

ARCH CAPE SANITARY DISTRICT MINUTES

21 May 2021

A ZOOM video teleconference meeting was held in light of the COVID-19 pandemic. A quorum was present.

Sanitary Board: Darr Tindall, President
Chris Anderson
Bill Campbell

Excused Absent: Debra Birkby, Vice-President & Treasurer

Water Board: Dan Seifer (non-voting)
Lauren Ahlgren (non-voting)

Public: Buffy Simmons
David Stockton
Jeannie Stockton

Staff: Phil Chick, District Manager
Steve Hill

Ms. Darr Tindall called the meeting to order at 6:31 pm as a Covid-19 Zoom virtual meeting.

Public Comment: None.

Agenda: Add BOD positions and terms of office. Mr. Campbell moved acceptance of the agenda as amended which was seconded by Mr. Anderson. All in favor. Motion carried.

Consent Agenda: Mr. Campbell moved acceptance of the consent agenda which was seconded by Mr. Anderson. All in favor. Motion carried.

Old Business:

Wastewater Plant Access: (Information) A possible purchase by a member of the community of the neighboring property was reported.

Webb Lift Station: (Information) Mr. Chick indicated that work is continuing by CMI to develop a pre-construction letter.

Covid-19 Emergency: (Information) Accounts receivable were reported as falling off from the level experienced at the same time last year.

2020 Audit Action Plan: (Action) Mr. Campbell moved the execution of the audit action plan letter by the District President to be sent to the audits division of the Oregon Secretary of State

detailing a search for potential alternative accounting software and continued involvement by directors in a segregation of duties in managing District finances. This motion was seconded by Mr. Anderson. All in favor. Motion carried.

Mr. Campbell further proposed that while accounting software was under consideration that a formal description of financial controls be undertaken as well as gaining a more complete understanding of what Mr. Hill provided to the District. It was noted that there was no redundancy for him and that a transition plan be formed to provide continuity for future District administrative support.

RES 21-04 SD FY2021-22 Budget Adoption & Imposing Tax: Public Hearing on the budget / rate adjustment: (Action)

A **Public Hearing** was opened at 6:51pm by Ms. Tindall. Mr. David Stockton indicated that he and Jeannie Stockton approved of what the board was doing. No other public comment was offered. Ms. Tindall closed the public hearing at 6:53pm.

Mr. Campbell moved adoption of Resolution 21-04 SD for adoption of the fiscal 2021-22 budget and imposition of tax which was seconded by Mr. Anderson. All in favor. Motion carried.

New Business:

RES 21-05 SD 2021-22 Rate Change: (Action) Mr. Campbell moved adoption of Resolution 21-05 SD 2021-22 Rate Change which was seconded by Mr. Anderson. All in favor. Motion carried.

Board Positions and Terms: (Information) As was noted in the water district meeting, a clarification was needed between Policy 13-01 and Policy 16-01 on what should be the length of officer terms of office and the limit for consecutive terms.

The following unofficial election results were provided by Mr. Chick.

- Position 1 : Ms. Debra Birkby : write in votes were received for Ms. Birkby
If she were to accept it would be for a four (4) year term.
- Position 2 : Ms. Darr Tindall : elected for an additional four (4) year term beginning July 1st.
- Position 3 : Mr. Carl Matson : write in votes were received for Mr. Jay Blake.
If he were to accept it would be for a four (4) year term.
- Position 5 : Mr. Bill Campbell : write in votes were received for Mr. Campbell.
If he were to accept it would be for a two (2) year term.

Position 4 currently held by Mr. Chris Anderson was noted as coming up for election in 2023.

Reports:

District Managers Report and Correspondence for Action: (attached)

Board of Directors' Comments and Reports: None.

June Agenda Items: Officer policy revision, LRFP, plant access, Webb Lift Station.

Public Comment: Mr. David Stockton expressed his appreciation for the board's efforts.

The meeting was adjourned by Ms. Darr Tindall at 7:02 pm.

Respectfully submitted,


Steve Hill

Attest 
Ms. Darr Tindall, President



Arch Cape Sanitary District

32065 East Shingle Mill Lane
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21 May 2021

Amy Dale, CPA
Audit Manager, Audits Division
Office of the Secretary of State
900 Court Street NE
Capital Room 136
Salem, OR 97310-0722

Re: FY 2019-2020 Audit : Plan of Action in compliance with ORS 297.466

The following material weakness and significant deficiency was noted by our auditors, Accuity, LLC for our FY 2019-20 Sanitary District Audit.

Material Weakness: Improve Usage of Accounting Software - We were specifically advised to discontinue the use of external spreadsheets for accounting and reporting.

We plan on examining both the modification of our existing QuickBooks software to generate financial statements in addition to our current double entry use for invoicing, making payments and providing for checking account reconciliations as well as examining Red Wing - Center Point software as a possible alternative in providing proprietary fund accounting.

Significant Deficiency: Organizational Structure - We were advised to have the Board of Directors remain involved in the financial affairs of the District to provide oversight and independent review functions.

It is our intention to continue our active involvement in supervising District finances due to the small size of existing staff with an active Board of Director member as Treasurer involved with checking account reconciliation as well as having at least two signatories for all disbursements.

Respectively submitted,

Darr Tindall
President

ARCH CAPE SANITARY DISTRICT

RESOLUTION 21-04 SD

A RESOLUTION ESTABLISHING A BUDGET AND IMPOSING THE TAX FOR FISCAL YEAR 2021-2022 FOR THE ARCH CAPE SANITARY DISTRICT.

IT IS HEREBY RESOLVED AND ORDERED that the Arch Cape Sanitary District Budget approved and recommended by the Budget Committee on 30 April 2021, for the fiscal year beginning July 1, 2021 in the total amount of **\$732,548** and for the purposes shown below are hereby appropriated as follows:

General Fund

Materials & Services	\$343,197
Capital Outlay	\$ 0
Grant Expenditures	\$ 20,000
Debt Service	\$ 54,311
Transfer to Capital Fund	\$ 0
Transfer to GO Bond Debt Fund	\$ 0
Contingencies	<u>\$ 62,244</u>
Total General Fund	\$479,752

GO Bond Debt Fund \$144,600

Capital Fund

Capital Outlay	\$ 0
Contingencies	<u>\$108,196</u>
Total Capital Fund	\$108,196

Total Appropriations **\$732,548**

Imposing the Tax

BE IT RESOLVED that the Board of Directors of the Arch Cape Sanitary District hereby impose the taxes provided for in the adopted budget in the amount of **\$155,150** for bonds; and that these taxes are hereby imposed and categorized for tax year 2021-22 upon the assessed value of all taxable properties within the District.

Categorizing the Tax

General Government Limitation

Excluded from Limitation


General Government

Debt Service

\$155,150

The above resolution statements were approved and declared adopted on this 21st day of May 2021.

Attest


Steve Hill, Secretary


Darr Tindall, President

ARCH CAPE SANITARY DISTRICT

RESOLUTION 21-05 SD

A RESOLUTION SUPERSEDING RESOLUTION 19-05 SD ESTABLISHING BASE RATE CHARGES AND DEBT SURCHARGES FOR THE ARCH CAPE SANITARY DISTRICT "DISTRICT".

WHEREAS the Arch Cape Sanitary District needs to adjust base rate fees and debt surcharges to District customers from time to time sufficient to collect monies necessary to meet budgeted expenses; and

WHEREAS the District, where possible, structures its base rate fees to cover anticipated personnel, operating and capital expenses and debt surcharges to retire specific District debt instruments over time.

NOW THEREFORE, the District hereby establishes base rate fees per service connection and debt surcharges effective July 1, 2021 as follows:

Customers with a ¾" or 1" service connection:

Sanitary Quarterly Base Rate	\$232.00
Sanitary Quarterly Debt Surcharge	<u>\$ 39.00</u>
Total Quarterly Charge	\$271.00

Adopted this 21st day of May 2021.


Darr Tindall, President

Attest: 
Steve Hill, Secretary

Manager Report May 21st, 2021

SANITARY DISTRICT:

We received 1.5” inches of rainfall in April and the plant received 2.7 million gallons of influent.

The irrigation system went online May 1st.

The biosolids site has been mowed in preparation for land application in June.

I will not be in attendance at the June 18th Board Meeting.

MONTHLY LOG : ARCH CAPE WATER & SANITARY DISTRICTS

April 2021

Total Hours	352.00	164.50	187.50
Percentage Split		47%	53%
Total Accounts	639	294	345
Percentage Split		46%	54%