

**WEST SLOPE WATER DISTRICT**  
**Regular Board of Commissioners Meeting**  
**August 16, 2023**  
**Meeting Summary**

**CALL TO ORDER**

Present: Chair Susan Meamber; Commissioners Chris Eppler, Paul Schuler, and Andy Smith

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

Absent: Commissioner Ramesh Krishnamurthy

Public: None

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**1.0 – CALL TO ORDER**

Chair Meamber called to order the meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, August 16, 2023. The meeting was held as a hybrid meeting – in person and virtual (to the District’s regret, due to technical issues, the Zoom link started 30 minutes into the meeting). 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).

**1.1 – Commissioner Oath of Office Administered by Chair Meamber for Commissioner Andy Smith:** Chair Meamber delivered the Oath of Office to Commissioner Smith for the term July 1, 2023 through June 30, 2027.

**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 Schuler made a motion to accept the entire Consent Agenda Items 3.1 through 3.7. Commissioner Eppler seconded the motion, and the motion passed unanimously (4-0).

**4.0 – DISTRICT ACTIVITIES**

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

- Long Term Source of Supply: Mr. Grimm stated the wholesale customers met with the Portland Water Bureau regarding the wholesale water sales agreement. The discussion focused on minor parts to the agreement and some legal technical jargon. Portland Water Bureau staff had not had a chance to review all the wholesale customer comments from last month. Portland staff will return in September with a final

amended version of the wholesale agreement. Commissioner Smith asked about the timing of the District's "readiness to proceed" to sign an agreement with the Portland Water Bureau and the District's "due diligence" effort with TVWD (TVWD/Joint Water Commission) to provide an alternative to Portland as a primary source of water. Mr. Grimm stated the wholesale agreement is ready for approval following some last minute minor revisions, and later in this meeting, the Board can decide how much more "due diligence" is needed for comparative purposes. Commissioner Smith asked if the General Manager was satisfied with the wholesale agreement in its current form, and the General Manager stated the wholesale agreement was the best option for the District's long-term source of supply and will recommend to the Board to proceed with signing the wholesale agreement. The best parts of the new wholesale agreement are the end of the guaranteed minimum purchase and the peaking factor surcharge (extra money paid to the Portland Water Bureau for exceeding declared peaking factors) that are part of the current wholesale agreement.

- Beaverton-Hillsdale Hwy Water Main Project: Mr. Grimm stated construction is still moving forward. Emery & Sons have been great contractors to work with. The District's Operations Manager has been doing an excellent job managing the field inspections and making field decisions with the contractor. Work in front of Jesuit High will be completed prior to the start of school on August 25. The timing of switching service from the existing infrastructure to the new infrastructure has presented some challenges that were overlooked by District staff, AKS Engineers, and the contractor, but the collective group has been able to find appropriate solutions to those challenges. Chair Member asked about the work still needing to be completed through the intersections on the highway. Mr. Grimm stated most of the intersection work was planned for night work, but ODOT has allowed some daytime work.
- Mr. Grimm stated the District has met with ten engineering consulting firms (some more than once) to discuss the District's capital projects for the next 1-5 years, 6-10 years, and 11+ years. Mr. Grimm stated out of ten potential firms, a good response to the District's Request for Proposals would 4-6 submittal proposals.
- Engaging with TVWD: Mr. Grimm stated he was working with TVWD's CEO Tom Hickmann on setting up a meeting to discuss agenda content for a joint work session for both Boards. Originally, TVWD stated that the meeting would include Mark Knudson as a representative from SDAO, but TVWD informed Mr. Grimm today that Mr. Knudson would no longer be participating in that meeting. Chair Member stated she had a virtual meeting with TVWD's Board Chair and Mr. Knudson, and it was understood Mr. Knudson would be participating in the meeting between the two general managers.

4.2 – Finance Manager's Report: Ms. Irwin has completed all the work for the auditors to conduct their field (on site) work later this month, and she has started work on the draft of the financial report to submit to the auditors by mid-September. The District's auditors, Grove Mueller, have been working with the District for over 10 years. Securus is continuing work for the District to convert the District's server to a cloud-based server. The server upgrade will cost about \$8000, but Ms. Irwin applied for a \$4000 cybersecurity grant through SDAO ... awards to be announced in the Fall.

4.3 – Leak Adjustment Policy – Policy Amendments: Ms. Irwin explained the current leak adjustment policy has two calculation rates depending on the amount of the leak adjustment (above or below \$500). The "under \$500" calculation is the original policy from 2016. The

“\$500 & greater” calculation was added to the policy in 2020 to address large leak adjustments. However, Ms. Irwin explained the 2020 policy is monetarily a slightly more advantageous calculation for customers with leaks amounting to less than \$500 and sunsetting the “under \$500” calculation makes the policy cleaner, more simplified, and easier to implement for District staff. Commissioner Smith commented about the “in good standing” phrase in the third paragraph of the current policy and how that is assessed by staff considering equity and ability to pay a water bill issues. Ms. Irwin agreed and proposed that the phrase be removed from the amended policy as proposed in Resolution #07-2023. Commissioner Eppler made a motion to approve Resolution #07-2023 with the proposed amendment. Commissioner Smith seconded the motion, and the motion passed unanimously (4-0).

## **5.0 – COMMISSIONERS COMMUNICATIONS**

As stated earlier, Chair Meamber stated she participated in a virtual meeting with TVWD Board Chair Todd Sanders and SDAO Representative Mark Knudson. No details were provided on the content of the meeting beyond planning a meeting between the two District managers. No other commissioners attended any other outside meetings representing the District. Commissioner Eppler asked if the District has ever inquired with Congresswoman Bonamici’s office regarding funding for the District’s large capital projects. Commissioner Smith stated the District has not requested any discretionary expenditures from either the Congresswoman’s office or either of the two Oregon Senator’s office. Commissioner Smith also stated requests of this nature come with numerous tasks and requirements that must be completed by staff to qualify for federal funding. Mr. Grimm stated the District desires to have those conversations and make those requests when the District has a sound engineering estimate for the Reservoir #4 project.

Mr. Grimm shared a broad, generic letter from the Oregon Secretary of State office on the fiduciary and ethical duties of Commissioners regarding service as an elected official. Mr. Grimm mentioned SDAO has a very comprehensive Board Member training session which will be offered at the Annual Conference in Seaside February 2024. Ms. Irwin stated the basis of the letter is likely due to changes in the state’s audit report requirements.

Mr. Grimm briefly talked about the *Stakeholder Interviews: Summary Report* by Katz & Associates dated April 2019 (included with August 16 meeting Board packet) and reviewed the objectives, process and assumptions that went into creating the report.

Mr. Grimm shared an example of wholesale water purchase cost information supplied by Niki Iverson, Water Manager for the City of Hillsboro & the Joint Water Commission. The purpose of the information request was to provide a “due diligence” comparison to projected wholesale water rates from the City of Portland. The District initially made requests to TVWD in 2016, but to date the extent of the information provided by TVWD have been rough qualitative cost curves based on levels of service provided by TVWD. In this example, Ms. Iverson shared a JWC wholesale water rate today for 2023-24 is \$1.94/ccf with an estimated wheeling charge from the City and TVWD of up to another \$2.40/ccf. This compares to the current wholesale water rate from the City of Portland of \$1.892/ccf. Commissioner Schuler stated the District is still interested in learning what a rate with TVWD would be as part of the District’s Camelot Court Emergency Intertie agreement.

Mr. Grimm shared a proposal by the Joint Water Commission to begin a county-wide discussion to create a water supply and water transmission authority to seek economies of scale for water production and make easier the movement of water across Washington County as well as into and out of the County. The proposed date of an initial meeting is September 14. TVWD has

stated they have a proposal to kick-off the discussion, so this meeting would serve as a platform for TVWD's proposal. Commissioner Schuler asked if the Regional Water Providers Consortium could play a role in this effort, and Mr. Grimm agreed that indeed the Consortium will have a key role in such regional issues. Commissioner Smith agreed the regional discussion is a good idea as is the sharing our strategic goals and ideas as a District with TVWD. Commissioner Smith commented on TVWD's unsuccessful pursuit of additional state and federal funding for their supply project and their aggressive pursuit of additional wholesale customers and/or other water utilities to potentially merge with TVWD can be an indicator of significant financial instability and lack of viability for TVWD which causes concern for Commissioner Smith. Chair Member agreed with Commissioner Smith's comments on a regional discussion as well as the need to have a discussion with TVWD on their strategic plans.

Mr. Grimm shared that he will move forward with TVWD and the JWC to create that "large stage" opportunity to discuss regional options. Chair Member stated she believes West Slope should continue to pursue a "due diligence" effort for an option to purchasing wholesale water from the City of Portland. Mr. Grimm stated staff suggested in 2016 to look into a qualitative "due diligence" comparison to Bull Run water for which over time staff has uncovered and most recently been capped with a wholesale water purchase example from the Joint Water Commission. Mr. Grimm also stated in his professional opinion there is no advantage or benefit to the District and its customers to merge with any other entity and capitulate the oversight and management of the District to another entity. Commissioner Schuler commented there is value in allowing TVWD to comparatively share price, sustainability, and resiliency regarding a primary water supply option to Bull Run while also communicating the District's own confident plans for the future. Commissioner Smith agreed a regional water supply discussion is definitely needed on a county-wide basis not just between these two districts, and he would be willing to listen to a five-minute proposal on why TVWD believes there is value and benefit to West Slope of a proposed merger between the two districts though he would not support acting upon that proposal. That is, the current Board is not interested in a merger pursuit but is willing to listen to the option for information purposes only.

Commissioner Schuler asked if the District has set upon a date to honor past Commissioner Wild with a lunch, and staff will continue to pursue a few dates to have lunch at China Delight. The Board agreed the meeting was very effective and went well.

#### 6.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Schuler moved to adjourn the meeting. Commissioner Eppler seconded the motion, and the motion was approved unanimously (4-0). Chair Member adjourned the August 16, 2023 Board of Commissioners regular meeting at 6:43 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.  
Acting Secretary

