

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
September 20, 2023
Meeting Summary

CALL TO ORDER

Present: Chair Susan Meamber; Commissioners Ramesh Krishnamurthy and Andy Smith

Management Staff: Michael Grimm, General Manager; Wendy Irwin, Finance Manager

Absent: Commissioner Chris Eppler; Commissioner Paul Schuler

Public: None

1.0 – CALL TO ORDER

Chair Meamber called to order the meeting of the West Slope Water District Board of Commissioners at 5:04 P.M., Wednesday, September 20, 2023. The meeting was held as a hybrid meeting – in person and. The public was made aware of the meeting through the District’s website (the meeting agenda and Zoom meeting link were posted on the website).

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

The District had not received any public comments regarding agenda items or other issues for the Board to consider.

3.0 – CONSENT AGENDA

Commissioner Smith made a motion to accept the entire Consent Agenda Items 3.1 through 3.7. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously (3-0).

4.0 – DISTRICT ACTIVITIES

4.1 – General Manager’s Report: Mr. Grimm highlighted one key issue from the General Manager’s report:

- Beaverton-Hillsdale Hwy Water Main Project: Mr. Grimm stated the construction project is going well. Despite being a few weeks behind from the original schedule, the construction contractor has been making up some time through working at night while the intersection work and the crossing work is being performed. Night work will continue through September and may extend into October. All installation work will be completed in November. Full lane paving will likely be completed in April 2024.

Chair Meamber asked about the work on the Water System Master Plan RFP scope of work. So far, Ms. Irwin has completed most of the work for the water rate study scope

of work and Mr. Grimm is still working on the master plan part of the scope of work. The goal still is to send the final RFP to consultants by the end of October.

4.2 – Finance Manager’s Report: Ms. Irwin stated work is coming to a close on the District’s audit report. Securus has informed the District that the on-line server is ready to be implemented. HR Answers is currently reviewing the District’s employee manual and will report back to the District in a few weeks.

4.3 – Long Term Water Supply:

Wholesale Water Agreement with Portland: Mr. Grimm talked about the draft wholesale water sales agreement (Agreement) shared with the Board along with the major talking points document. The Agreement is close to its final form at this point. Mr. Grimm shared a few key main points of the Agreement that significantly benefit the District over the current agreement:

- Removal of the guaranteed minimum purchase (GMP) requiring the District to purchase 1.4 MGD every day. Since the District’s average day demand over the calendar year is 1.1 MGD, the District currently pays to Portland for water that the District cannot use or sell to retail customers.
- Removal of the detailed cost pool methodology for rate making. In its place will be three cost pools (Portland Retail, Eastside Wholesale, and Westside Wholesale).
- Removal of the surcharges for exceeding the declared peaking factors for peak 3 day (the average demand for the three highest days) and peak season (the total demand for water purchased from Portland between July 1 and September 30).
- Allowance for a 30-year Agreement duration.

Comparative Due Diligence Option for Long-Term Supply: Mr. Grimm reviewed the Board packet Agenda Item 4.3.1 outlining a summary from the Joint Water Commission (JWC) from its Water Director Niki Iverson on the estimated cost and broad procedure involved in purchasing wholesale water (Willamette Water Supply or Tualatin/Trask) from/through the JWC. Key points are:

- The District is not an owner participant in the JWC
- The District has no wholesale capacity reserved for the District to receive JWC water ... any capacity the District would receive would have to come from the capacity of one of the JWC owners
- Any JWC water that would come to the District would be at the JWC wholesale rate plus an added wheeling cost to cover the expense of using the transmission and distribution systems of other to get water to the District
- The combination of the wholesale rate and the wheeling rate would be close to 2x the rate the District currently pays to the Portland Water Bureau
- The approval process to purchase wholesale water from the JWC requires extensive approval and may take up to two years to complete

Commissioner Smith thanked Mr. Grimm for the due diligence investigation on behalf of the District and asked if there was assurance the rates quoted in Agenda 4.3.1 were the lowest rates available. Mr. Grimm responded that wholesale rates from the JWC will be higher than the rates the owner/partner agencies pay for water from the JWC. Purchasing wholesale water from any individual agency would not be at the same owner/partner agency rate ... it would always be higher. The only way to purchase water at the owner/partner agency rate would be to be part of that agency, and that is not an option this Board is considering. Mr. Grimm further explained purchasing emergency water (short term supply) would be treated differently through

a staff level MOU with TVWD. By far, Mr. Grimm stated the best long-term supply option for wholesale water is the new Agreement with the Portland Water Bureau.

Chair Member stated she felt uncomfortable formalizing the good faith acknowledgement / agreement-in-principle to sign the Agreement with only three of the five District Commissioners present at this meeting. Commissioner Smith stated he was in favor of agreeing in principle to the Agreement but acknowledged the desire of others in the meeting to have the two Commissioners who are absent a chance to comment on the Agreement at a future meeting. Commissioner Krishnamurthy expressed his support the agreement-in-principle with Commissioner Smith but agreed he could wait for the other two Commissioners to get on board with the Agreement.

4.4 – Camp Creek Fire Update – Impact to West Slope: Mr. Grimm shared the latest status update from the Camp Creek Fire in the Bull Run Watershed and the potential water quality issues if heavy rains fall in the watershed and push a lot of soil and turbidity into the raw water from runoff on the burned hillsides. The Portland Water Bureau and all the wholesale customers have worked diligently since the start of the fire in August on potential curtailment measures if it were needed.

5.0 – COMMISSIONERS COMMUNICATIONS

There were no meetings that District Commissioners attended as representatives of the District. Chair Member did mention that she met with Todd Sanders, TVWD Board Chair, in late August. Chair Member stated the two Commissioners thought it would be a good idea to have a facilitator for a joint board meeting. Chair Sanders was thinking of a representative from SDAO, and Chair Member contacted Judy Clarke as potential facilitators to talk about potential joint projects and emergency water MOUs. However, with the resignation of TVWD CEO Tom Hickmann, there is instability at their utility and the urgency of a joint meeting has departed.

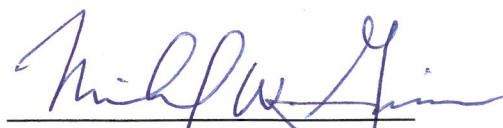
Commissioner Smith mentioned there is a legislative days session coming up next week to discuss water infrastructure financing and low-income housing issues among other things. The consensus of the Board was the meeting went well tonight.

6.0 – ADJOURNMENT


There being no further business to discuss, Commissioner Krishnamurthy moved to adjourn the meeting. Commissioner Smith seconded the motion, and the motion was approved unanimously (3-0). Chair Member adjourned the September 20, 2023 Board of Commissioners regular meeting at 6:45 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary



Chair Member
