

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting**

**January 20, 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

Absent: None

Public: None present

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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 5:00 P.M., Wednesday, January 20, 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 the login information).

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

No public comments or communications were received by the District directed for the Board.

**3.0 – CONSENT AGENDA**

Commissioner Wild requested Agenda Item 3.8 be removed from the Consent Agenda. In addition, Chair Conrad requested Agenda Items 3.1 and 3.3 be removed from the Consent Agenda. Commissioner Wild thanked Ms. Dawes for the audit report and inquired with Ms. Dawes about Springbrook software updates. Ms. Dawes stated the Springbrook representative that consulted with her stated the District’s current version of Springbrook software will not work when District’s current MS server version goes away ... something that will probably happen within the next 2 years. An update to the Springbrook software is a huge lift. Our new IT team Securus will only be involved with the server interface. Chair Conrad thanked Ms. Dawes for pursuing the termination of the POA contract and the initiation of the Securus service contract. Chair Conrad pointed out an error in the date listed in the December meeting summary. Chair Conrad asked about refund checks to customers (Check #20062 & #20072). Ms. Dawes explained refund checks are generally issued when customers overpay the District through set automatic draws that exceed the actual billed amount, and the overpayment continues to accumulate. Ms. Dawes stated she would inquire into Check #20072 and respond to the Board through email. Commissioner Schuler moved to approve the complete list of

Consent Agenda Items. The motion was seconded by Commissioner Smith, and the motion passed unanimously.

#### **4.0 – DISTRICT ACTIVITIES**

##### **4.1 – General Managers Report**

Mr. Grimm highlighted several key issues in the report. FCS Group will be part of an initial kick-off meeting with the Portland Water Bureau and all nineteen wholesale customers to discuss the project underway to create a new wholesale water sales agreement and a new rate model for Portland. The 30% plans for the Beaverton-Hillsdale Hwy water main replacement project have been reviewed by the GM and the operations staff and returned to AKS with comments. Also underway is work on the District's risk & resiliency plan and an upcoming workshop with the Board to discuss updates to the District's strategic plan. Another issue of the District's newsletter will be included in this month's water bill mailing and posted to our website. A staff meeting was held to discuss several topics including sharing information and answering questions about COVID-19 (vaccinations and OR-OSHA compliance). A new revised Lead & Copper Rule was released by the USEPA in January, and the District is working on a plan to comply with the service line inventory requirement. Commissioner Wild asked if the District will query customers about what they believe their pipe material is between the meter and the customer's house or will the District take another route. Mr. Grimm stated the District is communicating with 120Water to create an inventory for the District by using data from the building departments at City of Beaverton and Washington County to populate an inventory of material from the customer's portion of the service line. 120Water claims the information can be gathered through their GIS-based program efficiently which would save the District many hours of researching queries and individual records at the City and the County.

##### **4.2 – Budget Committee Approval**

Mr. Grimm pointed out the budget process calendar updated by Ms. Dawes, who stated the process is the same for this year as in past years beginning with the Board approving staff salary ranges. Ms. Dawes was nominated as the Budget Officer, and she accepted the nomination. Commissioner Smith asked about the timing between Portland announcing the preliminary wholesale water rate for the next year and the final rate approved by the City's commissioners. Ms. Dawes stated generally there is sufficient time to make a change to the District's budget if there were a significant change in the wholesale water rate, but in general the final rate is either the same or slightly less than the preliminary rate. Mr. Grimm stated the four members of the Budget Committee with unexpired terms are willing and able to return for this year's budget committee, and Mr. Ramesh Krishnamurthy stated he would welcome another 3-year term appointment to the Committee as his term expired on January 1, 2021. The Board confirmed their desire to have Mr. Krishnamurthy remain on the Budget Committee. Commissioner Schuler made a motion to approve Ms. Dawes as the Budget Officer, the Budget Calendar as presented by Ms. Dawes, and the re-appointment of Mr. Krishnamurthy to the Budget Committee. The motion was seconded by Commissioner Smith, and the motion passed unanimously.

##### **4.3 – Acceptance of the Audited Financial Report**

Ms. Dawes stated this action is largely a formality of the Board to accept the financial report. All filings have been completed, and Ms. Dawes stated working with the auditors was fine though the time it took to finalize their work in time for the District to complete its filing was long bringing the District up against the filing deadline. Chair Conrad asked if the auditors had any recommendations for improvements or amendments to any of the District's processes or procedures, and Ms. Dawes stated they had no such recommendations as part of the report.

Chair Conrad asked about an apparent discrepancy between the report and the report's cover letter about being aware of litigation to be considered (regarding the Green Tank project). Ms. Dawes stated the litigation has been disclosed and it would have been better written as "undisclosed pending litigation". Chair Conrad confirmed there is no active litigation involving the District at this time. Commissioner Schuler asked about the delays from the auditors completing the report for the District to file prior to the year-end deadline. Ms. Dawes explained auditors have been overwhelmed with extra work related to the pandemic and the Cares Act. By consensus, the Board accepted the Comprehensive Annual Financial Report as presented.

#### 4.4 – Resumption of Fees Associated with Customer Turn-Offs

Mr. Grimm shared a brief history of the District temporarily suspending enforcement of the District's turn-off policy including not turning off the water service for customers who have not contacted the District about past due accounts and the associated fees to cover the District's tasks. Though the District resumed the physical tasks of the turn-off policy, the District has not as yet resumed the assessment of fees to cover the cost of enforcing the policy. Ms. Dawes stated the fees associated with tasks such as hanging a card on a door have been established on a cost of service basis. Mr. Dawes also stated she believes customers have an additional motivation to pay a past due bill if a fee is associated with the turn-off warnings. Commissioner Schuler asked what the overall scope of the financial impact is and whether or not other utilities are resuming the assessment of turn-off fees. Ms. Dawes stated the District is probably looking at about \$10,000 in severe past due accounts that the District may need to write-off possibly \$20,000 - \$30,000 overall. Furthermore, the amount of staff time it takes to work through all the steps with customers who have past due water bills may be more significant than the outstanding water bill debt. Mr. Grimm stated West Slope will likely be the first metro area utility to resume assessing turn-off fees though many others have resumed their own turn-off procedures. Commissioner Smith asked staff opinion on how big of an additional incentive to pay a past due water bill these fees will be and commented being a "trend-setter" in this area is somewhat troubling to him. Ms. Dawes believed there is some incentive gained but more importantly the fees cover the cost of the extra activity generated by these customers rather than spreading the District's costs on to the other paying customers. Commissioner Smith expressed some concerns about West Slope being again the first metropolitan area utility to resume the turn-off fee assessment, but he stated he would support the request. Ms. Dawes reminded the Board that staff makes considerable effort to contact all customers with past due water bills. Those customers impacted by Covid are not subject to the District's turn-off policy. The District's turn-off policy is only applied to those customers who refuse to respond to the District's attempts to contact them. Commissioner Hoffman commented the policy is not meant to create hardships for any customer who has lost the ability to pay a water bill but rather to instill responsibility on the part of customers who are able to pay their water bill. Commissioner Wild asked if there were any state-wide mandates that would prevent the District from moving forward to resume the District's policy. Mr. Grimm stated the State has not placed a moratorium on water rates or the application of fees like there is a state-wide freeze on housing evictions. Commissioner Schuler commented that the resumption of the fees will move the District closer to "normal" (i.e. pre-pandemic) operating conditions and it is one more step to getting irresponsible customers to become more responsible for their water bills. Chair Conrad stated he was in favor of resuming the application of turn-off fees, and Commissioner Hoffman voiced his agreement. Commissioner Wild agreed and believed that staff would make sure that only those customers with past due water bills that were not responding to the District would face the turn-off policy and any fees associated with the procedure. Ms. Dawes assured the Board staff invests a lot of time with customers to make sure their ability to pay is understood. Commissioner Smith asked if it were possible to get a basic summary of the fees charged to

customers. By consensus, the Board agreed to resume the fees to cover turn-off procedures as presented by Staff.

#### 5.0 – COMMISSIONERS COMMUNICATION

Chair Conrad confirmed no Commissioners attended any outside meetings as a representative of the Board. Commissioner Schuler stated he had signed up for the SDAO Virtual Conference and would be the lone elected official representing the District. Chair Conrad pointed out the three positions on the Board that will be up for election in the May 2021 election (Positions 3, 4, & 5 currently occupied by Chair Conrad, Commissioner Hoffman, and Commissioner Schuler, respectively). Chair Conrad announced that he will not be seeking re-election to Position #3 and asked the Board about announcing the open positions to the public. Commissioner Hoffman reminded the Board that the District has three open positions for the Board and that all should be advertised as such. Commissioner Wild wondered if the District should point out to the public that the incumbent for Position #3 will not be running. Mr. Grimm stated the District will post the open positions on the District website and has already informed District customers through the newsletter included in the January bill mailing. There were no other topics for discussion by the Board and no future agenda items offered by any of the Commissioners. The Board's consensus was today's meeting went well. Chair Conrad again thanked Ms. Dawes for her work in completing the annual financial report.

#### 6.0 – EXECUTIVE SESSION

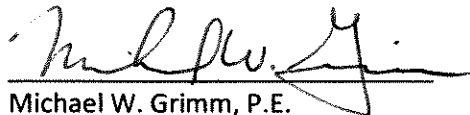
Chair Conrad suspended the regular meeting at 6:20 PM to enter into Executive Session to discuss the performance evaluation of the General Manager. The Board entered into Executive Session at 6:21 PM and then returned to the regular session at 6:37 PM. No decisions were made or votes taken on any issue during the Executive Session.

The Board resumed the regular meeting at 6:38 PM.

#### 7.0 - ADJOURNMENT

Chair Conrad thanked the Board for their service through the meeting. 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 January 20, 2021 Regular Board of Commissioners meeting at 6:39 PM.

Respectfully Submitted,



Michael W. Grimm, P.E.  
Acting Secretary

Approved:

