

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting and Public Hearings  
For Water Rate Increase and District Budget for FYE June 30, 2022**

**June 16, 2021**

**Meeting Summary**

**CALL TO ORDER**

Present on Virtual Meeting: Chair Charles Conrad; Commissioners Michael Hoffman, Paul Schuler, Andy Smith, and Carol Wild

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

Commissioners-Elect: Ramesh Krishnamurthy

Public: Rosalie Stevenson (8138 SW Valley View Drive – current Budget Committee member); Chrystele Leluneau (3105 SW Gardenvue Road – 21 year resident and was interested in District business); Tania Mutsuddi (not a District resident but an Operations Analyst for Tualatin Hills Park & Recreation Department – interested in the water rate change); Chris Stoffel (3305 SW 100<sup>th</sup> Avenue - interested in the water rate change).

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**1.0 – CALL TO ORDER**

Chair Conrad called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:03 P.M., Wednesday, June 16, 2021. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through the District’s website (agenda posted on website with instructions on how to obtain the login information). After a brief introduction of all in attendance, Chair Conrad read through the Oath of Office to in-coming Commissioners Mr. Schuler and Mr. Krishnamurthy, whose terms start July 1, 2021.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

Mr. Grimm shared comments from District customer Fran Stahl. Ms. Stahl had previously emailed several questions to the District regarding the proposed water rate increase and the proposed District budget. Mr. Grimm and Ms. Dawes collaborated on the District’s response to her questions. Mr. Grimm read Ms. Stahl’s short email response thanking the District for the answers and explanations to her questions and comments.

**3.0 – CONSENT AGENDA**

Commissioner Wild asked to have Agenda Items 3.1 and 3.8 removed from the Consent Agenda. Commissioner Hoffman made a motion to approve the Consent Agenda Items 3.2 through 3.7. Commissioner Schuler seconded the motion, and the motion passed unanimously.

Commissioner Wild asked if the summary record on Page 4 could be amended to remove the sentence stating the new wholesale water sales agreement will equally benefit Portland and the wholesale customers citing we will not accurately know how the Agreement will benefit water utilities until the wording of the Agreement is complete. Mr. Grimm agreed to make the suggested edit to the summary. On Agenda Item 3.8, Commissioner Wild commented on the outstanding checks and credit balances in accounts receivable. Commissioner Wild saw through an Oregon State Bar listserve that the District should file an annual report of the outstanding checks and credit balances to the State. Ms. Dawes agreed stating the report is still on her list of tasks to complete and commented as far as can be determined the District has never filed the report and probably needs to include an explanation and request to forgive the District of any penalties associated with not previously filing a report. Commissioner Wild made a motion to approve Agenda Items 3.1 and 3.8, and Commissioner Hoffman seconded. The motion passed unanimously.

#### **4.0 – CONVENE PUBLIC HEARING ON WATER RATE INCREASE**

Chair Conrad convened the public hearing on the water rate increase. No written comments were received by the District to include in the public record. No members of the public attending the public hearing had any comments for the record. No members of the Board had any comments for the public record. Chair Conrad closed the public hearing. Commissioner Smith made a motion to approve Resolution #08-2021 effectively increasing District water rates by 6%. The motion was seconded by Commissioner Schuler, and the motion passed unanimously.

#### **5.0 – CONVENE PUBLIC HEARING ON THE DISTRICT BUDGET**

Chair Conrad convened the public hearing on the District's budget. No written comments were received by the District to include in the public record. No members of the public attending the public hearing had any comments for the record. No members of the Board had any comments for the public record. Chair Conrad closed the public hearing. Commissioner Schuler made a motion to approve Resolution #09-2021 effectively adopting the District's budget for FYE June 30, 2022 and making appropriations beginning July 1, 2021 as stated in the Resolution. The motion was seconded by Commissioner Hoffman, and the motion passed unanimously.

#### **6.0 - DISTRICT ACTIVITIES**

##### **6.1 – General Managers Report**

Mr. Grimm provided a brief summary of the wholesale water sales agreement discussions. Currently, with the FCS Group, the City of Portland and the wholesale customers are working toward having a much more simple, equitable, and easier to manage wholesale water sales agreement to replace the existing agreement. The goal is to create an agreement that will benefit Portland (easier contract to manage, long term protection of stranded investments, cashflow management during capital projects, etc.) and to wholesale customers (water rate stabilization, long term capacity availability, etc.). A major hurdle that has been accomplished is adjusting the City's viewpoint that no matter how many wholesale customers remain with Portland, the City's wholesale water sales revenue will remain the same. As the discussions continue to move forward, Portland realizes the revenue loss from the departures of wholesale customers like Tigard, TVWD, Rockwood, and Gresham cannot (and should not) be replaced from the remaining wholesale customers. Instead, the City understands the revenue loss can only be offset by Portland retail customers and/or new wholesale customers.

Commissioner Schuler commented that water rate structure determinations are very complex processes and asked where West Slope will fall in terms of "loser vs. winners" with a new wholesale water sales agreement. Mr. Grimm stated the new agreement is being constructed

so that no utility is a “loser”, but realistically the utilities currently paying higher wholesale water rates to Portland in comparison to other wholesale customers will see the greater benefit from the new agreement. Mr. Schuler stated his understanding of the new agreement calls for a unified wholesale water rate and an “only pay for what is used” cost methodology. Mr. Grimm agreed stating the guaranteed minimum purchase feature in the current wholesale water sales agreement is slated to be removed from the new agreement. Wholesale customer rates will still be impacted by three-day and seasonal peaking factors, but the penalties associated with exceeding the peaking factors will be removed.

Mr. Krishnamurthy asked what the District’s wholesale water rates are. Mr. Grimm stated the District does not have any wholesale water customers. The District does serve five customers who are outside of the West Slope WD service area (three in Portland, two in Raleigh Water District). We charge an out of district water rate to Raleigh WD customers, and we are reimbursed by Portland for water service to the City’s customer. Mr. Krishnamurthy asked about the District having to commit to a long term agreement for water as part of the new agreement. Mr. Grimm stated a firm commitment to purchase water from Portland is the exchange Portland is willing to accept instead of a guaranteed minimum purchase. There are benefits to the District to having a firm, long term agreement with Portland.

Chair Conrad clarified the District’s Board of Commissioners have not made any binding decisions about the District’s water supply beginning July 1, 2026. Commissioner Schuler asked if the District has inquired with Tualatin Valley WD about a schedule for determining a future wholesale water rate on Willamette River WTP water. Mr. Grimm responded that the District has been asking for such a schedule over the last few years with no success.

Mr. Grimm informed the Board that TVWD decided not to share in the construction costs of switching the fire service to Target from TVWD to West Slope (removing the connection off TVWD’s portion of the Washington County Supply Line). A new IGA has been drafted and sent to TVWD that removes the agreement to share costs between the Districts but adds the reimbursement of the unused portion of the current agreement (the District paid for fire supply service from July 1, 2020 through June 30, 2021, but TVWD’s service to West Slope terminated April 28, 2021).

Mr. Grimm provided a brief state-wide drought information summary as well as a Portland metro area drought summary. The current conditions are very dry but most of the Metro area has sufficient stored water capacity due to heavy winter rains and a strong, high water content snow pack.

Mr. Grimm acknowledged to the Board the end of Covid related restrictions appears to be close at hand. When the State announces the vaccination rates are sufficient to reduce or drop restrictions on face masks and social distancing, the District will open up to walk in customers. For the time being, the District’s Board meetings will continue to be held remotely. The 2021 legislative session included some revisions to public meeting laws which have not been fully captured into new Oregon Administrative Rules.

Commissioner Schuler asked about the delay in the Beaverton-Hillsdale Highway project. Mr. Grimm stated ODOT’s delay in making decisions on permits and pavement restoration requirements delayed AKS from completing the 60% plans (better to wait for the decision than to complete the plans and then redo the design based on the decision outcome). Now that ODOT has agreed to certain terms, AKS can once again move forward. The next big decision the

District needs from ODOT is the determination if this project can be constructed in daytime or nighttime hours.

#### 6.2 – Board of Commissioners – Officer Roles

Chair Conrad asked the Board for input on the officer roles proposed in Attachment 6.2.2. The Board's long-standing tradition has been to annually rotate the officer roles including the Chair position. Chair Conrad commented that he supported the officer role rotation as it allows the workload to be spread evenly and allow equal opportunity for leadership on the Board. Commissioner Wild agreed and stated she likes the officer role rotation format to share the leadership role in a way that allows each Commissioner to prepare in advance for service as well as benefit from the different styles of leadership from each Commissioner. Mr. Krishnamurthy stated he believes a board is more effective and interesting when it allows all members to share in the leadership role, and he also mentioned the benefit of using chair-elect or vice chair positions to help with the leadership workload. Commissioner Smith agreed with Mr. Krishnamurthy about the roles of the officers and is in favor of keeping the order as presented. Chair Conrad acknowledged the consensus of the Board was to rotate the officer roles starting July 1 as proposed in Attachment 6.2.2

#### 6.3 – Transfer for Murraysmith for Mapping/GIS Project

Ms. Dawes stated the work that Murraysmith started on the mapping project was originally planned to be completed in the current fiscal year. However, due to delays by the consultant, the project will actually be completed in July, the first month of the next fiscal year. No funds for this project were included in the FYE June 30, 2022 budget. A resolution authorizing a transfer of budget appropriations within the fiscal year is needed for the District to pay Murraysmith for the remainder of the GIS/Mapping project. Mr. Grimm stated Murraysmith had completed 57% of the work through the end of May, and he believes Murraysmith will likely have about 90% of the work done by the end of June. Chair Conrad stated it appears the current fiscal year budget has sufficient funds to complete the project if Murraysmith finishes all work by June 30, but the transfer resolution gives the District flexibility in case Murraysmith's work extends into the next fiscal year. Ms. Dawes agreed with Chair Conrad's description. Commissioner Wild agreed with the description and made a motion to approve Resolution. The motion was seconded by Commissioner Hoffman, and the motion was approved unanimously.

#### **7.0 – COMMISSIONERS COMMUNICATION**


Commissioner Wild shared with the Board she attended the recent Regional Water Providers Consortium Board meeting. At the February 2021 meeting, the main agenda item was a follow-up on the September 2020 wildfire response. At the June 2021 meeting, several water utilities shared their experiences of response during the February 2021 ice storm. Commissioner Wild recognized the similarities between the two natural disasters related to the importance of fuel and generators – how much fuel can be stored, how easily can the fuel storage be replenished, and where can utilities get access to portable back-up generators to pump water or keep treatment facilities operational. Clackamas River Water (Todd Heiderken) and Hillsboro (Niki Iverson) both provided very informative presentations. Consortium staff provided a brief legislative update, and Commissioner Wild commented how helpful it was to have SDAO's Mark Landaur provide the Board a legislative update at Commissioner Smith's suggestion. Commissioner Wild stated she took over attendance at the Consortium Board meetings from past Commissioner Reierson and noted that the Board did not specify any terms for her tenure as the District's representative to the Consortium but is still more than willing to serve in that capacity unless another Commissioner would like to serve on the Consortium Board. Otherwise, Commissioner Wild will discuss the issue again in July 2022.

Commissioner Smith shared the major chlorine manufacturer for water and wastewater utilities in the western US experienced a transformer failure and is currently off-line. While the manufacturer is planning repairs and replacement to their infrastructure, local state and local officials are working with Oregon water utilities to develop short and longer term plans to take an inventory of current chlorine supply and chlorine demand needs and develop regional messaging needed to ease customer water demand to extend chlorine supplies. Commissioner Schuler mentioned the cost of doing business from materials to transportation is impacting the local and global economy at this time. Mr. Grimm stated he believed it was important to inform the Board about this situation before the media reports the story to the general public

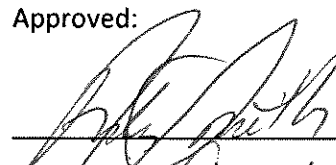
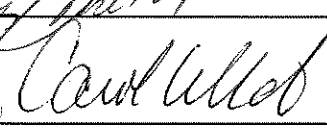
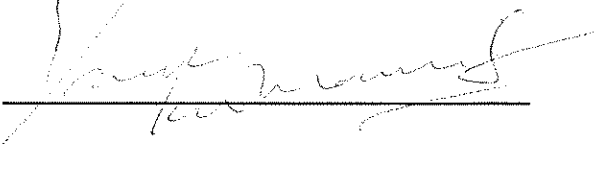
#### 8.0 - ADJOURNMENT

Chair Conrad stated today's meeting is the last meeting for himself and Commissioner Hoffman. Chair Conrad thanked Commissioner Hoffman for his great service to the District Board since 2015 and acknowledged his valuable leadership. Commissioners Hoffman and Schuler thanked Chair Conrad for his comments. Chair Conrad stated how much he has enjoyed serving on the Board of Commissioners for 11 years and is proud of the things the Board has accomplished in that time. Chair Conrad stated his confidence in the ability of the new Board to address the issues before the District. Commissioner Wild thanked Chair Conrad for his comments and thanked Commissioner Hoffman for his service as well. Commissioner Wild shared how much she has appreciated Chair Conrad being such a well-prepared Commissioner and a cornerstone to the District's Board for many years. Commissioner Wild also acknowledged & thanked Ms. Stevenson for her many years of service to the District's Budget Committee in this her final year on the Committee. Commissioner Hoffman acknowledged how much the Board has come to rely on Chair Conrad for keeping the Board grounded and on track as well as being a source of "the right answer" when it is needed. Commissioner Smith also thanked Chair Conrad and Commissioner Hoffman for welcoming him to the Board in 2019 and being great examples to him as a Commissioner. Ms. Dawes mentioned she will greatly miss both Chair Conrad and Commissioner Hoffman as well as Ms. Stevenson on the Budget Committee. There being no further business to discuss, Commissioner Schuler moved to adjourn the meeting. Commissioner Hoffman seconded the motion, and it was approved unanimously. Chair Conrad adjourned the June 16, 2021 Regular Board of Commissioners meeting at 6:38 PM.

Respectfully Submitted,

  
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Michael W. Grimm, P.E.  
Acting Secretary

Approved:

  
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