

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting**

**February 14, 2018**

**Meeting Summary**

**CALL TO ORDER**

Present: Commissioners Robert Rieck, Charles Conrad, Micky Hoffman, Noel Reiersen, and Carol Wild

Absent: Finance & Customer Service Manager, Lucy Dawes

Management Staff: General Manager, Michael Grimm

Public: None

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**1.0 – CALL TO ORDER**

Chair Rieck called to order the regular meeting of the West Slope Water District Board of Commissioners at 3:30 P.M., Wednesday, February 14, 2018.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

Chair Rieck acknowledged there were no other members of the public present and no written comments from the public for the Board to consider.

**3.0 – CONSENT AGENDA**

Commissioner Conrad requested that Agenda Item 3.7 be pulled from the Consent Agenda. Commissioner Hoffman made a motion to accept Agenda Items 3.1 through 3.6, and Commissioner Wild seconded the motion. The motion was approved unanimously. Commissioner Conrad asked about the comments HR Answers, Inc. made regarding the District’s Employee Manual. Mr. Grimm explained the few comments made about the Manual were insightful, but staff was disappointed with the lack of depth regarding comments on all sections of the Manual. Commissioner Hoffman made a motion to approve Agenda Item 3.7 as amended. Commissioner Conrad seconded the motion, and the motion passed unanimously.

**4.0 - DISTRICT ACTIVITIES**

4.1 – Operations Report: Mr. Grimm pointed out water use for January is very typical for this season of the year. The power outage in 2017 was noted in Attachment 4.1.1.

4.2 – Capital Projects - Status: Mr. Grimm commented the series of CIP plan projects will be selected based on the key elements of infrastructure repair/replacement, seismic resiliency, cooperative projects with other entities, and future water source development. As part of the FYE 2019 budgeting process, the District’s CIP project list will be updated with new cost numbers

and potentially new projects based on the District need following the above key areas. Mr. Grimm also informed the Board the Green Tank project's grading permit has been officially signed by all parties and closed out. The project's construction contractors issued a paper notice to the District informing the District of their intent to challenge the liquid damage calculation. No mention was made regarding the basis or timing of their challenge. The District's legal counsel was given a copy of the paper notice. To date, no further correspondence has been received from the construction contractor.

4.3 – Budget Process for FYE 2019 – Salary Scale Increases: Mr. Grimm presented a proposed salary range adjustment for all staff except the General Manager based on the Consumer Price Index – Urban for Portland (CPI-U). For 2017, the CPI-U is 4.2% which is up from 2.1% in 2016 and 1.2% in 2015. Some of that increase could be the result of higher housing and food costs in the Portland area. Chair Rieck stated the history of the District is to stay competitive with other metro area water systems. Mr. Grimm stated the function of the adjustment is to raise the both the lower and upper ends of each position's salary range. Actual paid salaries are also a function of individual employee performance. Commissioner Reiersen noted with such a small number staff, salary increases can take on a more personal nature than may be interpreted in a larger system, and the Board desires to send the message to staff that they are supportive of staff. The other Commissioners agreed. Commissioner Reiersen made a motion to approval Resolution 01-2018 (Attachment 4.3.1) to adjust staff salary ranges according to Exhibit A (Attachment 4.3.2). Commissioner Conrad seconded the motion, and the motion passed unanimously.

#### 4.4 – Late Breaking Issues:

- Mr. Grimm asked the Board if they would be interested in working with SDIS' Board Practices Assessment (BPA) tool. The tool is a facilitated self-assessment 90-minute discussion with an SDIS consultant (Rob Mills from Seal Rock WD) evaluating Board performance in six key areas. Chair Rieck stated he and Commissioner Conrad thought the BPA would be a good tool for this Board when they each learned of the tool at the recent SDAO conference. Mr. Grimm stated the tool would be a great opportunity for the Board to set benchmark performance standards for themselves and for future Boards. The consensus of the Board was to pursue this opportunity, and Mr. Grimm will set up a meeting based on the availability of Mr. Mills and each Commissioner.
- Along the same lines, Mr. Grimm informed the Board he recently purchased the 2017 AWWA Utility Benchmark Survey and in the coming year will be focusing on several key metrics germane to West Slope to improve District performance, efficiency, and effectiveness.
- Mr. Grimm handed the Board a memo received from the Portland Water Bureau (PWB) at the monthly Water Managers Advisory Board meeting. In the memo, PWB provided a five-year Wholesale Program CIP list (that is, projects the PWB will undertake in the next five years that will benefit both PWB retail AND wholesale customers), and the largest of the CIP projects is the new covered Washington Park Reservoir at nearly \$200 million. Because West Slope, Valley View, Palatine Hill, and Burlington Water Districts are the only wholesalers in the Washington Park cost pool, those four districts will see a significant increase in their wholesale water rates. PWB projects the wholesale water rate will increase from \$1.782/CCF for 2018-19 to \$6.491/CCF by 2022-23. These estimates are preliminary five-year forecasts, but the magnitude of the increase is what should be noted. The capitalization of filtration and corrosion control treatment plants will further impact the wholesale rate to the District. Commissioner Reiersen commented the District needs to start now preparing the District's customer base for sharp water rate increases in the future. Discussions going forward will need to put all

options on the table for the source of the District's water including alternate methods to bring Portland water into West Slope as well as the value of purchasing water from another more affordable water source. Chair Rieck stated this issue is clearly a complex problem that will likely need to start with a Board workshop or meeting with other Boards and stakeholders. Commissioner Reiersen mentioned we are fighting against water being undervalued for a long time, but the true cost of water will be an issue for many years to come. Mr. Grimm commented the District's Board of Commissioners has sufficient time to examine the options available and make sound, sensible decisions regarding future sources of supply.

#### 5.0 – COMMISSIONERS COMMUNICATION

Chair Rieck asked about getting copies of handouts and presentations from the SDAO Conference. Mr. Grimm commented that all of the documents presented at conference have been downloaded to the District's main server but are also available to each of the Commissioners through the phone app. Any Commissioner who would like a copy of a specific presentation need only download it from the app or contact the District office for a copy via e-mail. Commissioner Conrad and Wild commented they attended a staff level GIS presentation by Esri and found the presentation informative. Commissioner Conrad asked the Board to consider discussing their individual insights and "take-aways" from the SDAO conference at the March 21 regular Board meeting. The consensus of the Board was in agreement.

#### 6.0 – EXECUTIVE SESSION

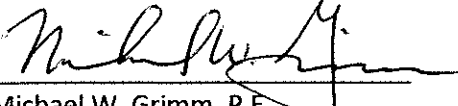
Commissioner Wild made a motion to suspend the regular meeting and enter into Executive Session. Commissioner Hoffman seconded the motion, and the motion passed unanimously. Chair Rieck suspended the regular meeting, and the Board entered into Executive Session at 4:59 PM. The Board concluded the Executive Session at 5:18 PM and returned to the regular session. The consensus of the Board was to continue the Executive Session at 5 PM on Monday, February 26. There was no further business to discuss as a result of the Executive Session.

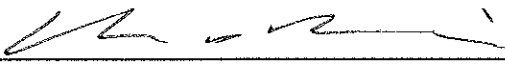
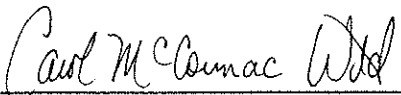
#### 7.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Conrad moved to adjourn the meeting. Commissioner Reiersen seconded the motion, and it was approved unanimously. Chair Rieck adjourned the February 14, 2018 Regular Board of Commissioners meeting at approximately 5:18 PM.

Respectfully Submitted,

Approved:

  
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Michael W. Grimm, P.E.  
Acting Secretary

  
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Charles S. Conrad  
  
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Carl McCormac Wild