

**Rivergrove Water District
Minutes-Regular Board Meeting
January 14th, 2019**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:32 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners DeVries, Roth, McDowell, and Patterson were present. Water District Manager DJ Ezell, Finance Specialist Janine Casey Jacobson was also present. Geoffrey Sinclair, Insurance Representative from Brown and Brown was also present.

Insurance Renewal Information Report

Geoffrey thanked the Board for having them to go over the 2019 Insurance renewal.

Page 5: The District does not have flood insurance. Geoff noted that DJ completed the best practice items that granted a 10% credit on the Insurance costs.

Page 6: Increase from last year was 5.43% mainly due to the District adding \$241,000 to the increase of property values. Loss ratio is 134%. Mainly due to lawsuit from bicycle accident within the last 5 years.

Page 4: District is not eligible for the longevity credit due to increased loss ratio. Chair DeVries asked for paperwork on the calculation of the longevity credit. Property values increased 2%. Because it is a blanket loss coverage-if you have 3 buildings worth 1 Mil each and you have a property loss on one building it allows you to apply the total property covered values to that one loss.

Page 7-talks about policies that are going to renewing this year with other providers but are not at this time-Cyber liability coverage with the Lloyd Syndicates and also Workers Compensation through SAIF. Crime limits the District has \$250,000 coverage. Flood insurance the District has none. He asked if the District has any underground fuel tanks. Answer-no.

Commissioner Patterson asked how much would it be to cover our pipes near the canal for flood coverage?

Geoff said to cover pipes for flood insurance is generally something that markets do not want to do because generally they are underground. Mostly they want to cover structures.

Chair DeVries noted that mostly these are underground pipes. We have a pipe crossing the Canal that is buried in the Canal. Commissioner McDowell noted that there are also fire hydrants located on the mains.

Geoff noted that they can look into getting a quote for the District but it would require some costs for information on the Districts part such as elevation certificates. But he will be very honest, the price would be very expensive covering a loss that would be very minimal. Part would have to be surveyed and that would be a cost.

Board member consensus of Chair DeVries, Commissioner Roth, and Commissioner McDowell, felt that the additional costs were not worth insuring the mains, etc, versus the exposure.

Chair DeVries asked Geoff to do two things. First to find out what we would need to do cover the pipes. Second to do additional bench marking with other water districts that have mains in flood zones to see what it costs them to insure mains and if any of those

systems insure them. Geoff said that people in our industry usually carry flood insurance but it is normally for structures, pumps, etc. located in the flood plain.

Page 9-Property liability coverage \$4 million total blanket, property deductible \$500, and inland marine is \$250. Next pages are basically sub limits and other things not offered through SDAO that Brown and Brown can find for the District.

Page 12-Property values.

More discussion on Scoggins dam flood debris and what type of preparation the District should do instead of carrying flood insurance. District should have spare hydrants on hand, connectors, and some pipe stored for this type of emergency.

Page 13-Inland Marine values; Page 14-Boilers Pumps, telephone systems, Crime insurance-\$250,000 of crime insurance. Geoff explained that crime is money and Cyber is information. Things that are covered: Embezzlement, Faithful performance are items that are covered. They quoted \$500,000 coverage for an extra \$303.

Board consensus was to increase the crime coverage to \$500,000.

Page 16-District has 10 Million in liability other things are available to the District such as EEOC defense, Pre-loss legal help, employment practice liability, data disclosure liability, employment practice liability is only \$5 million dollars coverage.

Page 18-Auto Business auto mirrors the property liability amount. Workers are coverage under Workers Compensation but any other person in the vehicle is not and could sue if in an accident. Uninsured/ underinsured coverage for non-labile actions has a limit of \$500,000 coverage.

SDAO doesn't cover loss of use on rental vehicles. Geoff recommends to buy the loss of use coverage if a vehicle is rented. If traveling out of State there is no tort limits.

Discussion on reviewing employee policy on renting cars or using uber or taxis.

Permanently installed tools such as the cranes go with the value of the vehicle, if there is a loss of tools, etc., that is covered under inland marine.

Commissioner McDowell asked if there is any chance, could the Commissioners get the information prior to the meeting in the notebook. Geoff did say DJ did ask for that-next year that's the goal. Geoff left the meeting at this time.

CONSENT AGENDA

Public Comment: None

TAB 1: Minutes-November 19th, 2018, Regular Board Meeting

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

Minutes December 17th, 2018-Tabled.

Chair DeVries introduced our new Finance Specialist Janine Casey. DJ said that Janine is retired from the Air Force but decided she wanted to come back to work so out of 20 candidates DJ hired her and she has been very helpful and detailed so far but we are still training.

UNFINISHED BUSINESS

TAB 2-Meter Test Results from Seven Zink residence: DJ stated that we sent the Zink's meter over to Water Metrics to have it tested for accuracy. Brian said when the meter was flowing at ¼ gallon it registered at 75% accuracy. We do think when it was

leaking that it was flowing faster than that. It got more accurate the higher the flow. What went through the meter was probably pretty close. The guy who certified it has been in the business for over 32 years and he said that in his work he has only seen 4 over register. And those were due to the manufacturer issue.

DJ stated that we have made new payment arrangements with the Zink's and they are ok with the payment amounts and time to pay it off.

TAB 3-District Report/Pump Reads

DJ reported on Reservoir #3 status. GRI will be doing borings behind the reservoir at the end of January. We are working with LO to check the accuracy of the meter in the vault. They have a meter person that does that and it should be done in the next two months. Brian will need to go out and exercise those valves that have been pointed out by Kyle.

FINANCIAL REPORT

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

DJ everything is reconciled. DJ reported that Cyndi is too busy to help in January to do reconciliations with us.

Chair DeVries asked why there is an uncleared amount of \$150 in the Deposit account. DJ stated that they are just catching up on the deposits as there were some checks and cash that hadn't been deposited in the files since October. Janine is catching up all the finals that are owed refunds that haven't received checks and she is also getting those finals that owe us money to pay. We also haven't done any transfers from the checking to the LGIP and vice versa but hopefully in February we will get the transfers up to date.

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

Chair DeVries asked about 8250-Transmission and Storage what is that amount for and how did we miss it. DJ stated that this was the promotion that she talked with the Board during budget approval time and had consensus to proceed for the purchase of 192 AMR meters and hardware to read them, and she thought the monies would have made it out of the previous budget but we did not get the meters and equipment until September so it needed to come out of this fiscal year budget. As long as we keep an eye on the Capital outlay and what is not spent in other items doesn't go over the appropriated amount for Capital outlay, we should be ok. If not, we may have to transfer money from the Contingency line item.

Commissioner McDowell asked if since the office is so close to the District could those reads come in to the office without having to drive out and get them. DJ noted that Consolidated is doing a probability study right now to see if we could get the reads using AMI and not how we get them now by AMR. We don't have the information at this time. Commissioner McDowell asked what frequency they would be running on VHF or UHF? He stated that VHF has problem getting around the trees and UHF works better.

Commissioner McDowell moved that we approve the financials. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, McDowell, 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 moved that we pay the bills. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, McDowell, 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.” Commissioner McDowell signed the check list the “Financial report check list” for this meeting.

Ordinance Update: Commissioner McDowell asked if we could table this and set up a Board workshop for the sole purpose of finishing the updating on the Ordinance. DJ asked for everyone to supply her with dates that would work in February and she would get in touch with Commissioner Johnson to see if we have a day or night meeting that would work. Board Consensus was to do a workshop.

Commissioner Volunteer to sign checks this month: Commissioner Roth volunteered to sign checks.

Non-agenda items: Commissioner Patterson stated that she also passed out a paper. DeVries stated that he would like to discuss non-agenda items since he has the gavel. It has come to his attention that Commissioner Sherry Patterson has a lot of concerns about his eligibility as a Board member. He had disclosed to the Board several times that he was no longer living in the District, but he owns a house in the District, and he has kids in the District. So, the Board had no problem with him remaining in his position, in fact, it is odd to him that instead of having the courage to talk to him about it she expended District resources staff time by coming in and querying staff about it and having them research for her and now money by expending District legal funds on an issue that she could have just talked to him about it if she had a concern about it. So, fitness for duty he felt that he did a pretty good job working through his responsibilities as a Commissioner and a Board Chair. He’s discussed it openly he has no secrets to hide. Our Attorney has clarified by review of Statute that because we have more than 100 voters in the District that he is no longer eligible for this position. Therefore, he is not going to run. But he has also clarified that he can serve out his term as he was elected when he did live in the District, he was eligible to serve. It is his intent to finish out the term that he was elected by this District to serve. He will continue that faithfully and he will not run for re-election his seat is open. He is not sure what else she was hoping to gain from this whole process.

Commissioner Patterson stated that she was concerned about is that none of us have the authority to change the definition of qualifications that Clackamas County has identified under this ORS statutes.

Chair DeVries stated that he felt that in no point in time did anyone on this Board represent or attempt to change Oregon Statutes to their benefit. That was never even brought to the table by the Board.

Commissioner Patterson stated that first of all she talked to Janine at the elections office and she said that you need to be a resident within the District. That is why she asked DJ

to check to see what is the issue for him to continue to be a Board member. You are signing contracts and you are signing other things.

Chair DeVries asked if she would like him to refuse his duties as a Chairperson.

Commissioner Patterson stated no but the issue is are you eligible to continue to serve on the Board and finish your term if you live outside the boundaries of the District and that is the issue.

DJ stated according to our Attorney.....

Chair DeVries stated our Attorney says yes and we rely on the advice of our Attorney.

Commissioner Patterson asked when did he say yes?

DJ stated it is here in the email response he gave her on Commissioner Patterson's question. She had passed out this at the beginning of non-agenda items.

Commissioner Patterson stated so you are giving this to us today? DJ stated yes.

Chair DeVries stated he quotes the same ORS. Then DJ asks him if it would be okay to finish out his term ending in June.

Commissioner Patterson stated she asked Janine at the election's office....

Chair DeVries stated let's just avoid further discussion and he read the part of the email at the top of page 2 that is highlighted. It read, "I believe that he is okay to finish out his term. Steve Shropshire, Shareholder Jordan Ramis, our Attorney. That really is all we need to know.

Chair DeVries stated if she was asking him to step down right now....

Commissioner Patterson stated no she was trying to verify that it is legal for him to represent the District. She is not questioning the way he has represented the District it has been outstanding. She just wanted to make sure if she was in the same situation would she be able to stay a Board member and that is why she contacted Janine.

Chair DeVries asked Janine is at the election's office? But we have advice from our Attorney that says he can finish his term. He is not eligible to refile for election so he won't be.

Commissioner Patterson stated ok and that she felt that we should pass this information on to Janine. DJ corrected her the employee at the elections office's name is Jennifer not Janine.

Chair DeVries stated that Jennifer is not our legal authority so she is not who we rely on for legal advice.

Commissioner McDowell asked what is Jennifer's role in the election's division.

Commissioner Patterson wasn't sure. Commissioner Roth stated that she is a clerk.

Commissioner McDowell stated that if that's the case it would have to go further up but even still.... Commissioner Patterson stated that we could educate her. Commissioner McDowell stated that it is not our job to educate her it is her boss's job to do that.

Chair DeVries noted that we have had adequate discussion and research on this subject and the outcome has been determined. He can finish his term. No need to waste further District time or resources on the subject.

Commissioner Patterson stated that she is glad to see we have a legal opinion for him to know his status. Commissioner McDowell stated that he hates that we are losing Chair DeVries.

Commissioner Patterson stated that she had a question about it and it certainly could have been clarified earlier and easier and she tried giving him a call.

Chair DeVries stated that if he doesn't have her name in his phone, he wouldn't have answered it but he did not get a message from her. If she left a message at his former residence, he or his ex-wife do not check it and he would not have gotten the message. Commissioner McDowell was actually going to say that having the written legal opinion in our files is worthwhile. It is a liability issue. If anyone comes back and questions any of the Board decisions due to his residency, we have a legal opinion. There is nothing wrong with spending money on that. As far as being called to the table if we don't have an absolute in a pocket written answer, we are at risk. It was probably something we should have asked right away. Basically, there were some assumptions on the fact that Chair DeVries owns property but we have been educated now, and we know.

Commissioner Roth noted that there are some Districts that it is legal even if you have 100 electors and do own land but do not reside in the District that it is okay to be a Board member. She believes that if you own land in a fire district you are a member of the District.

Commissioner Patterson stated that Janine indicated that a fire district has different rules. Chair DeVries thanked Commissioner McDowell for pointing that out. It could be a problem if anyone questions a decision that he was a part of.

Commissioner Patterson stated that it protects everybody and it is doing our due diligence.

Chair DeVries stated that he would say this for all of us. If you have a concern about a particular Commissioner, he thinks that it is appropriate to first have that discussion with that Commissioner directly. That is not a public meeting. He can call any one Board member and talk to them. He thinks that discussion should happen first before expending District resources on it and coming into the District office and talking about it. The staff has a lot to do. If we can resolve it at the Commissioner to Commissioner level, he thinks we should go there first. Moving forward if you have an issue start with talking to the Commissioner. Sorry he never received a call from her.

Commissioner McDowell stated an email or text would have been better then there is a digital record with it.

Commissioner Patterson stated that a lot of lessons have been learned. She is glad we clarified it. And she welcomes his input. The question was never about the quality of his representation. He had done a great service for all of us.

Chair DeVries stated that he is a little confused as it felt like an attack but we did need to resolve the issue. We know now but we have an answer and he is going to ride out his term. Any other non-agenda items

Commissioner Roth reported on the Stafford elections and the possible development that might happen there. There are three Cities involved. Two signed but Tualatin backed out. Her concern is that Stafford is our recharge zone and we can certainly offer testimony about that and put in an objection to the density both residential and commercial and the location above our aquifer.

Surface water management was discussed. What legal authority do we have and what we can do to comment.

Commissioner Patterson asked about what if we ask our Attorney was legal recourse about. Discussion about asking Kyle and also maybe DEQ about what can be done. DJ will get information to Commissioner Roth on the Oregon Health Authority Drinking Water Engineer that did our Source Water Protection plan.

Agenda Consensus for February 25th, 2019 Board Meeting

Ordinance work session review and update

Reservoir #3 Update

Commissioner McDowell stated he will be unable to attend on the 25th.

Chair DeVries adjourned the regular Board meeting at 9:00 AM.

Respectfully submitted,



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.