

WEST SLOPE WATER DISTRICT
Board of Commissioners Meeting
February 17, 2016
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; Finance & Customer Service Manager Lucy Dawes

Public: None

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, February 17, 2016.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

There were no public comments.

3.0 - CONSENT AGENDA

Agenda Item 3.2 was pulled from the consent agenda for discussion. Commissioner Davis made a motion to approve Agenda Items 3.1 and 3.3 through 3.6 in the Consent Agenda, and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

Chair Conrad asked clarification for check #17256 to John Kennedy for \$526.28 (refund check). Ms. Dawes stated she would look into that check. Commissioner Reiersen wanted to know about check #17259 to One Call Concepts for "January tickets". Ms. Dawes explained the expense is for utility locate tickets or requests.

Commissioner Reiersen moved to approve item 3.2 from the Consent Agenda. Commissioner Davis seconded the motion, and it was approved unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm mentioned that the District will see a small amount of new development through several different development projects ... possibly up to 10 new meters. Chair Conrad asked about the Hope Chinese Charter School project. Mr. Grimm stated the

project is nearly complete with the pipe in the ground at a cost to the District of just the reconnection of the existing services on SW 104th Avenue.

4.2 – Budget Adoption Process: Mr. Grimm stated staff had no response to the website request for budget committee volunteers. Based on personal contacts, staff presented three candidates to the Board for the two open positions: Michael Smith, Hester Nau, and LeRoy Patton. Ms. Nau and Mr. Patton have been on the budget committee through the end of 2015 when their terms on the committee expired. Commissioner Reick expressed his desire to have some new eyes and views on the budget committee. Commissioner Reiersen made a motion to nominate Mr. Smith and Ms. Nau for the budget committee, and Commissioner Davis seconded the motion. The motion was passed unanimously.

A brief discussion took place regarding bringing all members up to date on the budget process procedures and high level overview of the budget itself. It was thought the past District practice of meeting one-on-one with each budget committee member may be actually prohibited by state rule, but later research on that subject showed it is allowable for staff to inform and educate members without fielding opinions of each member outside of the full budget committee meeting.

4.3 – Green Tank / 73rd Avenue Pipe Projects: Mr. Grimm stated the project is moving forward though MSA is draining down the pre-design budget with revisions and iterative on-going work with the Washington County Land Use Development department. MSA would like to bump up the budget to cover the added expenses incurred, but Mr. Grimm refused at this point thinking there were other potential cost saving opportunities ahead (such as the savings gained from not drilling micropilings). The project schedule is still on target for advertisement in mid-March. Some of the exterior painting work might need to be completed in 2017 depending on contractor timing and weather. Specific public outreach will likely start next month.

4.4 – Public Contracting Rules Adoption: In the Board’s packet is the “track changes” copy of the public contracting rules with current additions as well as additions from 2014. Also in the Board packet is the “clean” copy (additions and deletions all incorporated into the document) which should be considered a “draft-final” version. Chair Conrad had several questions about the document:

- 1) In Section 5, change staff titles to titles used in the District.
- 2) In 5.3, the purchasing agent is someone the General Manager designates to act on the manager’s behalf. In general, there is no need to create a blanket “succession policy” since the General Manager can designate a purchasing agent to address a specific purchase or scenario.
- 3) In 5.6, BOLI does require a list of public improvement projects submitted prior to budget adoption.
- 4) In Section 7, the District has the ability to purchase (procure) material if it is in the best interest of the District to directly purchase material (pipe, meters, etc.) and not through a construction contractor.
- 5) In Section 13, the District has the right to request a performance bond for projects such as the Green Tank project.

Mr. Grimm stated the District will have at least six sole source exemption items which will be purchased from specific companies. Commissioner Reick made a motion to adopt the language in Exhibit A (Attachment 4.4.2) for the District’s public contracting rules. The motion was seconded by Commissioner Davis, and it was approved unanimously. The resolution was read by Chair Conrad to repeal Resolution 02-2005 and adopt a new resolution revising the District’s public contracting rules as written in Exhibit A. Commissioner Reick made a motion to adopt

Resolution 01-2016, and Commissioner Reiersen seconded the motion. The motion to adopt Resolution 01-2016 was passed unanimously.

4.5 – Leak Adjustment Policy: Mr. Grimm apologized to the Board about his misconception of how the Board wanted to move forward with a discussion about a leak adjustment policy. The Board packet included a brief overview of what the Board may want to consider in a leak adjustment policy. Chair Conrad articulated his intention was for staff to research the issue in terms of what the cost of the adjustments are in proportion to the District's water revenue, and is this proportion commensurate with that of other Metro area water systems. Once staff has that information and crafted a recommended policy, the Board can examine both and make a decision.

Chair Conrad and Commissioners Reiersen and Reick commented that though the policy is important, their desire is to have staff concentrate on other District business such as long term supply options (that the leak adjustment policy need not be the top priority at this time). Commissioner Davis commented the policy has been in place for a while and it would be prudent to give the public a chance to be made aware of the process and the agreed upon policy. Commissioners Reiersen and Hoffman stated that the Board should not lose track of this issue and should revisit it at a later date. Mr. Grimm stated staff will do the requested research and the financial analysis as time allows and bring staff recommendations to the Board. After further discussion between among the commissioners, it was agreed the recommendation will include the purpose, the responsibilities, and the process of a leak adjustment policy.

4.6 – Powell Butte 2 Reservoir Cost Allocation: Mr. Grimm stated the wholesalers group is waiting for a response from the Portland Water Bureau to the group's position on the Bureau's practice of "asset depreciation cost doubling" in an asset's first year of service and a resolution to capitalized overhead issues. The group has finalized both a drought declaration curtailment plan and a memorandum of agreement of how to purchase water (and how to determine the cost) during a drought declaration event.

Meanwhile, the PB2 sizing study by Carollo is focusing on terminal storage volume evaluations and the impact wholesale water purchasers have on each volume segment (equalization, freeboard, emergency, etc.).

4.7 – Beaverton Franchise Fees: Mr. Grimm commented the City will be sending some sort of a list of District customers impacted by the City's franchise fees. Ms. Dawes briefly described how the District's billing software can be used to help identify who the impacted customers are and what staff may have to do to make the process work. The initial setup will require a significant amount of time, but once the process is in place, it should only take about 4-5 hours per billing period to review the data reports and calculate what is owed to the City. There are still a lot of variables in the process including how the City provides the data to the District (paper vs. electronic). Commissioner Reiersen asked if the City will compensate the District for our administrative costs, and the answer is no. The District can charge our own surcharge fee to the customers impacted for administrative costs, but staff would not recommend that procedure to the Board. The fee is imposed on the District but is calculated by customer gross revenue. The City is not assessing individual customers directly. Chair Conrad asked if there were value to having the Board officially comment in a public hearing over the franchise fee. Mr. Grimm commented it would be inappropriate for staff to encourage or discourage the Board members from testifying. It should be noted any of the five commissioners can testify as individual citizens (although only Commissioner Davis is a City resident), but the Board would need to agree to any testimony at a public hearing as an official opinion of the District.

4.8 – Meter Replacement Project Status: Ms. Dawes and Mr. Grimm provided the Board with a brief status summary of the meter replacement program:

- 1) 2300 meters have been installed in the District since 2005. There are just under 1000 meters left to install.
- 2) The District has approximately 120 meters in our inventory that have not been installed.
- 3) Each meter has a 10-year full warranty and a prorated warranty for the second 10 years.
- 4) The first meters installed in the District are now entering the prorated warranty phase.
- 5) There is a 10% failure rate for the meters as they are installed. Those 10% are immediately replaced under the warranty agreement.
- 6) Each meter costs around \$220 based on a recent purchase of 118 meters for \$27,700. (Staff estimates another \$220,000 will be needed to purchase the meters needed to finish the project.)

5.0 – COMMISSIONERS COMMUNICATION

Chair Conrad asked Ms. Dawes for a webpage update. Ms. Dawes stated the on-line bill pay process is not yet open to the public but is ready for “beta testing”. She encouraged the individual Commissioners to test it next week to view their account, water use, billing history, and even pay the water bill. She demonstrated some examples of what the webpage will look like and mentioned a bill stuffer will be included in the March billing to alert people to the new process and webpage link. Commissioner Hoffman asked if this new process and the overall “paperless” procedure will likely save the District money (administration costs), and Ms. Dawes agreed that it will. The District’s credit card fees will likely go up, but Ms. Dawes believes those increased costs will be offset by the reduced cost of “paperless” statements (billing directly via email to customers).

6.0 - ADJOURNMENT

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

Chair Conrad adjourned the February 17, 2016 regular Board of Commissioners meeting at approximately 6:57 PM

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

