

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
April 18, 2018
Meeting Summary

CALL TO ORDER

Present: Commissioners Robert Rieck, Charles Conrad, Micky Hoffman, Noel Reiersen, and Carol Wild (arrived at 5:07 PM)

Absent: None

Management Staff: General Manager, Michael Grimm; Customer Service & Finance 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 5:04 P.M., Wednesday, April 18, 2018

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

There were no comments or communications from the public.

3.0 – CONSENT AGENDA

Commissioner Conrad asked to pull Agenda Items 3.1, 3.7, and 3.8 from the Consent Agenda. Commissioner Reiersen asked to pull Agenda Item 3.2 from the Consent Agenda. Commissioner Hoffman made a motion to accept Agenda Items 3.3 through 3.6. Commissioner Conrad seconded the motion, and it was passed unanimously. Commissioner Conrad pointed out a typographic error in the Meeting Summary (Item 3.1). The error was corrected during the meeting. Under Item 3.2, Commissioner Reiersen commented the increased cost in the Board Costs line item is due largely to all five Commissioners attending the SDAO conference adding more money might be needed for that line item in next year’s budget. Commissioner Reiersen asked about the Conservation line item, and Ms. Dawes explained this line item covers the annual dues payment to the Regional Water Providers Consortium. Chair Rieck stated the Total Personal Services line item is getting close (75%) of the appropriation limit. Ms. Dawes commented she is watching the expenses closely. Regarding Item 3.7, Commissioner Conrad asked if the District has had any communications from MSI regarding the Green Tank project. Mr. Grimm stated the District will be reviewing the claims in the coming weeks with staff at Murraysmith. Staff will conduct the data gathering and review of the claims, discuss with Murraysmith, and keep the District’s legal counsel informed. Commissioner Conrad made a

motion to approve Agenda Items 3.1, 3.2, 3.7, and 3.8. The motion was seconded by Commissioner Hoffman, and it was passes unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm pointed out the water use for March 2018 which is very typical for water use at this time of the year. Mr. Grimm commented there is a small amount of new development plan review activities for the District (four active projects at this time).

4.2 – Long Term Water Supply Discussion: Following the joint work session with the Tualatin Valley Water District Board of Commissioners (Monday, April 2), the Board asked to spend some time in a regular meeting sharing thoughts and ideas they garnered in the work session. Attachment 4.2.1 is a summary of the meeting provided by TVWD.

Commissioner Reiersen stated he was impressed with the TVWD's overall Willamette River supply plan and how they have estimated their own construction costs. He and Commissioner Wild both agreed that any consideration of water supplied to West Slope will need to address supplemental fluoride (that is, it could be a polarizing issue). Public outreach will be a key factor when alternative comparisons are made. All Commissioners agreed that issues like fluoride and other water quality concerns will need to be well presented to inform the public of all options for long-range water supplies. It was stated how everyone remembers several years ago when Portland City Council "announced" the City would now add fluoride and the large public outcry that was created. Commissioner Wild commented she believes the three main issues for the public to reconcile are cost, Bull Run vs. Willamette, and fluoride.

Chaie Rieck asked Mr. Grimm to begin a draft set of press release talking points useful for public outreach available for the Board to review by the Board's May 3 work session. Mr. Grimm agreed to have the draft available. He stated the District is looking at three levels of public outreach efforts: 1) The standard public notice of the proposed District budget to be adopted in June, 2) A rate hearing for later this summer to increase customer water rates (both consumptive and fixed portions), and 3) The long-range options for water supply beginning July 1, 2026.

4.3 – Budget Process – Status Update: Mr. Grimm summarized staff's desire to allow the Board to preview scenarios drafted by Ms. Dawes before the May Budget Committee meeting. Ms. Dawes stated the main goal is to determine ways to meet the large water rate increase from Portland in years 2021-22 and 2022-23 with the least abrupt impact on West Slope customers. The best scenario for the first year is a 12% increase beginning in September followed by 10% increases for the next several years. The District will need to balance building a rate stabilization fund with restrictions placed on the District by the bond council to pay off the debt for Reservoir #3. Ms. Dawes also mentioned she considered scenarios where the District would pay off the debt, but even so the rate increases would be virtually the same compounding at least 10% annually for eight years. Typically, water rates are increased in low demand periods like November and not high demand periods like July. However, initially the rate increase needs to generate revenue in this next fiscal year and so is proposed for September 2018. Chair Rieck asked if staff could review the costs behind the Portland water rate increases and request the cost estimate details behind the water rates. Mr. Grimm stated it will be difficult to challenge Portland on the cost details since the costs are real and in conformance to the wholesale purchase contract with Portland. The wholesale purchasers may believe the costs are not affordable or economical, but the costs will be what Portland will pay for the infrastructure improvements. Considerable discussion followed regarding the timing and preparations involved in notifying the public of the rate increase proposed by staff for September 2018. At

issue is how to explain or “soften the blow” to customers that the rate increase is due to the cost of water from Portland and the increase will compound annually through 2028 to pay the District’s share of Portland’s new infrastructure improvements (Washington Park 13.3 MG covered reservoir, corrosion control treatment at Lusted Hill, and the Bull Run water filtration treatment plant).

4.4 – District Fee Resolution: Management staff discussed the need to increase the fees for two specific tasks to reflect the cost of service. Staff believes the fees for both hanging a door tag notice for water shutoff and for shutting off a customer’s water due to non-payment must cover the District’s total cost to perform both functions. Ms. Dawes gathered data from 2017 for the number of past due accounts that led to a Door Tag Shutoff Notice and the amount of staff time, the resources, and the equipment that was needed to deliver the notice. Staff proposes the Door Tag Shutoff Notice fee be set for \$15 per visit. Currently, the District issues a “late fee” of \$10 for hanging a door notice. The “late fee” would be replaced with the Door Tag Shutoff Notice. Similarly, staff proposes the existing Shutoff Visit fee of \$25 be increased to \$100 based on the cost of service calculation of \$159.10 per visit. Staff recommends the fee be \$100 instead of \$150. Chair Rieck commented the District can review the fee amount in a year to assess the effectiveness impact of the \$100 and decide then if the fee should be increased to \$150. Commissioner Reiersen made a motion to accept Resolution 02-2018 effective July 1, 2018. Commissioner Wild seconded the motion, and the motion passed unanimously.

4.5 – Late Breaking Issues:

- Summer Interruptible Water: Mr. Grimm informed the Board the Portland Water Bureau Administrator Mike Stuhr approved the District’s request to purchase summer interruptible water during the months of July, August, and September 2018.
- ODOT Coordination: Mr. Grimm informed the Board of an overlay project scheduled for this construction season on Walker Road between Hwy 217 and Canyon Road. The District will work with ODOT project engineer Tova Peltz as a contact for all future ODOT projects within the District including any work scheduled in the future for Beaverton-Hillsdale Highway.
- Emergency “Go Bag” Purchase: Mr. Grimm announced the District will purchase an emergency “Go Bag” for each District employee at a cost for under \$50 per bag. The bag is intended to be used by staff during an emergency to supply basic necessities (food, water, shelter, first aid, etc.) for three days. The order can be expanded for relatives and members of the Board at their own expense. Anyone interested in purchasing a “Go Bag” through the District’s order should contact Mr. Grimm.

5.0 – COMMISSIONERS COMMUNICATION

Commissioner Hoffman stated he has some personal concerns regarding his available time to take on the Chair role in July. Commissioner Reiersen stated he felt similarly when he first joined the Board so he had another Commissioner step in front of him to be chair for a year. Following a discussion about the Chair’s roles, responsibilities, and expectations, Commissioner Hoffman stated he will take some time to consider how he wants to proceed.

Mr. Grimm stated he polled area water systems and found no other water system that uses 1970s style cassette tapes for recording public meetings. MP3 recorders are now used to digitally record the audio portion of public meetings. The recordings for executive sessions are recorded on separate USB drives and secured on site in a storage box at the water system. Mr. Grimm proposes the storage box key reside with the General Manager and the Finance / Customer Services Manager and that any need to access the files be documented and performed by both managers. Once the MP3 recorder and strong box are purchased, staff will

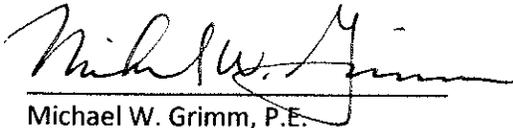
draft an access protocol for the Board to approve. The Board brought no other issues for future agenda items. Commissioner Conrad praised Ms. Dawes for the finance plan scenarios and the depth of content for the Board to consider, and all commissioners agreed.

6.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Reiersen moved to adjourn the meeting. Commissioner Conrad seconded the motion, and it was approved unanimously. Chair Rieck adjourned the April 18, 2018 Regular Board of Commissioners meeting at 7:30 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

