

**WEST SLOPE WATER DISTRICT**

**Board of Commissioners Meeting**

**January 20, 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 Manager Lucy Dawes

Public: Devan Esch and Chuck Swank (Grove, Mueller & Swank auditors); Betsy Ferguson

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**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, January 20, 2016.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

Mr. Esch and Mr. Swank gave a short presentation of Grove, Mueller’s opinion on the completed and Board approved financial audit. Overall, the District met all of the qualifications for the financial audit report, and there were no findings of any concerns to the auditors. The budget tracking in the report follows the same methodology as the tracking seen by the Board at each regular meeting, and the auditors found no issues or violations related to the public budgeting process. The presentation also included a summary of the District’s PERS liability and the impact increasing PERS costs have on the District’s financial statement. Chair Conrad asked if the audit report included a testing of the internal controls and not just an identification of the internal controls in place. The auditors stated the internal controls that impact financial information were tested especially how transactions are verified. A management letter would have been issued if weaknesses were found in the internal controls, but no weaknesses were found. The auditors also encouraged the Board to ask staff questions regarding the budget and budget processes to stay aware and knowledgeable of the District’s financial status.

**3.0 - CONSENT AGENDA**

Under Agenda Item 3.2, Commissioner Rieck wished to discuss a check to HD Fowler (#17208 for \$26,737.65) for 118 new radio read meters. Mr. Rieck would like to know how many meters are remaining to install in order to have the District fully served by radio read meters. Commissioner Davis also wanted to know how long 118 new meters would last. Mrs. Davis also wondered what service was covered by the PGE bill for \$243.69 (Check # 17213). Mr. Grimm stated the PGE charge covered the electrical service at the District’s Sylvan Hill Reservoir site.

Commissioner Reiersen asked about Check #17191 to Lincoln National Life Insurance Company. Ms. Dawes stated the payment is for employee life and disability insurance coverage.

Commissioner Rieck moved to approve the Consent Agenda. Commissioner Davis seconded the motion, and it was approved unanimously.

#### **4.0 - DISTRICT ACTIVITIES**

**4.1 – Operations Report:** Mr. Grimm presented the Operations Report with no additional comments other than the Hope Chinese School project to replace the existing 4-inch CI pipe with a new 8-inch DI pipe will be starting soon. Also, the auto dealership next to the District office (Lithia Auto Dealers) will be constructing a new showroom for Cadillac vehicles.

**4.2 – New Finance Manager:** Mr. Grimm formally announced the hiring of Ms. Lucy Dawes as the District's new Finance Manager effective January 1, 2016. Ms. Dawes has served as the District's interim Finance Manager since Heidi Stark's departure. Ms. Dawes will be working five days per week at 7.5 hours per day (37.5 hrs/week or 93.75% of full time). The District staff and Board expressed their congratulations and thanks to Ms. Dawes.

**4.3 – Green Tank / 73<sup>rd</sup> Avenue Pipe Projects:** Mr. Grimm stated the project continues to move forward toward completion of the 95% plans by the end of January. The current issue of concern for MSA is Washington County's approval of the vault design (location in the public right-of-way and height of the vault ceiling). MSA is confident the approval for the current design will be granted.

The construction schedule still shows bid advertisement by mid-March with construction award by early April. The overall schedule to include the exterior painting portion may need to be extended to mid 2017.

**4.4 – Strategic Plan Approval:** Staff distributed the final copies of the strategic plan as created by CH2M and reviewed, edited, and revised by the Board during a work session. Staff also distributed to the Board the one-page summary for the public that includes the District's Vision, Mission Statement, Core Values, and Goals & Strategies. Lastly, the Board was given the six-page strategic planning summary memo including several attachments.

Commissioner Reiersen made a motion to approve the strategic plan as presented, and the motion was seconded by Commissioner Davis. The motion was approved unanimously. Commissioner Reiersen recognized for the record the excellent work of Dale Jutila to facilitate the discussion and compile the strategic plan for the District. Commissioner Rieck agreed and the remaining Commissioners agreed as well.

Chair Conrad commented to Mrs. Ferguson that the second goal/strategy under the strategic plan addresses the concern she has expressed in past meetings. Mrs. Ferguson commented that measuring the cost effectiveness should include the concept of maximizing cost effectiveness. The Board replied the concept of maximization is implied but agreed it is important to remember as the District moves forward with benchmarking processes.

**4.5 – Budget Calendar – FY 2016-17:** Mr. Grimm presented a draft version of the Budget Calendar for FY 2016-17. Commissioner Davis made a motion to nominate the District's Finance Manager Lucy Dawes as the Budget Officer and close the nominations. Commissioner Rieck seconded the motion. The motion was passed unanimously. Commissioner Reiersen made a

motion to adopt the Budget Calendar as presented, and Commissioner Davis seconded the motion. The motion was passed unanimously.

Mr. Grimm gave a short presentation on the way this year's budget creation will differ from previous years:

- Increased refinement of budget estimates based on anticipated expenses and projects in the coming fiscal year.
- Increased transparency and details in each budget line item.
- Budget direction will be led by strategic plan.
- Development of short and long term capital improvement program in coordination with the District's financial plan.
- Development of asset management program in coordination with the District's financial plan.

Mr. Grimm presented a list of the current Budget Committee showing the two expired terms (LeRoy Patton and Hester Nau). After a brief discussion of the process by the Board, the Board directed the General Manager to compile a short list of potential Budget Committee members from past lists of Board member candidates, an open invitation on the District's webpage, and face-to-face personal recruitment contacts.

**4.6 – Powell Butte Reservoir Cost Allocation:** Mr. Grimm presented to the Board the documents from Tualatin Valley WD and Carollo Engineering to start the Powell Butte 2 reservoir sizing analysis. The first document is a Common Interest and Confidentiality Agreement that the District's legal counsel must sign in order to protect the confidentiality of Carollo's work. The other document is the Memorandum of Understanding (MOU) with Tualatin Valley Water District to proportionately share in the cost of the Carollo study. Commissioner Davis made a motion to direct the Board's legal counsel (Steve Shropshire at Jordan Ramis PC) to sign the Common Interest and Confidentiality Agreement on behalf of the Board and to pay the Tualatin Valley Water District a not to exceed amount of \$2,000 as part of the MOU agreement which covers the District's portion of the overall \$47,666 project cost. Commissioner Rieck seconded the motion and it was passed unanimously.

At staff level, Carollo held the initial kick-off meeting at Tualatin Valley Water District including a preliminary scope presentation and a project schedule estimation.

**4.7 – Easement Vacation Resolution:** The District's legal counsel has not composed a letter for the Board's review at the time of the meeting. No members of the public attended the meeting desiring to discuss this agenda item. As such, Chair Conrad tabled this agenda item to a future meeting.

## **5.0 – COMMISSIONERS COMMUNICATION**

Chair Conrad mentioned the open house meeting he attended with the General Manager at the City of Beaverton to hear a presentation of the City's plan to charge a franchise fee to all users of the public right of way including the West Slope Water District. Other entities at the meeting included Tualatin Valley Water District, WAVE Communications, and Frontier Communication. The City is proposing to charge a franchise fee to customers inside the City Limits amounting to 5% of gross sales. Staff believes roughly 750 District customer accounts will be subject to the franchise fee. The City anticipates a public meeting will be held in March, a first and second

reading of the proposed ordinance will be held in April, and the franchise fee will become effective beginning July 1, 2016.

Staff also distributed a revised water rate comparison by entity showing the comparative monthly water bills from area water systems for 10 units of water. For example, the comparison shows difference between the West Slope WD bill (\$57.17) and the Tualatin Valley WD bill (\$57.10) is \$0.07 per month.

**6.0 - ADJOURNMENT**

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

Chair Conrad adjourned the January 20, 2016 regular Board of Commissioners meeting at approximately 7:15 PM

Respectfully Submitted,



Michael W. Grimm, P.E.  
Acting Secretary

Approved:

