

WEST SLOPE WATER DISTRICT

Board of Commissioners Meeting and Budget Hearing

June 15, 2016

Meeting Summary

CALL TO ORDER

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

Absent: None

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

Public: Mrs. Betsy Ferguson

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, June 15, 2016.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

There were no public comments.

3.0 – PUBLIC HEARING FOR PROPOSED FY 2016-17 BUDGET

Commissioner Davis made a motion to suspend the regular meeting and convene the budget hearing. The motion was seconded by Commissioner Rieck, and the motion passed unanimously. The District received no comments from the public via the mail or email or through the website. Mrs. Betsy Ferguson had a question for the Board as to whether or not future budget years would continue to see a rise in funds set aside in the reserve funds. Ms. Dawes explained the amount set aside for the reserve funds is largely based on beginning working capital or carryover from the previous fiscal year. Current fiscal year expenses for projects like the Green Tank project also contribute to investments into the District’s reserve funds for future expenditures. During warmer than expected summers, customer water use increases and water sale revenues can be higher than anticipated. When higher than expected revenues are combined with lower than budgeted expenses, the result is a year-end budget carryover. Mrs. Ferguson commented when the State’s revenues are more than projected, the State is obligated to return much of that revenue to the tax payers in the form of a “kicker”. Mr. Grimm explained that all of the money transferred to the reserve funds is in fact returned to the District customers in the form of infrastructure replacement (pipe, meters, reservoirs, equipment, etc.). Mrs. Ferguson stated she believes not being able to accurately determine future revenue based on weather dependent water sales revenue is “a mistake by the District”

in the budget process. Staff explained that precisely predicting future water sales is next to impossible. Public water utility budgets must have some working capital to be able to absorb the unknown aspects of lower than anticipated water sales, infrastructure failures (broken mains or reservoirs, unforeseen infrastructure projects, etc.), and other unplanned urgent events impacting the utility.

With no other public comments, Commissioner Rieck made a motion to reconvene the regular meeting at 5:15 PM while keeping the budget hearing open in case other members of the public wished to present comments to the Board. Commissioner Davis seconded the motion, and it was approved unanimously.

4.0 - CONSENT AGENDA

Commissioner Davis made a motion to approve the Consent Agenda Items as presented and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

5.0 - DISTRICT ACTIVITIES

5.1 – Operations Report: Mr. Grimm mentioned the May water sales were significantly higher than in April and June has started off significantly lower in water sales than in May. Commissioner Reiersen asked if the District has been close to exceeding our peak 3-day demand, and Mr. Grimm stated no. Portland’s joint monitoring program for lead and copper for Spring 2016 tested at 13 ppb for the 90th percentile of all 100+ sampling sites. The action level is 15 ppb. The Board discussed with staff the reasons why corrosion causes elevated lead levels in drinking water for distribution systems, in household plumbing and fixtures, and in schools.

5.2 – Green Tank / 73rd Avenue Pipe Projects: Mr. Grimm informed the Board the pipe for the project on SW 73rd Avenue would be delivered Thursday, June 16. Roughly 1000 ft. of pipe (probably about 85 sections of mostly 12-inch pipe) would be staged in the vacant lot to the west of the neighborhood park. Installation of the pipe should begin the following week. Staff believes we are close to receiving the permits needed for the project – the building and grading permit. This permits are still being held up by Washington County. Mr. Grimm also noted the Beaverton Valley Times carried a very informative article about the Green Tank Project in the June 9 edition (copy of the article attached in the Board packet).

5.3 – Beaverton Rights-of-Way Fees: Ms. Dawes explained the City has passed a fee resolution with little change to the same 5% of gross revenue as we understood. Commissioner Davis asked about the annual registration fee, and Ms. Dawes explained that every utility doing business in the public right-of-way would be required to pay the annual fee. At a future meeting, staff will bring to the Board the proposed bill statement language that District customers in the City of Beaverton would see.

5.4 – Leak Adjustment Policy Revision: Mr. Grimm shared the proposed language for the District’s revised leak adjustment policy (attached as Resolution #05-2016). The major points of this resolution were discussed at the regular meeting of the Board in April. Mr. Grimm stated the Board packet was in error concerning the financial impact. In FY 2014-15, the District forgave nearly \$14,000 in leak adjustments, and FY 2015-16 will likely see about \$11,000 in leak adjustments. One amendment to be made to the Resolution is the inclusion that a request for a leak adjustment must be made through the District’s website or in writing and submitted to the District. Commissioner Rieck made a motion to adopt Resolution #05-2016 which establishes a new customer leak adjustment policy. Commissioner Davis seconded the motion, and the motion passed unanimously.

5.5 – Board Succession for 2016-17: Mr. Grimm stated the Board needs to consider the established annual practice of rotating Board of Commissioner officer positions. Currently, the Chair is Charles Conrad, the Treasurer is Noel Reiersen, and the Secretary is Robert Rieck. The Board has in the past adhered to a self-imposed succession plan. Under the traditional succession plan, Commissioner Reiersen would become the Board Chair, Commissioner Rieck would become the Treasurer, and Commissioner Hoffman would become the Secretary for FY 2016-17. The Board agreed they found value in their succession plan and believed their desire was to keep it. Commissioner Reiersen shared some humor when he displayed a photo of a tree growing around a fire hydrant (not one in West Slope) and declared a new “district motto” as a caption for the photo: “Not On Our Watch”. Commissioner Davis made a motion to continue the current Board succession plan, and Commissioner Rieck seconded the motion. The motion was approved unanimously. Chair Conrad thanked the Board for accomplishing a lot of tasks this fiscal year including a new Strategic Plan, new public contracting rules, a new on-line bill pay feature to the District’s website, a new cross connection control program enabling authority, the launch of the Green Tank project, and a new proposed budget for FY 2016-17. Chair Conrad stated the Board will continue to work on rights-of-way fees from the City of Beaverton, wrapping up easement vacation issues, indoor and outdoor water conservation incentives, and new features to the District’s website. Commissioner Rieck thanked Chair Conrad for his year of service as Chair citing his thoroughness, leadership, and professionalism as he led the Board and represented the District this year. The other Board members agreed.

5.6 – Lead in the News: Mr. Grimm stated a considerable amount of national attention has been given to lead in drinking water since January as a result of the events surrounding Flint, Michigan. Mr. Grimm explained the District samples for lead at one site in the District as part of the Portland Water Bureau Joint Monitoring Program (JMP). However, the Oregon Health Authority (OHA) is likely to require major changes to the JMP including excluding participating water systems who have other sources besides the Portland Water Bureau. The impact to the District will likely be increased monitoring sites for lead and copper when changes are made in early 2017.

Mr. Grimm also stated lead in schools is a national issue as well as a local issue. In Portland, the Portland Water Bureau has been reaching out to the Portland Public School District (PPS) to offer technical assistance and analytical monitoring for lead sampling in the school. Mr. Grimm said there are at least 5 schools in the District (2 public, 3 private) and maybe several other small schools. Staff wants to know if the Board is interested having the District provide assistance with lead monitoring compliance to schools. Commissioner Rieck recognized the emotion of the lead in schools issue and is concerned about becoming financially involved in the requirements directed at the schools. Commissioner Davis agreed that it makes sense to help the schools comply as best as possible but not participate financially in the monitoring requirements.

3.0 – BUDGET HEARING - REVISITED

At this time, Commissioner Rieck made a motion to close the Budget Hearing at 6:22 PM citing no other members from the public present to provide written or oral comments about the budget. Commissioner Davis seconded the motion, and the motion was approved unanimously. Chair Conrad asked if the Board had any additional comments about the proposed budget. Hearing none, Commissioner Reiersen made a motion to adopt Resolution #05-2016 hereby adopting the District’s budget for FY 2016-17. Commissioner Rieck seconded the motion, and the Resolution was adopted unanimously.

6.0 – COMMISSIONERS COMMUNICATION

The Board had no additional comments about any meetings or other communications or topics for future Board meetings.

7.0 – EXECUTIVE SESSION

Chair Conrad suspended the regular meeting at 6:24 PM to enter into executive session to discuss with the District's legal counsel matters of potential litigation. Chair Conrad reconvened the regular meeting at 7:01 PM. Commissioner Rieck made a motion to direct staff to respond to the Lazrine family following their letter of May 2016. The motion was seconded by Commissioner Davis, and the motion passed unanimously.

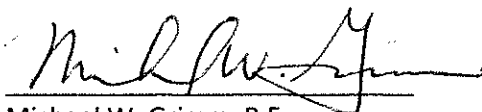
8.0 - ADJOURNMENT

Mr. Grimm related to the Board four final issues in which the Board may have an interest (simple FYI things):

- 1) Washington County is proposing amendments to issue permits to marijuana growers in suburbanized areas in the county. The District will likely have an interest in being aware of District customers with such a permit if there is a need to have a specific cross connection control device installed.
- 2) Tour dates of the Bull Run Watershed are now open. Staff will make sure any Board member or staff member wanting to attend the tour is on the Bureau's list. Commissioners Hoffman and Reiersen expressed a desire to attend a tour.
- 3) The 2016 Water Quality Report (or Consumer Confidence Report) is completed and will be on the District website shortly. Post cards will be mailed to all postal customers in the West Slope area before the end of June.
- 4) Mike Rosenberger, current general manager of the Rockwood Water PUD, is retiring as of June 30, and there is a reception scheduled in his honor to celebrate his retirement on Tuesday, June 28. All members of the West Slope Water District Board and guests are invited.

There being no further business to discuss, Commissioner Reiersen moved to adjourn. Commissioner Davis seconded the motion, and it was approved unanimously. Chair Conrad adjourned the June 2016 regular Board of Commissioners meeting at approximately 7:08 PM

Respectfully Submitted,



Michael W. Grimm, P.E.
General Manager

Approved:

