

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
October 21, 2015
Meeting Summary

CALL TO ORDER

Present: Chair Charles Conrad, Commissioners Donna Davis, Micky Hoffman, Noel Reiersen, and Bob Rieck

Absent: None

Management Staff: General Manager, Michael Grimm

Members of the Public: Betsy Ferguson (8045 SW Ridgeway Drive)

Chair Conrad called to order the Regular meeting of the West Slope Water District Board of Commissioners to order at 5:00 P.M., Wednesday, October 21, 2015.

PUBLIC COMMENTS/COMMUNICATIONS

Mr. Grimm relayed to the Board comments the District had received from John Bowman (8055 SW Ridgeway Drive) regarding current water rates (supports) and his opposition to efforts by the City of Beaverton to annex portions of the West Slope Water District. Betsy Ferguson arrived during the meeting expressing her desire to understand the District's water rates in comparison to lower per volume rates at other water systems.

CONSENT AGENDA

Commissioner Reiersen asked for Agenda Items 3.2 and 3.3 to be discussed. Commissioner Reiersen requested clarification on check #17026 to Centro Information Systems (August billing and past due – why past due?), checks #17030 and #17038 (both for toilet paper?), and Commission Davis asked for clarification on check #17050 to Centro Information Systems for door tags. Mr. Grimm stated he would look into all four checks and report back to the Board, but he believed the past due charge was valid as the District was behind on this bill.

Commissioner Reiersen also wanted additional information on the voice response withdrawal from the LGIP main account in the amount of \$294,928.13. Mr. Grimm stated he would provide further documentation for the transaction, but he mentioned it was for a bond payment to BNY Mellon for Reservoir #3.

Mr. Grimm provided additional information for a question raised during the September regular meeting. Agenda Item 3.2 showed among the monthly disbursements check #16986 to the Portland Water Bureau for \$1,941.78. The bill covered the quarterly use of irrigation and

landscaping water at the Sylvan Hill reservoir site. On average, the three month use during the summer is 50 CCF, but this summer, the use was 502 CCF. District staff checked the meter reading and found it to be valid. Staff learned the high use was primarily due to two major components: 1) Extended use of the property sprinkler system to preserve the newly established slope stabilizing plants and shrubs, and 2) Periodic malfunctions to the sprinkler system causing the system to continue cycling between zones without shutting off for a period of time. Staff made numerous repairs on the system throughout the summer before finally getting the system to function correctly. A motion was made to approve the consent calendar and those items pulled from the consent calendar by Commissioner Reiersen. Commissioner Davis seconded the motion, and the motion was passed unanimously.

STRATEGIC PLAN – FINAL PROPOSAL

Mr. Grimm informed the Board that he, Chair Conrad, and Dale Jutila met September 28 in a Kick-off meeting to complete a final project schedule with meeting and deliverable dates and establish goals and desired outcomes for each of the three scheduled meetings (Attachment 4.0.1 in the Board packet). The first meeting with Mr. Jutila took place during this Board meeting as Agenda Item 4.0 with the following goals and objectives:

- 1) Confirm the intent behind the strategic planning process
- 2) Review the planning element definitions (Attachment 4.0.2)
- 3) Review and confirm the hierarchal steps (Attachment 4.0.3) for the workshop (Meeting #2)
- 4) Determine how conclusions to discussions/decisions will be reached
- 5) Confirm the activities that will occur in the workshop
- 6) Review the facilitation process
- 7) Review a list of questions the Board should consider prior to the workshop (Attachment 4.0.4)

Mr. Jutila began the discussion with brief highlights of the Kick-off meeting stating Chair Conrad's desire that all Board member opinions and ideas are important and will be heard and documented into the planning process and the end product will be a plan crafted by the Board and not staff or the consultants. Mr. Jutila reviewed Hierarchy of Terms with the Board pointing out it is important for the Board to have an understanding of all terms in order to move forward. Commissioner Rieck commented the terms and explanations are fairly common as they apply to organizational strategic planning. Chair Conrad stated since the District is not overly complicated, he anticipates completing the Vision and Mission stages rather quickly and spending the bulk of the time during the workshop discussing values, goals, strategies, and objectives. Mr. Jutila agreed and reminded the Board the process though displayed as a step approach will not be facilitated in a linear manner. Commissioner Rieck asked if Mr. Jutila could bring to the workshop a few examples of visions and mission statements from other organizations, and Mr. Jutila agreed.

Mr. Jutila reminded the Board the workshop is not designed to be a typical Board meeting where votes are taken and decisions made regarding policy. Success will be achieved through informal consensus. The workshop process will not be focused on pushing forward an established agenda but rather to manage time to efficiently accomplish the big tasks and not being bogged down by small details.

Mr. Grimm reminded the Board members the value in using the time prior to the workshop to record what those critical concern items are that the Board absolutely desires to save workshop

time to consider. Mr. Jutila agreed, and he distributed to the Board a list of five questions the Board should consider:

- 1) What will future generations want to see
- 2) What would the future of West Slope WD have to be to take advantage of all the opportunities and dispel the threats (determined in SWOT analysis)
- 3) What legacy would each Board member (collectively or individually) desire to leave
- 4) What is the highest aspiration of the workshop
- 5) What ideas come to mind in terms of mission and core values

Mr. Jutila concluded the discussion by sharing the CH2M organizational purpose: "To lay the foundation for human progress by turning challenge into opportunity" and commenting how simple the purpose is that drives the complex projects managed by the company.

FINANCE AND CUSTOMER SERVICE

The monthly budget vs. actual reports for revenue and expenses were presented to the Board. Mr. Grimm commented previous staff only presented a projection versus actual financial report. But current staff believes the more accurate measure of financial health (and for what the District should be held accountable) is a budget versus actual report. Mr. Grimm also explained what he and the interim finance manager agree would be helpful to the Board is a one-page monthly summary of the budget by main category and detailed line item subcategories showing each budget amounts, monthly expense, YTD expense, and remaining budget capacity. The new budget report format will begin with the November Board meeting packet. Commissioner Rieck commented the past graphical representation was meant to provide a high-level, broad view of the budget. Commissioner Reiersen asked if the graphical report could be presented to the Board quarterly with the advent of a new monthly budget summary report, and staff agreed.

Mr. Grimm briefly reviewed the outcome of the System Development Charge (SDC) study the District hired HDR, Inc. to complete. At the September meeting of the Board, staff informed the Board a resolution would be brought to the October meeting for the Board's approval. The study was completed following an update of the water system master plan in 2014. It is customary to update the SDC rates as the water master plan updates the capital improvement plan (CIP) projects. The SDC rate methodology is driven by two major components: Reimbursement and Improvement. The reimbursement component covers the infrastructure currently in service, and the improvement component covers new infrastructure that will be built to add capacity to the existing system or extend the existing system to add additional services. Since the current CIP is adding neither increased capacity nor additional water mains to add services, the improvement component of the SDC rate goes to \$0. Staff has not yet reached out to the Home Builders Association, but staff will make that a priority contact before the end of 2015. The fiscal impact to the District is very low since the District adds very few new connections to the District annually. After some discussion among the Board, it was concluded the Board would like to review the history and more of the SDC study comments as well as revisit the reasons and methodology of the SDC rates at a future Board meeting. Commissioner Davis motioned to approve Resolution 05-2015 to adopt an updated SDC rate schedule based on the recent study findings by HDR, Inc. The motion was seconded by Commissioner Rieck, and the motion was approved unanimously.

Mr. Grimm presented a list of twelve past due accounts the District has been unsuccessful in collecting upon, the oldest of which dates back to 2012. Most of the accounts are former property owners for which the District no longer has a valid mailing address, location, or phone number. Commissioner Hoffman asked about the process staff follows to collect on past due bills such as pursuing former tenants as well as property owners. Mr. Grimm confirmed staff

pursues both tenants and property owners and shared with the Board the District's policy and rules stating the property owner is ultimately responsible for any past due accounts. Commissioner Hoffman asked what series of safeguards is the District considering to keep this from happening again. Mr. Grimm commented the District does a thorough job of following up on past due accounts, but there will always be some small amount that will be difficult and cost inefficient to pursue to the end. Commissioner Rieck motioned to approve the write-off of \$1,178.61 in past due uncollectable accounts. Staff commented that approval of the uncollectable account write-off will clear the District's ledger on these accounts with revenue to cover the cost coming from the budget's bad debt forgiveness line item. Commissioner Davis seconded the motion, and the motion was passed unanimously.

DISTRICT ACTIVITIES

Mr. Grimm presented the Operations Report for September to the Board noting overall September water sales were less than the water sales in August, and the September 2015 water sales were less than the September 2014 water sales. Overall, the District will break even on cost for purchasing summer interruptible water (SIW) from the Portland Water Bureau, but the District does avoid a peak season demand penalty from the Bureau as a result of purchasing SIW.

No additional progress has been made by developers working on the Hope Chinese Charter School.

All water quality tests performed in September verify the high quality drinking water provided to District customers. November will be the month the District participates in the regional Lead and Copper Rule monitoring (collected inside one specific home in the District known to have lead pipe or lead solder in the home). The number of after-hours call outs were relatively low in September.

The District has scheduled to have LiquiVision clean and inspect the inside of both Sylvan Hill reservoirs. The cleaning will take place early November at a cost of just under \$6,000 which was previously approved by the Board.

Mr. Grimm provided an update on the remote access telemetry project. Staff will be working with Verizon to 1) equip our dedicated cell phone; 2) purchase two tablets; and 3) interconnect the new devices to the SCADA system with S&B. Staff desires to have the work completed and the District operators trained on its use before the end of the calendar year.

Mr. Grimm stated staff now has two limited duration employees in the office. The first is Lucy Dawes who is serving as the interim finance manager. Ms. Dawes has melded with staff quickly and has been extremely helpful with taking over many of the financial duties and has been instrumental in evaluating the District's financial activities with a fresh outlook. Ms. Dawes possesses a superior understanding of budgeting, financial reports and CAFRs, and sound fiscal practices. Having Ms. Dawes on staff will allow the District to pursue a permanent finance and customer service manager with LGPI in a less urgent fashion. Ms. Dawes has not been involved in any of the recruitment activities for the permanent position on the chance she may apply for the position once it is posted. Also on staff as a limited duration temporary employee is Deana Marcial who is providing back-up support to Kathie Strathern. Ms. Marcial will be used in an on-going basis after the end of the transition period simply to have a customer service representative in the office for extended periods while Ms. Strathern is away (vacation, medical leave, etc.) or for specific special projects as assigned by the General Manager.

Recently while working with a customer (property owner) to resolve a past due account of the owner's past tenant, the General Manager needed to refer to the District's current version of the Rules and Policies for water service. The Rules have not been updated since 1991, there are only two paper copies (no electronic versions) in existence, and there was no plan in place to create an updated version despite the Board's history of passing ordinances and resolutions related to operating policies and procedures over the last 24 years. Mr. Grimm has given to Ms. Marcial the Rules update project to:

- 1) Transcribe the written document into an electronic version
- 2) Make notes and comments in the document noting content errors and discrepancies and obvious outdated policies
- 3) Review past Board policy actions (policy decisions, resolutions, and ordinances) and identify missing content that should be added to the updated version
- 4) Work with other staff to review Rules and Procedures documents from other water districts for other content the Board should consider at a future regular board meeting for inclusion in the updated version

Mr. Grimm also stated staff will be looking at the actual cost of service for tasks such as hanging door tags and meter shut-off/turn-on to ensure the fee schedule in the District's Rules and Policies reflect the actual cost to the District. As staff looks at the cost of various district tasks, staff will also examine the effectiveness of specific tasks and whether or not some tasks are no longer efficient to perform. For example, staff proposes that since the current delinquent notice practice which is mailed to non-paying customers overlaps the following billing cycle, the issuance of the delinquent notices should be temporarily suspended long enough for staff to evaluate its effectiveness. In place of delinquent notices, staff proposes to send non-paying customers a bill that clearly identifies the current bill as well as the past due bill similar in appearance and similar in the timing of a past due credit card or cell phone bill. Commissioner Hoffman commented that he supports any effort staff believes will improve efficiency, streamline a process, and yet still delivers the desired outcome. Commissioner Davis moved to temporarily suspend issuing delinquent notices until March 2016. The motion was seconded by Commissioner Rieck, and the motion was passed unanimously.

Mr. Grimm provided information regarding the Green Tank Seismic Retrofit Project to the Board. The information from MSA included a technical memo/meeting summary from October 9, 2015, a Gantt project timeline chart, and an updated budget to complete the design work and construction inspection work. The 2016 project schedule shows:

- Pipe work construction in April
- Tank foundation and vault work in May and June
- Tank painting in late July through October

The contract will be advertised in the winter with an award hopefully by February. Chair Conrad asked about permits and public outreach needed for the project. Mr. Grimm stated all the appropriate permits will be acquired either by MSA or the District, and the public outreach will be accomplished by the District first to the immediate impacted homeowners and then to the general public through open house meetings or through existing venues like the West Slope NAC or the Raleigh Hills Business Association. Other venues will include information on the website, potentially direct mailed information with bills, and seeking out where other cyber-chat conversations may be taking place where the District can engage the customers.

Mr. Grimm reported the Lazrines have turned in all of their paperwork regarding reimbursement for work performed to vacate the District's pipeline easement. The District received this

information minutes before the start of this Board meeting, and it will take staff some time to review the documentation, conduct a site inspection, and respond to the Lazrine family.

COMMISSIONERS COMMUNICATIONS

Commissioner Reiersen mentioned the SDAO training in Astoria was extremely helpful to him, and the other board members agreed the training was well worth their time. Chair Conrad asked Mr. Grimm to email a copy of the General Manager's work plan and employment contract to the individual Board members prior to packet distribution for discussion during an executive session performance evaluation for the general manager.

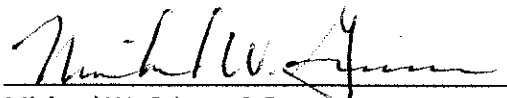
Mr. Grimm gave a brief review of upcoming meetings in the last part of October and November.

ADJOURNMENT

There being no further business to discuss, Commissioner Reversion moved to adjourn. Commissioner Davis seconded the motion and it was approved unanimously.

Chair Conrad adjourned the October 21, 2015 Special Board of Commissioners meeting at approximately 7:58 P.M.

Respectfully Submitted,



Michael W. Grimm, P.E.
Acting Secretary

Approved:

