opinion-that's what the District paid him to do. The District is on the cash basis of accounting is almost the same as your checkbook at home. When it goes into the bank you count it as revenue when you write a check it is an expense, a simple way to look at it. He thinks for a District this size that much information is enough.

Chair DeVries asked if Oregon Generally Accepted Accounting Principles account for doing cash basis. Dennis replied yes both are acceptable.

Page 5-Statement of Net Position this is how much money you have in the bank.

Page 6-You have almost the same information.

Chair DeVries asked how come there is a dollar difference. On one page you have 988,810 and on the other you have 988,811?

Dennis apologized and said that he could change it if they wanted-this was probably due to rounding error. Thanks for bringing that to his attention.

Page 10-This is where you have all your money-Banner Bank for the Checking, LGIP for the majority of the money-which agrees with the 988,811 figure.

Chair DeVries asked on page 10 at the bottom of the page it notes under interest rate risks it notes that the District does not have a formal investment policy. Should we?

Dennis stated that he did not think so. He felt that it has already been directed that funds the District wants to invest should go to the LGIP account. Both of those locations are not risky-like the District is not buying Treasury bills?

Page 13 & 17 Then in the back we have a spreadsheet that shows the separation of the funds. Does anyone have any questions?

Chair DeVries asked a question on page 15. Under General Fund column under Assets it lists Cash and Cash Equivalents and Cash Restricted for Deposits a total of \$273,221 and then down below it lists the Fund Balance as Unrestricted of \$273, 221. How come up above it says part is restricted then down below it says the total fund balance of \$273,221 is unrestricted.

Dennis said that is a very good question. He does not know the answer to that one. If you at the total column that makes sense.

Chair DeVries agreed.

DJ thought that what it is talking about above are the \$50 customer deposits that we are holding until customers move out. This has always been restricted in the fact that we can't use that money for anything else but to pay for final bills when Customers move out but it will always be in the General Fund not any of the others.

Chair DeVries though maybe describing the restricted above adding info about that being deposit monies held might help.

Dennis said wow he's (Chair DeVries) is good. DJ concurred.

Dennis said he's a detailed guy. He will talk with Steve and they can change that next year. Chair DeVries stated the good news is that we expended less than we budgeted. Dennis agreed. Dennis felt that the District should take credit that you did things right.

Chair DeVries also asked about the last page 23 we gave dealt with this for years. Our significant deficiency that we don't have enough personnel to do good internal control. He felt that we are probably not the only ones in this boat.

Dennis said absolutely everyone is in this boat. Probably Portland, Portland Schools, Eugene, and Salem might not be.

Chair DeVries noted that the Board reviews all the bills each meeting. Dennis agreed. The District Board here does a lot of oversight. We can only do our best.

Chair DeVries felt that the wording "significant deficiency" sounds so bad but what it says in the middle of the page is that a "material weakness" is worse?

Dennis said yes that is correct.

Commissioner Roth felt that we might have had at one time but we have come a long way with the Professional staff that we have hired.

DJ had two questions. The first one is the District is looking at going to Quickbooks Online how does that affect him?

Dennis pleaded please don't go with Quickbooks online. He hates Quickbooks online.

DJ asked how come? Dennis stated that it is difficult to access and difficult for him to adjust. It makes his job about twice as hard.

Chair DeVries asked what is different? Dennis said everything is different, the verbiage, the labels are different, and the way you do things is different.

Commissioner McDowell asked if we could use the desktop version and have the data stored in a cloud-based application maybe so that we can access it remotely. What he is learning from the IT at work is that the cloud-based systems are more secure.

Dennis said that is interesting it would be acceptable and he will look into the cloud-based use with Quickbooks. He just converted a client to online pro and it cost him \$200 to access the information.

DJ's other question concerned those deposits and charges hanging out there from Eelia's was here in May 2018 that DJ had asked him to help us clear up. She wanted him to know that through Cyndi at Strictly Accounting she helped us do those Journal Entries and clear them out. This was dated before the 2018-2019 fiscal year end. Does he need another backup so that Dennis's numbers should match ours? Dennis stated that we can figure it out later. DJ said they also put a stop payment on a check over 90 days old and hanging out there with no trace of paperwork anywhere including the backing for the check. They recorded the work with a journal entry and not just voided it so that it is easy to track. Dennis said that's very good!

Dennis left the meeting at this time.

TAB 1: Minutes-October 22nd, 2018, Regular Board Meeting

Commissioner Roth moved we accept the minutes as presented. Commissioner Patterson seconded. Motion passed. Commissioners Roth, DeVries, and Patterson voted aye. Commissioners McDowell and Johnson abstained. Nays none.

Minutes November 19th, 2018-Tabled.

FINANCIAL REPORT

TAB 4- November 2018 Bank Checking, Water Deposit, LGIP Reconciliations Statements and Reconciliations

Chair DeVries asked about the reconciliation. There is a new checklist for the transfers that he hadn't seen before. He also had a question about the statement from the LGIP. If you look at the reconciliation sheet for the colors.

Colleen stated that what happened was that she had to redo the first one and didn't realize it was changing all of them. She created that error. The equation was incorrect on the first page and she should have gone back and correct all the rest of the pages.

Chair DeVries asked about the transfers sheet. It showed \$50,000 going out but doesn't show where it went to on the first page.

DJ stated that it was just money from the checking going into the non-restricted but where Chair DeVries said it is pointing out it doesn't show both sides where money came out should show where it went.

TAB 5: Profit and Loss Budget vs. Actual, P & L by Class, Trial Balance, Fiscal year 2018-2019 Pay Bills

No questions or comments.

Commissioner Patterson moved that we approve the financial report. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, McDowell, Johnson and DeVries voted aye. Nays-None.

TAB 6: Approval for Payment Form & Supporting Document

All the bills have been paid and a transaction form attached to the list of bills.

Commissioner McDowell asked DJ why we were doing lease to own on the computers. DJ stated that since we were upgrading the server and the two desktop computers were at the age they needed replaced she went ahead and leased to own all of them. Normally we pay for computers and don't bother leasing. By the time the lease is up the computers will need to be replaced due to age so really not worth anything.

Commissioner McDowell asked if we get support from Pacific Office for the computers. DJ said yes 24/7.

Commissioner McDowell moved that we pay the bills. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, McDowell, Johnson and DeVries voted aye. Nays-None.

All Board members present reviewed and signed the "Approval of Payment Form. And all Board members present reviewed and signed the form entitled Rivergrove Water District-Bank & LGIP Statements." Chair DeVries signed the check list the "Financial report check list" for this meeting.

UNFINISHED BUSINESS

TAB 8-Appeal by Customer Steven Zink for 1/2 water bill amount

Chair DeVries noted that Steve called him about his large water bill and discussed his efforts to find the leak. He practically dug up his entire yard trying to find it and Steve thought the meter could not be accurate and he asked for some forgiveness on his bill.

Board discussed the leak and why there wasn't evidence or noise that he could have heard when it was leaking. Commissioner Johnson stated that there is sandy/loam soil in the District which tends to drain through quickly. DJ asked the Board if they remembered the Customer on Pilkington who came in and asked for additional leak credit (at that time we gave only \$200 maximum for a credit). Their bill was in the range of Mr. Zink's at \$2,400 and the water showed nowhere on the surface it just dove down.

Chair DeVries asked Brian if he had any thoughts on the leak. Brian stated it definitely was on the irrigation system and he installed one of the new radio reads meter but he hasn't been able to collect the information yet. He asked Mr. Zink to recharge his sprinkler system and run it a couple days and to call him after he did. He never received a call. It doesn't seem like it is that much water to find a path and could have drained all the way to the river. He also thought that it was after the control valves. The reason he wouldn't notice it all the time because the leak would only be happening when the controls turned the zone on. When he put the new meter on there wasn't any leak but it was after he discharged the irrigation and wasn't running it.

Commissioner Patterson asked if Chair DeVries thought that he needed more time to pay off the debt. Chair DeVries said that he is wanting an abatement not time to pay it.

Commissioner McDowell noted that we are pretty clear on sprinkler systems that we don't give leak credits on irrigation systems but he is agreeable to giving them more time to do a payment plan. He felt strongly that we need to keep with our policy not to credit for irrigation systems. He felt that they kept the requirement for Fran with her irrigation system so regardless of how hard Mr. Zink tried to find his leak and was doing his diligence we should not deter from policy.

Board discussion continued. Chair DeVries asked DJ to remind them what they did with Fran. DJ stated that she paid \$25 a month which was what she said her budget could handle and it is almost paid off!

DJ asked the Board if they remembered that we passed a leak credit Resolution since Fran's issue. DJ printed out and passed out the Resolution to the Board. The Board reviewed the policy. DJ noted that it is just common practice that a meter never over registers. They usually

Colleen asked what the criteria is for the 50% leak credit. Commissioner McDowell noted it is to help relieve the burden of a big unexpected financial expense due to plumbing failure. Colleen stated that toilets are not included so what fits the criteria for the leak? Commissioner McDowell noted that it needs to be part of the plumbing that is unseen, like the service line or behind the walls or possibly under the sidewalks. Then it qualifies for the adjustment.

Commissioner Johnson stated that we have to be consistent with our policy. Board consensus was yes.

Colleen stated that we did put him on a payment plan for \$300 per month but it seems like that is a hardship on him.

Chair DeVries stated we could extend the payment plan and bring the amount of the payment down that will make it more palatable and in the meantime we can get more data from Steve's meter to track see what his usage is.

Chair DeVries read parts of the resolution and it was pretty clear that irrigation is not covered.

DJ reminded everyone on how the policy in the resolution was done. She created a report after finding out what other water systems do and compiled a report with all that information. This was all due to the hassle that we went through with Fran's leak. She has included the wording in the update of the Ordinance but until that goes into the Ordinance the Resolution is the policy. It is on the website and has been out to the Customers.

Commissioner Johnson stated that this is pretty straight forward. Doing a payment plan is one thing but doing an adjustment is not what we should be doing with the policy we passed just last year.

Colleen asked what kind of payment plan should we give them? DJ stated that we need to work it out with them what will work in their budget and also make sure they do not get late fees, charge them interest, or put on the shut off list unless they do not pay the payments as agreed upon and watch his usage on his current meter.

DJ stated that we could have the old meter tested for accuracy but in our Ordinance we can test meters but if the test shows the meter accurate then the customer pays for the test. Commissioners asked what if we test it and how much is it? DJ stated she didn't know but will check into it. But in her experience old meters are more inaccurate until eventually they die and stop. Staff will research and report back.

Board discussed staff getting meter accuracy data after doing some testing. They also discussed getting information out and maybe do a video to show customers how to check for leaks etc and do some PR work with the customers.

Board discussed possibly updating customers meters. Commissioner McDowell discussed a way to do more AMR installs due to budgetary restrictions maybe we could approach the customers asking if they want a new meter installed that they pay us \$500 for us to install one at their meter. Chair DeVries asked about the security status of the readings can they be hacked? DJ will get that information and get back to the Board.

TAB 7: District Report

Chair DeVries asked about the plan for reimbursing the District for the overpayment to Valic that was done by Eelia for the rest of the employees. DJ stated she is already doing it and she has created a spreadsheet that is attached to the Valic ACH each week. She has put the District's contribution to 0% until each employee is paid off. Then she will reinstate the 12% contribution. That information will back up any ACH's to Valic.

DJ stated she talked with Cyndi about giving us a proposal about maybe doing some work for us such as account monthly reconciliations and/or she could also help in the payroll part of it. DJ stated that she has put an ad in the paper advertising for a Finance Specialist. And she has been working with the temp agencies to interview more candidates. She has decided against hiring Colleen and she is also researching payroll companies to do our payroll and limit our liability with tax agencies. The question she has is that it definitely is a learning experience dealing with these temp agencies. Most of them now want you to do direct hire and for them finding you a candidate they want 25% amount of the direct hires first year's salary as their fee. She could have someone new in here tomorrow if that direction is okay with the Board. She also wanted to say that in the work place today the employed people that are looking and qualified for this position they are going to want a guarantee of \$25 to \$26 per hour. She doesn't think we are going to be able to avoid that but she'll try.

Chair DeVries asked what Dan ended up making an hour? DJ said he was almost at \$26 an hour. Annual hours for this employee would be 2080 hours. Chair DeVries did the calculations and we are looking at \$13,000 just for a fee if we direct hire.

DJ said she has learned quite a bit about the employee hiring this time. When she placed the ad the paper asked if she wanted to put the ad on a job board. She asked for a link and found that the job board was Indeed.com. Then she found that both temp agencies that she is dealing with have our ad there also.

Board discussed what Indeed or Monster etc. can do but their consensus was that DJ should do what she needs to do to get someone competent and that she can trust for the position.

TAB 9-Pump Reads-Nothing new

TAB 10-Resolution 2018-05 RGW District Preventive Maintenance Policy

DJ stated that to get the entire 10% or \$1,300 credit back from SDAO on our Insurance premium. To get 2% of this SDAO wanted us to pass this Preventive Maintenance Policy

Commissioner Johnson moved that we adopt Resolution 2018-05 as drafted.

Commissioner McDowell seconded. Motion passed. Commissioners Roth, Patterson, McDowell, Johnson and DeVries voted aye. Nays none.

TAB 3-10-01 Ordinance update pages-Tabled

Commissioner and Staff Comments: None

Commissioner Volunteer to sign checks this month: Commissioner Roth would like the Board to allow her to testify about what’s happening in Stafford. Things are getting busy and we need to protect our recharge zone. She thinks that things are moving fast and she feels that we need to be monitoring it.

Commissioner Patterson volunteered to sign checks.

Board consensus was that they approved Commissioner Roth to monitor for the District the Stafford area political status. She will report back to the Board meetings.

Non-agenda items: SDAO offered a complimentary registration to the District for their conference. Commissioner Patterson took the information.

Agenda Consensus for January 14th, 2019 Board Meeting

Ordinance review and update

Chair DeVries adjourned the regular Board meeting at 9:03AM.

Respectfully submitted,

DJ

DJ Ezell,
Water District Manager
Rivergrove Water District

These minutes are not verbatim and the meeting was tape recorded.
ORS 192.650 Recording or written minutes required; content; fees. (1) The governing body of a public body shall provide for the sound, video or digital recording or the taking of written minutes of all its meetings. Neither a full transcript nor a full recording of the meeting is required, except as otherwise provided by law, but the written minutes or recording must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes or recordings shall be available to the public within a reasonable time after the meeting, and shall include at least the following information:
(a) All members of the governing body present;
(b) All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition;
(c) The results of all votes and, except for public bodies consisting of more than 25 members unless requested by a member of that body, the vote of each member by name;
(d) The substance of any discussion on any matter; and
(e) Subject to ORS 192.410 to 192.505 relating to public records, a reference to any document discussed at the meeting.