

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

December 21, 2022

Meeting Summary

CALL TO ORDER

Present on Virtual Meeting: Chair Paul Schuler, Commissioners Ramesh Krishnamurthy, Susan Meamber, Andy Smith, and Carol Wild

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

Absent: None

Public: Rebecca Geisen; Regional Water Providers Consortium

1.0 – CALL TO ORDER

Chair Schuler called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:01 P.M., Wednesday, December 21, 2022. The meeting was held through Zoom remote teleconferencing technology. 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 Wild requested Agenda Item 3.8 be pulled from the Consent Calendar. Commissioner Wild made a motion to accept Consent Agenda Items 3.1 through 3.7 and 3.9. Commissioner Krishnmurthy seconded the motion, and the motion passed unanimously (4-0) .

4.0 – DISTRICT ACTIVITIES

4.5 – Regional Water Providers Consortium (RWPC) – Strategic Plan (Rebecca Geisen)
The Board introduced themselves to Ms. Geisen and provided her with their own brief background. Mr. Grimm introduced Rebecca Geisen to the Board, and she gave a short bio background of her tenure with the RWPC. Ms. Geisen gave a brief background of the work of the RWPC and the water providers who are members of the RWPC which includes most Portland metro area water utilities but does not include SW Washington at this point due to a lack of direct interties with Oregon water utilities. Key strategic plan focus areas include meeting water needs, emergency preparedness and resiliency, and strengthening regional partnerships. In the

past year, the RWPC has worked on collaboration through partnerships, equity and accessibility improvements for the public-facing RWPC resources, building resiliency among member utilities, working with the Regional Water Disaster Preparedness Organization to create an Emergency Drinking Water Framework Plan, and leveraging grant funding. Chair Schuler asked if there is any effort underway to create shared infrastructure between utilities for the benefit of the region. Ms. Geisen mentioned the RWPC Interconnectivity Study from a few years ago which pointed out gaps in regional transmission water mains which utilities will work to create and improve.

Commissioner Smith joined the meeting at 6:31 PM.

Ms. Geisen stated the RWPC annual budget is around \$1 million. Mr. Grimm stated the RWPC is a unique organization based on the broad collaboration on all of the fronts Ms. Geisen has mentioned. Ms. Geisen stated she will be presenting the concept of the RWPC at the AWWA Utility Management Conference in Sacramento, CA and most likely at the AWWA Annual Conference in Toronto. Chair Schuler stated there are areas in this country trying to achieve a collaborative organization like RWPC, but they have not as yet achieved their goals.

Ms. Geisen discussed the foundation of the current work to update the RWPC's 2018 Strategic Plan. Ms. Geisen asked the Board if they felt the RWPC's mission, vision, and values hold true; if there were priorities the Board believes are important for the RWPC; and how can the RWPC be supportive of the District's work. Commissioner Krishnamurthy stated sharing information and lessons learned between utilities and engaging the general public on a deeper level are both important. Chair Schuler commented a future goal would be to expand the RWPC's scope beyond drinking water to all water (such as Clean Water Services). Chair Schuler also stated the RWPC's work on diversity and equity would be a large benefit to the District. Commissioner Meamber noted many of the RWPC's materials are available in multiple languages (Ms. Geisen confirmed some materials are translated into 11 languages).

The Board thanked Ms. Geisen for her presentation, and Ms. Geisen left the meeting at 6:04 PM.

3.8 – Finance Manager's Report

Commissioner Wild asked Ms. Irwin what her opinion and views were regarding the completion of the District's audit. Ms. Irwin stated the auditors did not present any issues in their findings and had no concerns about the transition from Ms. Dawes to Ms. Irwin as District Finance Manager. The auditors did not have any small editing comments to the District's audit report. Mr. Grimm shared with the Board Ms. Irwin was extremely well prepared for the audit and provided a complete package to the auditors. Ms. Irwin stated one of the new changes to the audit is a new risk assessment though not all risks identified need internal controls to mitigate those risks since the District is so small. Commissioner Wild asked about the "rule of thumb" for working with one auditing firm over many years. Ms. Irwin stated there is no general rule of thumb and given the current staffing situation for most auditing firms and how Grove Mueller continues to bring fresh auditors to our project, there is great incentive to stay with the District's current auditors. Ms. Irwin mentioned the other large project staff is working on is the Springbrook billing platform migration to a "cloud" based server. Chair Schuler congratulated Ms. Irwin on securing the SDAO grant for safety risk mitigation projects (security gate and utility vehicle arrow board sign). Commissioner Krishnamurthy made a motion to accept Agenda Item 3.8. Commissioner Smith seconded the motion, and the motion passed unanimously (5-0).

4.1 – General Managers Report

Mr. Grimm highlighted several key issues from the General Manager’s report:

- Long term source of supply: Mr. Grimm stated he and Ms. Irwin met with Gabriel Solmer and Cecelia Hyunh with the Portland Water Bureau about the impacts of the proposed new wholesale water sales agreement. Mr. Grimm pointed out that the first run with the water rate model shows that the wholesale rates for West Slope will be higher under the new agreement than they are under the current agreement between July 1, 2023 and June 30, 2026. So, in reality there is no real incentive to wholesale customers to implement the new wholesale water sales agreement prior to July 1, 2026. This outcome was a bit of a surprise to Portland and wholesale customers and is likely due to changes in the new agreement to include construction work in progress costs and a higher rate of return to Portland. The key question that Portland will need to help wholesale customers answer is what is the added value to Portland’s wholesale customers (and retail as well) as a result of the new agreement.

Commissioner Krishnamurthy asked if the District has officially signed on to the new agreement, and Mr. Grimm stated the Board has not officially made a decision to purchase water from Portland (Bull Run & Columbia South Shore) or from TVWD (Willamette & Tualatin Rivers) beginning July 1, 2026. Mr. Grimm stated that as long as Portland is allowing wholesale customers to collaboratively craft the new wholesale water sales agreement and the wholesale rates are likely to be very similar to that of TVWD’s, there appears to be no significant incentive to switch water sources away from Portland, but the Board will still need to make that decision. Commissioner Meamber asked what risks might the District face with the new agreement if, for instance, the construction costs for the new Bull Run WTP were 25% higher than originally planned. Mr. Grimm stated the agreement would not change as the agreement sets methodologies for determining rates, but what would change would be the rate, and for the Bull Run WTP, Portland has a guaranteed maximum price clause for construction costs to prevent large construction cost escalations. The construction costs would increase, however, if the scope of the project changed due to the need to build additional features. Chair Schuler asked if TVWD has ever given a wholesale water rate estimate to the District, and Mr. Grimm stated no. Chair Schuler stated there still would be value to West Slope to at least find out what the proposed wholesale water rate would be from TVWD. Commissioner Wild commented that it is important for the District to continue to evaluate future retail water rate increases to both the fixed and consumptive portions of the water bill. Ms. Irwin agreed and thanked Commissioner Wild for her comments, and Mr. Grimm stated the Board made a great decision to adjust both components independently for the water rate increase in July 2022.

- Beaverton-Hillsdale Hwy Water Main Project: Mr. Grimm stated the District made an initial payment to Emery & Sons from the contractor’s mobilization line item in the contract. Emery & Sons is using that money to procure pipe for the project even though construction will not take place until March 2023. District staff, AKS Engineers, and all permit holders will meet virtually on December 28 to discuss moving the permit approval process forward.
- Staff forwarded data to 120Water they have requested for the District’s customer service line inventory.
- Mr. Grimm stated Judy Clarke is working on the General Manager’s performance review process.

4.2 – Budget Committee – Volunteer Appointment

Commissioner Wild made a motion to approve the Budget Committee members for 2023 as presented in Attachment 4.2.1. The motion was seconded by Commissioner Smith, and the motion passed unanimously.

Commissioner Smith left the meeting at 6:50 PM

4.3 – Budget Transfer Resolution – Maintenance Yard Security Gate & GIS Project

Ms. Irwin gave a brief explanation of the transfer of funds to the equipment fund to purchase GIS project equipment and the new security gate features. Commissioner Krishnamurthy made a motion to transfer the funds as presented. Commissioner Meamber seconded the motion, and the motion passed unanimously (4-0).

4.4 – Acceptance of Grove Mueller Audit Report

Commissioner Wild made a motion to approve the audit report as presented. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously (4-0).

5.0 – COMMISSIONERS COMMUNICATIONS

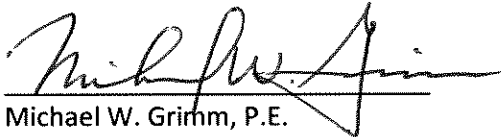
No commissioners had attended any outside meetings, and there were no additional topics raised by the Board for this meeting or for any future meetings beyond a discussion of water rates raised by Commissioner Wild. Mr. Grimm pointed out to the Board through demonstration that the District’s hybrid meeting room is ready to host the Board’s first in-person meeting since February 2020. So, the Board meeting in January 2023 will be a hybrid meeting (in-person with a Zoom link for anyone wanting to join virtually). The general consensus of the Board was that this current meeting was well run and valuable.

6.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Wild moved to adjourn the meeting. Commissioner Meamber seconded the motion, and the motion was approved unanimously (4-0). Chair Schuler adjourned the December 21, 2022 Regular Board of Commissioners meeting at 7:08 PM

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

