

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

March 18, 2015

Meeting Summary

CALL TO ORDER

Present: Commissioners Charlie Conrad, Bruce Hellebuyck, Bob Rieck, and Noel Reiersen

Absent: Commissioner Donna Davis

Management Staff: General Manager, Jerry Arnold; Finance and Customer Service Manager, Heidi Starks

Acting Chair Bruce Hellebuyck called the Regular meeting of the West Slope Water District Board of Commissioners to order at 5:02 P.M., Wednesday, March 18, 2015.

PUBLIC COMMENTS/COMMUNICATIONS

No members of the public were present and there was no public communications.

CONSENT AGENDA

Commissioner Conrad inquired about the status of the proposed revisions to the District's Public Contracting Rules. It was the consensus of the Board that Mr. Arnold distributes a copy of the proposed rules and the memo about why the District adopts their own rules instead of the Oregon Attorney General's Model Contracting Rules. Mr. Arnold suggested, with the legislature in session and the possibility of additional changes, July or later would be a time when attorney Eileen Eakins presents a work session about the Board's responsibilities. In response to a question from Commissioner Rieck, Mr. Arnold said there is no urgency to adopting the rules; however, they should be in place prior to work being started on the Green Tank.

In response to a question from Commissioner Conrad, Mr. Arnold said he would check with TriMet to see if they collect usage data on employee utilization of their transit pass.

Following a brief discussion, Commissioner Conrad made a motion the consent agenda be approved as presented. Commissioner Reiersen seconded the motion and it was approved unanimously.

MONTHLY PROJECTED VS ACTUAL FINANCIAL SUMMARY

Manager Arnold reviewed projected revenue vs actual. Year-to-date actual revenue is 1.14% above projected. Actual expenses are 6.7% less than projected.

PROPOSED PUBLIC HEARING TO CONSIDER WATER SERVICE RATES AND CHARGES

Mr. Arnold reviewed three scenarios for the Board to consider in regards to an increase in rates and the resulting split between water sales and service charge revenues: 1) Increase only the service charge resulting in a 74.90% water and 25.10 service charge; 2) Increase the service and water charge which would result in a 75.18% and 24.82 service charge; and, 3) Increase the service and water charge which would result in a 74.99% and 25.01 service charge. Manager Arnold recommended the third scenario because it remained closest in alignment with the preferred rate model. No rate increase is also a possibility.

A discussion followed about percentage of fixed charges versus variable and how it can influence pricing signals.

Staff was directed to prepare for fall 2015, two five-year rate projection scenarios; 1) provide anticipated worst case and best case wholesale commodity rates; and, 2) provide the anticipated impact on retail rates, for both cases. In addition, staff was directed to provide examples of the impact to customers using a typical 7CCF customer and a summer use customer (CCF to be determined). Mr. Arnold said, when the Powell Butte Two allocation audit is completed, we will have a better idea of what future rates will look like in 201016-17.

In response to a question from Commissioner Reiersen, Mr. Arnold stated the results of the audit are a recommendation to the Portland Water Bureau Administrator and are not binding. The wholesale contract does have a clause wherein the wholesalers can arbitrate the decision.

It was the consensus of the Board a rate discussion and proposal is postponed until at least September, with a possible rate hearing in October and a rate increase beginning November 1st or December 2nd.

Ms. Starks said the District can have a strong budget in FY 2015-2016 without a rate increase at this time.

PROPOSED RESOLUTION NO. 02-2015; A RESOLUTION TO ADJUST DISTRICT SALARY SCHEDULE

Manager Arnold reviewed the proposed adjustment to the salary schedule.

Mr. Arnold said he would correct the error noted by Commissioner Reiersen regarding the FY 2015-2016.

Following a brief discussion, Commissioner Rieck made a motion to approve Resolution No. 02-2015. Commissioner Conrad seconded the motion and it was approved unanimously.

DISTRICT ACTIVITIES

Mr. Arnold reported the Portland Water Bureau has notified wholesalers that due to lack of the snow in the Bull Run, water this summer may be warmer, which means we may have more phone calls regarding the smell of chlorine due to increased disinfection requirements.

Ms. Starks reported she was elected President of the Oregon Government Finance Officers Association.

COMMISSIONERS COMMUNICATION

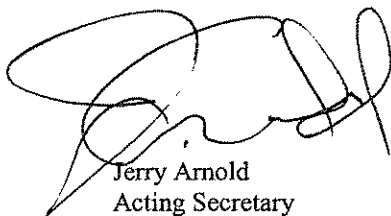
In response to a question from Commissioner Conrad regarding potential litigation, Manager Arnold reported he will enclose a confidential memo from the attorney in the April Board packet for discussion and review in executive session. Attorney Steve Shropshire will be at the meeting.

ADJOURNMENT

There being no further business to discuss, Commissioner Rieck moved the meeting be adjourned. Commissioner Conrad seconded the motion and it was approved unanimously.

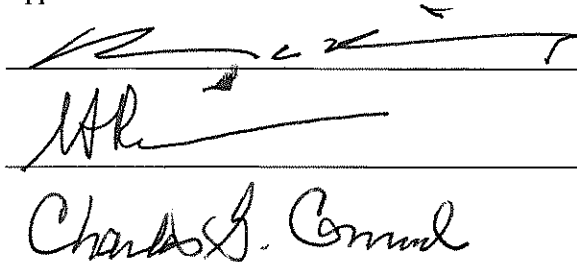
Acting Chair Bruce Hellebuyck adjourned the March 18, 2015 Regular Board of Commissioners meeting at approximately 6:24 P.M.

Respectfully Submitted,



Jerry Arnold
Acting Secretary

Approved:



Charles J. Conrad