

**WEST SLOPE WATER DISTRICT**  
**Regular Board of Commissioners Meeting**  
**October 21, 2020**  
**Meeting Summary**

**CALL TO ORDER**

Present on Virtual Meeting: Chair Charles Conrad; Commissioners Michael Hoffman, Paul Schuler, Andy Smith, and Carol Wild

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

Public: None present

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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 5:01 P.M., Wednesday, October 21, 2020. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through the District’s website (agenda posted on website with the login information).

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

No public comments or communications were received by the District.

**3.0 – CONSENT AGENDA**

Commissioner Wild asked to pull Agenda Item 3.3 from the Consent Agenda, and Chair Conrad asked to pull Agenda Items 3.7 and 3.8 from the Consent Agenda. Commissioner Wild requested Agenda Item 3.3 be removed from the Consent Agenda. Commissioner Schuler made motion to approve Agenda Items 3.1, 3.2, and 3.4 through 3.6. Commissioner Smith seconded the motion, and the motion was approved unanimously. Commissioner Wild asked about the difference in the monthly health care coverage expense between the current month and the previous month. Ms. Dawes responded that the previous month’s bill included a “catch-up” increase for two months of coverage to for a District employee’s newborn child, and the bill for October is back to the normal rate again. Chair Conrad asked about the actual summer peaking factors listed in Agenda Item 3.7. The two actual peaking factors for FY 2020-21 will be used in the five-year rolling average for water rates in FY 2022-23. The peak season and peak three-day peaking factors were below the levels declared by the District to Portland in December 2019 for FY 2020-21 based on the District’s daily management of reservoir levels and system demand. Under Agenda Item 3.8, Chair Conrad inquired about District’s current IT services contract with Pacific Office Automation (POA). Ms. Dawes explained the District is continuing to pursue early termination of the contract prior to the June 2021 expiration date, but POA has not shown much interest in allowing the District to terminate the contract early. Ms. Dawes mentioned POA staff

have referred the matter to POA's president, but the District has not as yet had a one-on-one conversation with the POA president. Commissioner Smith asked about the differences in health care coverage between the existing and proposed MODA plans and the Providence plan. Ms. Dawes explained several factors contribute to the overall cost of employee medical insurance plans to the District such as annual out of pocket costs and deductible rates and the cost of in-verses-out of network coverage. Overall, Ms. Dawes stated the District is looking at what plan will be the best plan for District employees. Commissioner Wild moved to approve Agenda Items 3.3, 3.7, and 3.8. The motion was seconded by Commissioner Schuler, and the motion passed unanimously.

#### **4.0 – DISTRICT ACTIVITIES**

##### **4.1 – General Managers Report**

Mr. Grimm explained the plan to transition from the current wholesale water sales agreement to a new agreement that is being developed by the FCS Group will involve the City serving notice to all current wholesale purchasing utilities in 2021 that the existing agreement will not be renewed by the City beyond June 30, 2026. The City will state the existing agreement contained features that are no longer relevant to current wholesale customers as well as the City. In addition, the existing agreement does not contain features that reflect the regional collaboration between wholesale water utilities and the City as well as water infrastructure seismic and resiliency standards and the emergence of a new regional water source of supply (Willamette Water Supply Plan). The FCS Group will complete the rate model work by July 2021, and the City should have a final agreement ready for utilities to sign by July 2022. Commissioner Wild asked if the City's elected officials, legal counsel, and senior finance staff are onboard with the concept of establishing a new wholesale water sales agreement. Mr. Grimm stated the Water Bureau senior staff confirmed all parties are onboard with the need to establish a new wholesale water sales agreement. Commissioner Schuler asked if the new agreement is available by 2022, will it be necessary to wait until 2026 to implement the new agreement. Mr. Grimm stated the City and the wholesale purchasing utilities are hoping to implement the new agreement as soon as it is available. Chair Conrad asked when would wholesale customers find out what wholesale water rates would be both from Portland and from Tualatin Valley Water District (TVWD). Mr. Grimm stated when FCS Group's rate model work is done in July 2021, we should have a fairly solid understanding of the range of future wholesale water rates from Portland. Prior to July 2021, the District hopes to have a similar range of wholesale water rates from TVWD. Chair Conrad asked about the wisdom of launching the second phase of the District's public outreach effort without knowing the cost of water. Mr. Grimm stated it makes sense to have all information available for the next phase of the public outreach effort even if the projected water costs are only ranges. In all likelihood, the costs from each potential wholesale water supplier will be comparable. Commissioner Smith asked if Portland will have much input into the rate model work with FCS Group and will the wholesale customers be able to oversee or observe the process. Mr. Grimm replied the rate model work contract is between FCS Group and Portland alone, but the wholesale utilities will be kept aware of progress (through the Water Managers Advisory Board meetings). FCS Group will create a new rate model for the City rather than try to amend the existing model. Chair Conrad commented having FCS Group work on this rate model having worked with the wholesaler utilities and understanding their needs and concerns is a benefit to both the wholesale utilities and the City.

Mr. Grimm also stated AKS Engineering is working on preliminary surveying tasks along Beaverton-Hillsdale Highway with the target to have a construction contractor on board by October 2021.

Commissioner Smith commented it might be a good idea to reach out by email to the individuals who participated in the stakeholder interviews and the library information sessions to let them know where we are with our decision making process in addition to the broad outreach efforts in 2021. Mr. Grimm responded that the District has the sign-up sheets with names and email addresses to contact the participating customers. Commissioner Smith asked if starting construction in November was possible thinking most construction windows occur in the summer. Mr. Grimm stated that excavation work in paved streets is ok to do in the inclement weather months because there would not be a lot of bare earth work needed for the project. Commissioner Smith asked about the strategic communication plan for the District, and Mr. Grimm stated the plan is an overarching set of tools and methods that would be helpful for intra-staff communication as well as communication between the Board and the General Manager.

Chair Conrad asked if all the EUM surveys have been completed by staff and the Board. Most of the surveys have been completed and sent back to the General Manager, but there are still three surveys that have not been submitted.

#### 4.2 – Accounts Receivable & Aging / Past Due Accounts Status

Ms. Dawes shared that the District has resumed using door tags as a warning to past due customers to contact the District office to avoid having the water supply turned off. Through two billing rounds, only a small number of customers ignored the door tags which resulted in their water being temporarily turned off. One home was found to be unoccupied, but the other customers quickly contacted the District to discuss their accounts with staff.

Ms. Dawes stated more accounts are falling into the over 91 days outstanding category (46 accounts). \$3500 of the roughly \$8000 outstanding debt reflect customers who have moved away from the District without paying a final bill. Of the 46 accounts, six customers have paid in full, nine indicated they have been impacted by COVID, 14 have moved out, and seventeen accounts are on some form of a payment plan. The District has referred customers to Community Action who have been impacted by COVID. Chair Conrad asked if a collection agency could be used to follow-up on outstanding debt from customers who have left the District. Ms. Dawes stated she would be in favor of using a collection agency if the Board supported that action. Commissioner Wild asked if it were known if the customers who left the District were owners or renters within the District. Ms. Dawes stated she had not thoroughly researched the specific accounts at this time, but she knew of one customer who had passed away and left an outstanding water bill that his estate / next-of-kin have not paid. Commissioner Hoffman asked if the District can tap the customer's estate in such a case. Commissioner Schuler asked how much would the District receive of a bill turned over to collections. Ms. Dawes stated she is aware of a collection agency that would return around 50% to the District. Commissioner Schuler commented that in this case it probably is not an efficient use of Ms. Dawes' time to track down the past the \$3500 in past debt herself. Chair Conrad asked if the Board would accept the District's use of a collection agency to collect final payments from accounts in delete status, and the consensus of the Board was to let staff decide appropriate methods. Mr. Dawes stated staff would still want to research each account individually to see

#### 5.0 – COMMISSIONERS COMMUNICATION

Commissioner Wild stated she had attended a virtual meeting of the Regional Water Providers Consortium Board, and the discussion of the wildfire response "after-action" report was very interesting. Commissioner Schuler asked if any of the discussion included PFAs (fire retardant chemicals) getting into the water supply resulting from the fire-fighting tasks. Mr. Grimm stated

that he had not heard of PFAs issues but there was some concern of benzene in water system where fires heated up and melted PVC pipe in the ground and potentially released "BTEX" chemicals into the ground and into the water. Chair Conrad thanked Ms. Dawes for setting up the commissioners with District email accounts. Commissioner Smith commented on the City of Portland's Measure 26-219 and its impacts on wholesale customers. The measure would allow the Water Bureau to use water funds to finance incidental public uses of certain Water Bureau lands. Under the measure, only Portland retail customer rates could be used for these expenses and not wholesale customer rates (Note: This measure was defeated in the November 3 election). The consensus of the Board was that this meeting went well.

#### 6.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Wild moved to adjourn the meeting. Commissioner Schuler seconded the motion, and it was approved unanimously. Chair Conrad adjourned the October 21, 2020 Regular Board of Commissioners meeting at 6:17 PM.

Respectfully Submitted,



Michael W. Grimm, P.E.  
Acting Secretary

Approved:

