

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners and Budget Committee Meeting

May 15, 2019

Meeting Summary

CALL TO ORDER

Present: Chair Michael Hoffman; Commissioners Charles Conrad, Noel Reiersen, Paul Schuler and Carol Wild

Management Staff: Michael Grimm, General Manager; Lucy Dawes, Finance & Customer Service Manager

Volunteer Budget Committee Members: Michael Smith, Nicholas DeMorgan, Susan Meamber, and Rosalie Stevenson

Absent: Ramesh Krishnamurthy, Budget Committee volunteer

1.0 – CALL TO ORDER

Chair Hoffman called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, May 15, 2019.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Mr. Grimm relayed a complimentary comment from a customer regarding the great “in person” service received from Janet and Lucy.

3.0 – CONSENT AGENDA

Commissioner Reiersen asked to remove Agenda Item 3.3 and 3.4 from the Consent Agenda. Commissioner Conrad also asked for Agenda Item 3.3 to be removed. Commissioner Schuler made a motion to accept Consent Agenda Items 3.1, 3.2, and 3.5 through 3.9. Commissioner Wild seconded the motion, and the motion passed unanimously. Under Agenda Item 3.3, Commissioners Reiersen and Conrad both asked about the refund check to Michael Hoffman. Ms. Dawes explained the check was an account refund check to Mr. Hoffman for the home he recently sold. Commissioner Conrad inquired about the check paid to Hoss Paving, and Mr. Grimm explained the expense was paving required by ODOT on Beaverton-Hillsdale Highway following the main break in February. Under Agenda Item 3.4, Commissioner Conrad inquired about the stale dated outstanding checks which are no longer listed. Ms. Dawes stated she has moved them to a liability account and will be turned over to the state. She has spent considerable time trying to determine if the District has previously filed or turned over any unclaimed property in the past. There is a different procedure for an initial filing. Commissioner Conrad moved to approve Agenda Items 3.3 and 3.4, and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

4.0 – BUDGET COMMITTEE

4.1 – Election of Budget Committee Chair - Mr. DeMorgan nominated Michael Smith as the chair of the Budget Committee, and Commissioner Conrad seconded the motion. The motion passed unanimously.

4.2 – Comments by the General Manager - Mr. Grimm welcomed all of the volunteers on the Budget Committee. Mr. Grimm and Ms. Dawes reviewed some of the highlights the District accomplished since July 2018.

4.3 – Presentation of Proposed Budget by Finance & Customer Service Manager – Ms. Dawes introduced the budget presentation with a summary of the different sections of the budget (general fund, capital improvement reserve fund, equipment reserve fund, system development charge fund) and the goal of the budget being the recommendation of a budget to the Board and the appropriation of funds to operate the District in the next fiscal year beginning July 1, 2019. Ms. Dawes stated to that maintain the projection established in 2018 to meet future wholesale water rates from the City of Portland while still maintaining reserves to satisfy the District's bond covenant requirements, the District will need to continue to build the rate stabilization fund with a 12% water rate increase in September 2019. Portland's wholesale water rate increases to the District are mostly impacted by the completion of Portland's new Washington Park Reservoir (2023) and the new Bull Run Filtration Plant (2027) and initiated a discussion by the Budget Committee on the potential of decreased customer demands and the other options available to the District for its long range water supply. The District is proposing modest increases to the general fund mostly related to employee salaries, PERS costs, and health care expenses. The District also proposes to carryover CIP project expenses to this fiscal year that were scheduled in 2018 but not initiated due to other workloads. Mr. Grimm responded to several questions about the current wholesale water sales agreement with Portland and its impacts on the District's budget. Ms. Dawes reviewed other new projects/expenses facing the District including the public outreach strategic plan contract with Katz & Associates, the District's \$25,000 contribution for a financial consultant to draft a new wholesale water sales agreement for Portland and its wholesale water customers, and the District's UCMR4 sampling costs to meet USEPA requirements. Following the presentation, Commissioner Conrad extended his thanks to Ms. Dawes and commented how clear, concise, understandable, and accurate the Budget Document is, and the rest of the Budget Committee agreed. Commissioner Conrad stated he was satisfied with the District's budget as presented.

4.4 – Public Comments – There were no other comments from the public either in written comments or oral testimony.

4.5 – Budget Committee Deliberations – The individual Budget Committee members provided their support for the budget as presented recognizing the difficult position the District is in working to make long term water supply options affordable to District customers.

4.6 – Approval of Budget – Commissioner Conrad made a motion to accept the budget as presented and forward it to the June 2019 budget hearing meeting. Mike Smith seconded the motion, and the motion passed unanimously. The Budget Committee portion of the meeting concluded with most of the volunteer Committee members choosing to depart at this point.

5.0 – DISTRICT ACTIVITIES

5.1 – Long Term Water Supply / Strategic Outreach Plan

- Mr. Grimm briefly reviewed the draft workshop agenda developed by Katz and Associates. The Board agreed the agenda met their expectations and are looking forward to participating in the workshop. Commissioner Conrad stated he would not be available for a workshop on June 5. Commissioner Reiersen stated it would be better to hold the workshop in middle July to make sure all commissioners could attend, and the Board agreed. The consensus of the Board was to hold the workshop on Tuesday, July 16 to allow all of the Board and staff to attend.
- Mr. Grimm shared the wholesale water sales agreement RFP announcement for a financial consultant with the Board. The RFP was delivered to four consultants (Raftellis, FCS Group, HDR, Galardi/Rothstein Group) to create a new wholesale water sales agreement that would take effect July 1, 2026. The due date for proposal responses to the RFP is Friday, June 7.
- The District has coordinated with Tualatin Hills Parks and Recreation Department to have a summer outreach presence at Raleigh Park for the August 22 Concert in the Park Event. The District will use this venue as the initial launch to the outreach plan developed with Katz and Associates.

5.2 – ORWARN Shared Worker Agreement – Mr. Grimm reviewed the shared worker agreement addendum to the ORWARN agreement which the District signed on to in 2007. The newly crafted addendum that was approved by the ORWARN board is available to be approved by individual city councils and district boards. ORWARN will manage (and periodically update) the master list of individual workers willing to be used as shared workers. The Board agreed the District needs to have this service opportunity available to District employees and other non-District water system personnel who could be available to assist the District following a major natural disaster or catastrophic event. Mr. Grimm stated he would develop the documents necessary to implement the addendum and bring the package to the Board in the future for approval.

5.3 – Easement Vacation – Mr. Grimm informed the Board of a proposed development on SW 87th Avenue. The development is requesting the District to vacate an easement for the District's water main between SW Schiller Road and SW 87th Avenue in order to build lots against the south side of the property. In exchange, the developers will build a new ductile iron water main in an easement in the development's new private road. The Board agreed it is in the District's best interest to move forward with this cooperative project and engage legal counsel to ensure the exchange is done correctly.

5.4 - Late Breaking Issues

- Mr. Grimm informed the Board that Heidi Springer with Murraysmith completed a series of hydraulic model scenarios to verify capping the water main on SW 103rd Avenue on either side of Hall Creek will not interfere with future CIP projects to provide increased fire flows to this area of the District. All of these future CIP projects would be initiated by new development in this area. The District will opt to cut and cap this water main on SW 103rd Avenue at the new bridge crossing instead of tunneling a new water line under the creek.
- Mr. Grimm stated the Portland Water Bureau is planning its annual maintenance run for groundwater July 19-27. The test will consist of constant pumping for nine consecutive

days. Portland informed the wholesale customers that the design team of Carollo and Stantec won the design contract for the Bureau's corrosion control treatment facility. The results from the April 2019 Joint Monitoring Plan (JMP) for lead and copper show the 90th percentile for lead is 13.1 ug/l. Since the USEPA action level is 15 ug/l, Portland and the wholesale customers have no further compliance actions. The next round of sampling will be October 2019.

- Mr. Grimm shared a legislative update with the Board on key legislation impacting water supply systems. As the session draws to Sine Die by the end of June, hearings and work sessions on specific bills are mostly completed.

6.0 – COMMISSIONERS COMMUNICATION

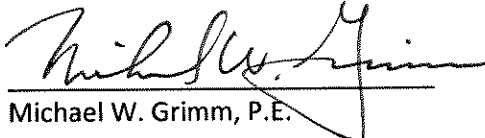
The Commissioners had no other reports of meetings, and Chair Hoffman stated he thought the meeting went well, and the Board agreed.

7.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Reiersen moved to adjourn the meeting. Commissioner Wild seconded the motion, and it was approved unanimously. Chair Hoffman adjourned the May 15, 2019 Regular Board of Commissioners meeting at 7:22 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

