

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

December 20, 2017

Meeting Summary

CALL TO ORDER

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

Absent: None

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

Public: None

1.0 – CALL TO ORDER

Chair Rieck called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, December 20, 2017.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Chair Rieck acknowledged there were no other members of the public present.

3.0 – CONSENT AGENDA

Commissioner Conrad requested that Agenda Item 3.2 be pulled from the Consent Agenda. Commissioner Hoffman made a motion to approve Agenda Items 3.1 and 3.3 through 3.8 in the Consent Agenda. Commissioner Reiersen seconded the motion, and the motion was approved unanimously. Commissioner Conrad asked about the totals and percent used on the Budget Summary page in the Net Operating Revenue (NOR) line. Ms. Dawes explained the NOR line through the first half of the FY when water sales are higher will be positive. Conversely, the NOR line can turn negative in months where expenses are greater than revenue. Overall for the year, the NOR should remain positive, however. Ms. Dawes commented she will review how this current fiscal year compares to previous fiscal years. Commissioner Hoffman made a motion to accept the Agenda Item 3.2. Commissioner Reiersen seconded the motion, and the motion passed unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm stated water use in November is typically down from the peak season use but slightly higher this November than it was November 2016. Mr. Grimm pointed out the District had some after hours work to repair broken water mains and response

to reset the District's SCADA / telemetry system. Mr. Grimm presented graphs showing analytical results of the District's quarterly disinfection byproduct (DBPs) tests over the last few years. Although the results are only around 50% of the Maximum Contaminant Level (MCL) for both total trihalomethanes (THMs) and the five haloacetic acids (HAA5s), the trend over the last few years is a small but yet steady increase. The Board discussed the relationship between DBPs, chlorine dose & measured disinfectant residuals, and nitrification potential in the distribution system. Mr. Grimm stated there is no cause for alarm for the District at this point but the levels will continued to be monitored by staff on a quarterly basis.

4.2 – Green Tank / SW 73rd Avenue Pipe Project: Mr. Grimm stated the work by MSI has now been completed. Final completion was achieved on December 14, 2017. Liquidated damages from failure to achieve final completion is \$42,375, and liquated damages from failure to achieve substantial completion is \$33,750 for a total amount owed by MSI to the District of \$76,125. With the final payment request from MSI, the District anticipates a final retention amount (5% of the payments made throughout the project to MSI) of nearly \$84,000. The District plans to subtract the liquidated damages from the total held in retainage and return the difference to MSI after the final payment has been made to MSI. Chair Rieck asked about the status of the District's plantings near Ms. Theresa Baird's property line now that MSI's work is done. Mr. Grimm stated the District has scheduled a site visit with the landscape contractor (Miller Factors) who planted the grasses, trees and shrubs around the Green Tank property. Once the District has the landscaper's recommendation for the fence line as well as the area between the District's new stairs and the driveway belonging to Mr. & Mrs. Stavrakis (east neighbors), the District will work with both neighbors to complete the work. Also, Mr. & Mrs. Blackerby submitted to the District the invoice from Beaver Landscaping to re-establish the area within the District's easement to pre-construction conditions. The invoice amount was \$3,210, and the District paid Beaver Landscaping for their work. Repettto Land Surveyors are scheduled to complete the final property survey in early January.

4.3 – District Fee Evaluation: Mr. Grimm presented to the Board the District's current fee structure. Many of the fees the District charges customers such as late payment, turn-offs, etc. have not been updated for a number of years and in some cases do not reflect the true cost of service for that particular task. Mr. Grimm also mentioned the District's system development charges (SDCs) have not been indexed annually as required by the Board's own policy. Mr. Grimm admitted he was not aware of the indexing policy until recently. Mr. Grimm agreed to present a revised fee structure to the Board in the next few months. Any fee increases would be based on cost of service. Also, indexing the District SDC's would be based on the Engineering News Record's Construction Cost Index (ENR's CCI). The annual CCI is typically published in the first part of the following year.

Related to fees for late payments and shut-off notices, Commissioner Wild asked if there is any discretion that is allowed by staff to levy or waive fees. Ms. Dawes explained that the few customers that fall into this category are contacted several times by staff regarding their bill (which may be at times at least 3 months delinquent) and commented that a \$50 fee may be more motivating to a customer to pay a bill on time. Commissioner Reiersen stated it would be helpful for the Board to make an informed decision if the list of fees could be presented in three columns for comparison: Current fee, cost of service calculation, and proposed fee. Chair Rieck wanted to know how many customers on average would fall into this category and how many of those customers would be considered "chronic" in terms of late payment. Ms. Dawes estimated there might be 25 customers in this category but will look closer at this issue. Commissioner Hoffman and other Commissioners agreed it is important in attempting to change this behavior

to “train” customers that the charges are not meant to be solely punitive but instead are “cost recovery” methods for extra work the District must complete in order to process late payments. Commissioner Conrad mentioned it would be important for the District to include a forgiveness clause similar to the leak adjustment policy to be used by the District for “non-habitual” customers. Mr. Grimm and Ms. Dawes stated the customers who rarely or never pay their full bill but only pay a small percentage of it and consistently remain roughly two months behind each month are the ones who create the extra workload for staff. Commissioner Hoffman asked if it would be possible to educate / promote conservation to the customers who are habitually behind in their bill. The goal for the District is to reduce the number of habitually late paying customers.

4.4 – Budget Committee – Member Selection: Mr. Grimm stated there are two vacancies from the previous year’s Budget Committee. Phil Miller’s term expires on December 31 and expressed his desire to not renew his appointment. John Ryan stated his desire was to drop off the Budget Committee and vacate the final two years of his appointed term. Michael Smith, Hester Nau, and Rosalie Stevenson are the other three members willing to continue in their appointed terms. The four District customers who applied for the vacant Commissioner position this fall expressed a willingness to serve on the Budget Committee. Commissioner Conrad stated he would like to see the Board affirm the three existing Committee members to continue as members and appoint two new members from the short list of four Commissioner candidates. The Board consensus was to appoint Mr. Ramesh Krishnamurthy and Mr. Paul Schuler as the top two candidates, and directed the General Manager to contact both appointees.

4.5 – Late Breaking Issues – Mr. Grimm relayed a number items for information only to the Board which does not require any vote by the Board at this meeting:

- Oregon Health Authority (OHA) Rule Change: OHA wanted to change the definition of a coliform bacteria “special sample” and obligate water utilities to report special sample results to OHA. Water utilities across the State opposed the proposed rule of reporting non-compliance sample results to OHA, and OHA backed away from their proposal.
- Fire Hydrant Damage: The District is pursuing a claim for \$1,342 with a driver’s insurance company who hit and damaged a District fire hydrant on SW Canyon Road.
- Portland Corrosion Control Study: Representatives from Portland’s wholesale water customers participated in a corrosion control workshop to explore the pilot study results to date.
- Portland Bilateral Compliance Agreement: OHA, USEPA, and the Portland Water Bureau have signed a Bilateral Compliance Agreement (BCA) to allow Portland to plan, design, build, and place into service a water filtration treatment plant with a target date of 2027 to complete the project.
- District’s New Vactor Truck: The District purchased a used 2010 Vactor truck previously owned by the City of Hillsboro for just over \$30,000. A new-off-the-lot Vactor truck costs over \$400,000.

5.0 – COMMISSIONERS COMMUNICATION

No commissioner had a report of other meetings. Mr. Grimm reminded the Board about the Special Districts Association of Oregon (SDAO) Annual Conference at Seaside. Mr. Grimm will register any Commissioners wanting to attend the regular conference sessions as well as the pre-conference day-long training for Board Members. The Board agreed that each Commissioner would be responsible for booking their own lodging knowing the District would

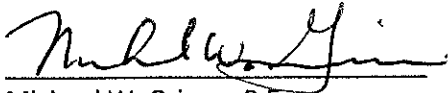
reimburse each Commissioner for the cost of lodging. Commissioners Conrad, Reiersen, and Wild stated they wished to attend the SDAO conference.

6.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Wild moved to adjourn the meeting. Commissioner Hoffman seconded the motion, and it was approved unanimously. Chair Rieck adjourned the December 20, 2017 Regular Board of Commissioners meeting at approximately 6:33 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

