

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

January 17, 2018

Meeting Summary

CALL TO ORDER

Present: Commissioners Robert Rieck, Charles Conrad, Micky Hoffman, Noel Reiersen, and Carol Wild

Absent: None

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

Public: None

1.0 – CALL TO ORDER

Chair Rieck called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:01 P.M., Wednesday, January 17, 2018.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Chair Rieck acknowledged there were no other members of the public present and no written comments from the public for the Board to consider.

3.0 – CONSENT AGENDA

Commissioner Conrad requested that Agenda Item 3.1 be pulled from the Consent Agenda. Commissioner Hoffman made a motion to accept Agenda Items 3.2 through 3.8, and Commissioner Wild seconded the motion. The motion was approved unanimously. Commissioner Conrad pointed out that Paragraph 4.2 of the Meeting Summary should show Liquidated Damages for failure to achieve final project completion as \$42,375 not \$76,125. Ms. Dawes also pointed out the purchase price of the vactor truck in Paragraph 4.5 should be \$30,000 not \$38,000. Commissioner Conrad made a motion to approve Agenda Item 3.1 as amended. Commissioner Hoffman seconded the motion, and the motion passed unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm pointed out the District used 85% of the Guaranteed Minimum Purchase (GMP) from Portland for the 2017 calendar year. Commissioner Conrad commented not much can be done to utilize more of the GMP apart from having District customers use more water during non-irrigating months. The Board collectively agreed that although this portion of the wholesale water agreement with Portland may not be the most advantageous to West Slope, Portland’s implementation of the “take or pay” contract is fair.

Chair Rieck commented the District needs to continue moving forward with discussions regarding the District's future water supply beyond 2026.

4.2 – Green Tank / SW 73rd Avenue Pipe Project: Mr. Grimm stated a final payment has been made to McClure & Sons, Inc. (MSI) for \$78,334 bringing the total amount paid to MSI to date under the contract to a total of \$1,568,868. Five percent of the total amount paid to MSI remains in retainage held by the District. A final lot survey has been completed by Repetto PLS at a cost to the District of \$2,050. Miller Factors landscaping will complete their work within the next two weeks for a cost to the District estimated to be under \$4,000. Following a lengthy Board discussion about the next significant decision needing to be made by the Board (solidify future water source), Commissioner Reiersen suggested the “Green Tank” agenda item in the Board agenda be renamed to source options and other future projects. Mr. Grimm and the Board agreed.

4.3 – Budget Process for FYE 2019: Mr. Grimm presented four action items for the Board to consider. Chair Rieck asked the Board if any Commissioners had questions about the appointment of the Budget Officer, the Budget Calendar or the Budget Roster. Since no Commissioner had any questions regarding those three agenda items, Chair Rieck proceeded with a discussion about the preliminary Budget Concepts (Attachment 4.3.2):

- Chair Rieck asked what is meant by “human resiliency within the organization”. Mr. Grimm stated that during an emergency situation, staff may be re-deployed to other jobs at other water entities as needed based on travel abilities and tasks assigned by an incident command structure. Others besides West Slope staff may be assigned to West Slope simply because those staff may be able to reach the District easier. During normal operations, human resiliency is making sure District tasks are covered if a staff member is not able to be at work due to sudden extended leave. Mr. Grimm also mentioned the District will be looking at an update to the Master Plan by 2019, so work should start now to address aging infrastructure replacement in the near future as well as long range infrastructure resiliency for the next 50 years.
- The District should be looking to introduce GIS into everyday operations. A presentation will be made to staff by Esri (leading GIS firms) to understand the value, benefits, and fiscal & staffing needs to install and use GIS at West Slope. Some Commissioners expressed in interest in attending the introductory meeting as well.
- Commissioner Reiersen stated the District should consider a staffing assessment considering the tasks ahead for the District and the staff needed to accomplish those tasks.
- Mr. Grimm talked about the need to replace the SCADA system because it is the heart of the water system that controls & monitors the flow into the District as well as managing the Sylvan Hill reservoirs. The hardware system has crashed several times in 2017, replacement component parts are no longer supported (recent replacement components installed were used/rebuilt parts), and the communication link between the central PLC and the remote sites is frail.
- The District would like to replace old 4-inch cast iron in the SW 75th / SW 78th Avenue neighborhood between SW Laurel Street and SW Maple Drive. Over the last few years, the District has repaired several water main breaks and the mains themselves are not in the paved street but in the right-of-way that has become part of customer's front yards.
- The District has not been satisfied with the meters currently being installed. The Master Meter meters have a high frequency of misreads (both high and zero reads) and are not as reliable as the District would like. The new meters would be phased in as the Master Meters fail and need replacing. The District is currently looking at other manufacturers through vendor presentations with the goal of informing the Board in the near future.

- The District will take a more proactive role with outreach to the public for conservation and emergency preparedness education. The actual budget impact is greatly reduced when the District can partner with other organizations to participate in a broader community event like the Raleigh Hills Business Alliance organization.
- In 2015 and 2017, the District purchased summer interruptible water from the Portland Water Bureau as a strategy to manage the District's peak summer demands. The extra water purchase must be declared by March 15 for use in July, August, and September and is an extension to the "take or pay" contract. The purchase serves as an insurance policy for the District to avoid peak season and peak three-day demand violations of the wholesale water purchase agreement.
- On an annual basis, the District adjusts staff salary ranges using the Consumer Price Index – Urban (CPI-U) for Portland. The CPI-U for 2017 should be available for consideration at the February board meeting.
- Chair Rieck commented the District should consider another budget concept to evaluate a new water source of supply.

The Board agreed in consensus to hold the February regular Board of Commissioners at 3:30 PM, Wednesday, February 14 as neither Mr. Grimm or Ms. Dawes will be available on February 21. Commissioner Conrad made a motion to approve the Action Requested in Agenda Item 4.3 (which includes appointing Lucy Dawes as the Budget Officer, the Budget Calendar and Budget Committee Roster as presented, and the preliminary budget concepts as discussed and amended from Attachment 4.3.2). Commissioner Hoffman seconded the motion. The motion passed unanimously.

Chair Rieck called for a brief 10-minute recess at 6:49 PM. The meeting was resumed at 6:59 PM.

4.4 – Acceptance of Comprehensive Annual Financial Report (CAFR): Commissioner Reiersen asked a question regarding the accounting term "accumulative adjustment for change in accounting principle". Ms. Dawes stated the term refers to PERS and the booking of the full PERS liability. Commissioner Reiersen also asked if equipment and software could be separated on the depreciation schedule on page 17 citing software is more likely to fit a 5-year schedule and not the 5-20 year range of other materials and equipment. Also, Commissioner Reiersen asked about the \$926,000 contingency listed under expenditures on page 39. Ms. Dawes explained that is the budget item for contingency which is available for the District to use for unforeseen expenses through the Board passing a resolution. Such a resolution would address the specific expense for which the contingency funds would be used. Commissioner Conrad asked about system development charge indexing history and noted SDCs have not been adjusted since December 2015. It was pointed out since the SDC study which determined the District has no improvement component for SDCs, the District has not annually indexed the SDCs (basically missing an index calculation for 2017). Commissioner Conrad asked if the auditors had any recommendations for the District. Ms. Dawes stated one recommendation was for the General Manager to review journal entries on a monthly basis. The auditors also suggested the Finance Manager review utility billing adjustments and document the review through an annual summary report. Ms. Dawes also stated she improved the procedure for documenting voided checks. Commissioner Reiersen made a motion to accept the CAFR, and Commissioner Conrad seconded the motion. The motion passed unanimously. The Board praised Ms. Dawes for a very well written CAFR.

5.0 – COMMISSIONERS COMMUNICATION

No commissioner had a report of other meetings. The Commissioners planning to attend the SDAO conference in Seaside will gather together for dinner Thursday night, February 8.

6.0 – EXECUTIVE SESSION

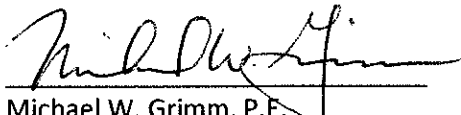
Chair Rieck suspended the regular meeting, and the Board entered into Executive Session at 7:15 PM. The Board concluded the Executive Session at 7:57 PM and returned to the regular session at 7:58 PM. There was no further business to discuss following the Executive Session.

7.0 - ADJOURNMENT

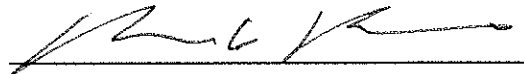
There being no further business to discuss, Commissioner Conrad moved to adjourn the meeting. Commissioner Hoffman seconded the motion, and it was approved unanimously. Chair Rieck adjourned the January 17, 2018 Regular Board of Commissioners meeting at approximately 7:59 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary



Charles G. Conrad

