

PACIFIC CITY JWSA BOARD OF DIRECTORS
BUSINESS MEETING MINUTES

April 7, 2020

Chair McVicker stated that the board was meeting via video conference call due to the pandemic and the Oregon Governors social distancing recommendation.

Directors Present: Carolyn McVicker, Cameron Gogas, Sean Carlton, and Anne Price. (via video conference call) Tom Donohue absent.

Guests Present: Tim Hirsch and Tony Owen.

Staff Present: Kirk Medina, Rachelle DeLoe and Michelle Hughes.

Chair McVicker gave a summary of the Authority's notices to the public and asked the board to raise or wave their hand if they would like to ask a question or comment.

MINUTES

A. 03/03/2020 Business Meeting Minutes

Motion

Director Price moved to approve the minutes as corrected of the 03/03/2020 Business Meeting. Director Carlton seconded, and the motion carried with four ayes.

FINANCIAL REPORT

A. Accounts Payable: 03/03, 03/15, & 03/31/2020

Director Donohue joined the meeting at 5:09 pm.

Motion

Director Price moved to approve the accounts payable for 03/03, 03/15, and 03/31/2020. Director Carlton seconded, and the motion carried with four ayes.

B. Fiscal Year 19/20

Director Gogas asked if the Authority was seeing more rags with the COVID-19 quarantine. Mr. Medina replied that they had not seen an increase.

MANAGERS REPORT

Mr. Medina reported that there were no permit violations for the month of March.

Mr. Medina said that there was a small sanitary sewer overflow incident at the Beachy Lift Station.

Mr. Medina reported that due to the COVID-19 the Authority had closed the office for in person transactions and one employee had stayed home for a cold for two weeks, though he was feeling much better after four days.

Mr. Medina said they had not had any trouble receiving chlorine deliveries.

Mr. Medina reported that Ms. Hughes and Ms. DeLoe had both been able to work from home most of the time. Mr. Medina continued that the field staff has been taking separate vehicles and taking strict precautions in the workplace.

Mr. Medina said they were able to separate one employee by keeping him strictly at the Horn Creek Water Treatment Plant.

Mr. Medina reported that Bullseye Boring were not traveling at that time so the Brooten Rd line replacement was on hold.

Mr. Medina said they had had a Master Plan kickoff meeting on March 20th and that project was underway.

Mr. Medina reported that McClure and Sons, Inc had replaced a plug valve that was under warranty and it was complicated because staff had had to empty one of the SBR's.

Mr. Medina said Cummins had recently completed the annual generator maintenance for the Authority.

Mr. Medina reported that the biosolids management plan had been completed and submitted.

Mr. Medina said the Authority had received a letter that Tillamook County Emergency Communications would no longer be able to provide after hours call out assistance and the Authority was looking into other options.

Director Donohue was lost from the call.

Director Carlton asked if the Authority had seen less revenue since the pandemic had begun. Mr. Medina said he expected water usage to go down and most likely less revenue and would give the board an update at the next meeting.

Director Gogas asked what had caused the sewer overflow at the Beachy Lift Station. Mr. Medina said a high-level float alarm had failed and the customer across the street had called to inform the Authority and they were able to respond within ten minutes. Mr. Medina continued that staff was

able to neutralize the spill immediately around the lift station. Director Gogas asked if the Authority paid for the 911 after hours service. Mr. Medina replied that they do not, but because they will have a new system in place in the future, they may need to pay for it.

Director Price wanted to convey her thanks to the staff for all their extra effort to keep the community safe.

Director Gogas asked if any customers had asked to join that meeting. Mr. Medina said he had reached out to a few customers that had decided they would listen to the meeting later. Director Gogas asked who was currently on the call. Ms. Hughes said Tim Hirsch and Tony Owen were guests on the call as well as the board.

UNFINISHED BUSINESS

NEW BUSINESS

A. COVID-19 Customer Consideration

Mr. Medina said AWWA had expressed that water services were essential and recommended that utilities not shutoff water and sewer services to customers due to lack of payment.

Director Price commented that customers received correspondence prior to water being shutoff, and due to the pandemic situation, they could receive a revised version of the urgent shut off letter to encourage customers to pay their bill. Director Price wanted to make sure customers were aware that their bill would still accumulate, and they would still be responsible for the full balance. Mr. Medina said the suggested motion states that shut offs would be temporarily postponed. Mr. Medina continued that he would also suggest they waive the \$100 shut off fee. Director Gogas asked if there were any customers that were scheduled to be shut off. Mr. Medina said there were about six customers, but no one has been shut off since the pandemic was declared. Ms. Hughes agreed that there were six customers scheduled to be locked off that week, they did not receive a shut off letter and would not be shutoff. Director Price asked for clarification about the correspondence with customers. Director Price said she wanted customers to understand that fees will still be accruing and said the shut off letter needs modified. Mr. Medina agreed and wanted to reiterate the board consider not charging the shut off fee. Director Gogas asked if the six customers that are scheduled to be locked off were repetitive customers. Chair McVicker said that at that time it was not relevant as the AWWA had recommended that no water utility be turned off due to the pandemic. Director Carlton said he would also like to know if there was a difference between routine customers that are shut off or late on a regular basis and customers that are behind because of the pandemic. Chair McVicker said she agreed that it should be tracked. Mr. Medina said they would track that information and believed that they would see an increase in customers that are late that they normally did not see. Director Gogas asked for clarification on what it would take to be shut off. Ms. Hughes replied that a customer had 90 days before they were turned off for nonpayment. Ms. Hughes continued that during that time the customer would receive a past due letter and an urgent shut off letter along with their normal billing statements. Ms. Hughes gave several examples of frequent delinquent payment situations the Authority sees. Director Price clarified that the six people that were to be locked off that week, were 90 days past due and had

been properly notified. Ms. Hughes replied in the affirmative and added that the only thing they had done differently that time was they had not sent an urgent shutoff notice 5 days prior to lock off day. Director Price added that these six people were essentially not affected by the pandemic as they were past due prior to the declaration. Chair McVicker said they had no way to determine if the pandemic had affected those customers. Chair McVicker asked the board to decide if they wanted to follow the AWWA recommendation to postpone shutoffs. Chair McVicker gave a few specifics the board may want to consider. Chair McVicker continued that they would make a motion that night and ask the staff to create a resolution reflecting the motion. The board seemed to be in consensus. Chair McVicker added that the board may want to add that they waive late fees for a period of time as well. Chair McVicker suggested they add a time limit to the resolution as many other states had done. Discussion ensued regarding who would determine when the pandemic had ended and when to end the resolution. Director Price suggested the board use the removal of the Governor's emergency declaration and add 15 days, with the expectation they would revisit it in the future. Director Price clarified that they would be suspending late fees from that date forward. Director Carlton did not believe 15 days was long enough and suggested they do not specify a date. Chair McVicker found that it was prudent to specify some sort of timeline. Director Gogas suggested they use 30 days after the removal of the emergency declaration and that would give the board time to reconvene at a board meeting to revisit the topic.

Motion

Director Price moved that until 30 days after removal of the governors emergency declaration due to COVID-19, the Authority would follow the AWWA recommendation to temporarily postpone water shutoffs due to lack of payment and not charge late charges associated with that action, and that action would not apply to blatant water waste or abuse of water service. Director Gogas seconded, and the motion carried with three ayes and one nay.

B. COVID-19 Business Consideration

Mr. Medina said the Authority had received several calls from vacation rental owners that were concerned with the \$200 fee associated with indefinite lock offs. Mr. Medina said because they were not allowed to use their vacation rentals for income purposes. Mr. Medina recommended that the board change the fee to a more reasonable \$100 and suspend the 30-day advance notice requirement. Director Price said that vacation rental customers could suspend there STVR permit with the county and that would change the customers rate structure in the Authority's system. Director Price believed she remembered the fee being lower in the past and it had caused many problems with customers. Director Price suggested that the vacation rental owners suspend there permit with the county and lower their monthly bill that way or pay the \$200 for an indefinite lock off. Chair McVicker suggested that they waive the 30-day notice but keep the \$200 fee. Director Gogas asked how many vacation rentals the district had. Ms. Hughes said there were 244 vacation rentals, but to keep in mind that 2/3 of the homes in Pacific City were second homes to residents. Discussion ensued regarding how the Authority's revenue would be affected. Chair McVicker said they would need to make two separate motions. Chair McVicker continued that one motion would need to be made for the indefinite lock off fee and the second for a moratorium on CIC charges.

Motion

Director Carlton moved to reduce the Indefinite Lock Off fee from \$200 to \$100 and suspend the 30-day notice, until 30 days after the governor removes the emergency declaration. Director Gogas seconded, and the motion tied with two ayes and two nays. The motion did not pass.

Chair McVicker asked that they revisit that topic at the next board meeting.

C. COVID-19 Business Consideration

Mr. Medina reported that staff had looked at three options to reduce WWTP CIC charges to customers until at least the June 2020 board meeting. Mr. Medina continued that they had looked at reducing the fee by 15%, 30%, and eliminating it all together. Mr. Medina referred to financial spreadsheets in the board packet as reference. Mr. Medina said the Authority had enough surplus funds to assist customers for a short period of time. Discussion ensued regarding concerns about how the future revenues would be affected, loan payments and obligatory reserves, and whether a supplemental budget would need to be initiated. Ms. Hughes assured the board that they did have the required reserves already set aside as well as enough monies to cover payments. Ms. Hughes said they would not need a supplemental budget because the 002 fund had \$1.8 million dollars. Ms. Hughes said eliminating the WWTP CIC through the end of the fiscal year would be a loss of \$99,000. Ms. Hughes continued that a second option was to reduce the WWTP CIC by 15% or 30% and could keep up that rate for up to 5 years. Discussion ensued regarding how the CIC revenue could be spent. Mr. Medina reiterated that a complete moratorium would be a loss of \$33,000 per month. Mr. Medina added that at a reduction of 30% the loss would be \$10,000 per month and 15% would be \$5,000 per month. Director Carlton asked if they would expect an increase to rates this next fiscal year. Ms. Hughes replied that they were looking at increasing the water and sewer operating funds, which would affect the base user fees. Director Carlton commented that the Authority had an obligation to help their customers and they were in a position financially to do it. Director Carlton recommended they do a complete moratorium through June 30th to assist the customers. Chair McVicker suggested they go with a 30% reduction for three months to potentially become long term. Discussion ensued regarding how best to help the customers. Director Gogas suggested they go with the 15% option and possibly make it 20%. Ms. Hughes added that the board could go with the full moratorium and decide on the 15% option during the budget process for the following year as they were concerned about increasing the customers bill after June 30th. Director Carlton gave a summary of his personal experience as a business owner during the pandemic and several reasons of why a full moratorium would be beneficial to the customers. The board agreed that the community would need to be informed that the WWTP CIC would be reinstated as of July 1st. Discussion continued regarding community relations dilemmas the board may face when the WWTP CIC is reinstated.

Motion

Director Carlton moved to put in place a moratorium on WWTP CIC charges until June 30, 2020. Director Gogas seconded. Chair McVicker asked if a resolution would be required. Ms. Hughes replied in the affirmative. Chair McVicker clarified that the board would need to call a special meeting to pass the resolution. The board agreed they would restate the motion.

Director Carlton moved to create a resolution to put in place a moratorium on WWTP CIC charges through June 30, 2020. Director Price seconded, and the motion carried with four ayes.

GUEST QUESTIONS AND COMMENTS

No questions were asked.

CHAIRMAN/DIRECTOR COMMENTS

Director Gogas asked if the board could make decisions without resolution during an emergency like the pandemic. Chair McVicker replied that the Authority had an Emergency Response Plan that they would follow if the need arose.

Director Carlton expressed his thanks to the PCJWSA staff for everything they were doing during the pandemic.

Director Price wanted to thank Ms. Hughes and Mr. Medina for helping make the meeting possible.

Chair McVicker told the board that she had purchased a signature stamp for check signing to follow social distancing guidelines. Chair McVicker continued that Ms. Hughes and Mr. Medina had made sure that with a procedure in place and paper trail the auditors had approved. Chair McVicker gave a summary of the procedure that they had put in place.

Mr. Owen wanted to commend the board on their discussion and handling of the situation at hand.

Chair McVicker said with video conferencing the public should submit any questions or comments via email to Mr. Medina prior to the meeting or during the meeting while listening. Chair McVicker continued that the public could call in to the meetings but would prefer the public not to use video conferencing.

Director Gogas said he would like to know who all is included in the meetings as well.

Director Carlton let Director Gogas know that using the video conferencing you can see who is on the call and added that there was a chat feature in Blue Jeans that they may want to use as well.

Director Price asked if that was a good opportunity to change the payroll process to direct deposit. Mr. Medina said that it was something they had discussed and if the board did not have a problem with it, they would like to implement it as soon as possible.

Chair McVicker said they would do some testing of Blue Jeans with anyone that needed extra assistance.

Chair McVicker adjourned the meeting at 7:12 PM.

The PCJWSA Board of Directors approved these minutes on May 5, 2020, by the following votes:

Aye _____ Nay _____ Abstain _____ Absent _____

ATTEST:

Carolyn McVicker, Chair

Kirk Medina, Authority Manager