

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
April 15, 2020
Meeting Summary

CALL TO ORDER

Present on Conference Call: Chair Carol Wild; Commissioners Charles Conrad, Michael Hoffman, Noel Reiersen, and Andy Smith

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

Absent: None

Public: None present

1.0 – CALL TO ORDER

Chair Wild called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:04 P.M., Wednesday, April 15, 2020. The meeting was held via Free Conference Call (freeconferencecall.com). 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

Mr. Grimm stated there were no general comments for the Board to consider.

3.0 – CONSENT AGENDA

Commissioner Conrad moved to approve Consent Agenda Items, and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

4.0 – DISTRICT ACTIVITIES

4.1 – COVID-19 Impacts

Mr. Grimm reviewed with the Board the current status of the District. From the end of February through early April, the District like other entities was focused on following the orders of the Governor and state / local health agencies to avoid spreading the COVID-19 virus and managing steps to keep the District’s staff healthy while still effectively operating the water system. Attached as part of the Board packet is a Continuation of Operation Plan (COOP) developed specifically for managing and operating the District through the early stages of the pandemic. Mr. Grimm pointed out the District office remains closed to walk-in customers, staffing of the front office is restricted to one person at a time, and the number of field staff is restricted to two operators per day driving separate vehicles and maintaining social distancing. Mr. Grimm

and Ms. Dawes will maximize the use of tele-working each week to give the District's customer service specialist time in the office. The protective measures in the COOP will remain in place until workplace restrictions are reduced or dropped by the Governor or a District employee contracts the virus. Ms. Dawes reviewed a brief summary of potential financial impacts to the District. With more people staying at home and less physically present at a place of work, it is anticipated demand to the District's residential customers will increase and demand will decrease to commercial and institutional customers. Looking briefly at the District's larger volume customers, schools, hotel, car wash businesses, and some auto dealerships were down in demand when meters were read in April. Meanwhile, senior living centers, apartments, and some large condominium complexes were either up in demand or experienced relatively little change. Customer demand is one component of the financial impact to the District. The other component is the customer's ability to pay the water bill which can be an issue for residential as well as commercial customers alike. It is too early to accurately assess the full magnitude of the COVID-19 financial impact to District customers. Ms. Dawes suggested a possible impact to the District could be as high as \$300,000 for one year, but there is no way to confirm that estimate at this date. Billing for April 2020 was \$20,000 less than it was in March 2020. The District has received only 4 requests from customers asking for a payment deferral plan. The May billing data will give staff a better understanding of the COVID-19 financial impacts on District customers.

The Board acknowledged the changes made to keep the District operating and employees protected from the virus. Commissioner Reiersen liked the idea of the remote meetings and preferred meeting through technology over not meeting at all, but he also preferred the printed Board packet to the electronic PDF version used for this meeting. The Board agreed, and therefore printed Board packets will be distributed to the Board before future meetings. Mr. Grimm stated the plan going forward for Board meetings including the Budget Committee and Budget Hearing meetings was to use a video/audio conference meeting that could be accessed by computer or smart phone as well as a regular land line phone. Chair Wild suggested using the Zoom calling platform for better sound and audio quality. Commissioner Conrad asked that the access information for future meetings be posted to the website as well as posted on the District office window. Mr. Grimm stated the Governor and the Legislature supported utilities continuing their budget adoption process and public meetings through electronic conferencing without having to hold a physical location open for the public to view the meeting (a temporary relaxation of the State's public meeting law). Commissioner Conrad made a motion stating during times the Board of Commissioners cannot meet due to environmental or public health reasons meetings can be held through remote conference technology until it is safe to meet in person at the District office again as agreed upon by the Board of Commissioners. The motion was seconded by Commissioner Hoffman, and the motion passed unanimously.

Commissioners Hoffman and Smith expressed concerns about the District customers who may not be able to pay their monthly water bills for several billing cycles and wondered what options are available for customer assistance. Ms. Dawes explained the District is currently offering to create an alternate payment plan for any customer who requests assistance due to COVID-19 financial impacts or any other sound reason. Like all other Portland Metro area water utilities, the District has suspended following up on customers who are two billing cycles past due in their payments by hanging yellow door hangers and ultimately shutting off the water for non-payment. While it is recognized as the correct course of action for the District at this time, the downside to the District is it removes the only leverage the District has to assure payment is received and it might very well spawn other customers not financially impacted by COVID-19 to avoid paying their water bill. The District wants to be clear with customers that even though an alternate payment plan may be requested by the customer, the plan would only defer the

amount owed interest free to a later date but does not forgive or waive the amount owed. Commissioner Smith was concerned about renters who are responsible for paying the water bill but may be having difficulties paying for housing and utilities. Mr. Smith further suggested District staff contact the property landlord/owner if a renter contacts the District seeking economic relief or a payment plan for a water bill. The Board and staff discussed how much "bad debt" would the District need to forgive if customers without a reserve (living paycheck-to-paycheck) became so far in arrears with their water bill that it was not possible to pay the full debt owed later, and again the answer was it is not known at this time. Commissioner Smith requested staff to explore options that the District may be able to offer as assistance to West Slope residents and bring those options back to the May 20 or June 17 Board meeting.

4.2 – District Employee Salary Scale Adjustment

Mr. Grimm presented the request through proposed Resolution #02-2020 to adjust the salary ranges of seven District positions (only five of which are filled at this time). Mr. Grimm reminded the Board adjusting the salary ranges to account for the increase in the cost of living for 2019 only brings the salary ranges in alignment to January 2020 and does not translate into an automatic salary increase for District employees. Staff salary increases would only be made through the performance appraisal process and would not take effect until the next fiscal year. Two of the positions were also proposed to be adjusted to reflect a regionally competitive salary range rate as well. Commissioner Hoffman expressed concern over the optics of adjusting salary ranges to District employees in the midst of the economic situation many customers are facing with reduced income or the loss of a job. The other members of the Board agreed. The Board consensus was that though the position salary adjustment were justified to keep current with the 2019 cost of living, the timing of the adjustment is not appropriate. Commissioner Reiersen expressed his thanks to the staff and hoped that this issue could be revisited a few months from now. The other Board members agreed. Commissioner Conrad agreed as well and was willing to follow the Board's consensus on this issue. Commissioner Hoffman made a motion to not vote on adopting Resolution #02-2020 at the April meeting but instead table the discussion and vote on the Resolution until the July 2020 meeting. Commissioner Smith seconded the motion, and the motion passed unanimously. The Resolution will be on the agenda for the July 2020 Board of Commissioners meeting.

4.3 – System Development Charge (SDC) Indexing to ENR CCI

Mr. Grimm presented that in lieu of annually conducting an SDC rate study to recalculate SDC fees, the Board approved the practice of indexing the previous year's SDC by the Construction Cost Index (CCI) published by Engineering News Record for the greater Seattle area (closest index to Portland).⁵ For 2019, the CCI was less than 1%. Citing the same optics as in Agenda Item 4.2, Commissioners Smith, Hoffman, and Reiersen stated they would prefer to table a decision on Resolution #03-2020 to adopt increased SDC fees until the July 2020 Board of Commissioners meeting. The remainder of the Board agreed. Commissioner Smith made a motion to table a decision on approving Resolution #03-2020 until July 2020. Commissioner Reiersen seconded the motion, and the motion passed unanimously. The Resolution will be on the agenda for the July 2020 Board of Commissioners meeting.

4.4 – Resolution to Amend Approved Appropriations to Purchase New Meters

Mr. Grimm and Ms. Dawes informed the Board due to the old Master Meters failing at much faster rate than anticipated and the field crew becoming increasingly efficient at replacing the old meters with new Mueller meters, the District would like to purchase an additional stock of new Mueller meters. The current fiscal year budget of \$75,000 for new meters has been spent on meters which have been installed. Staff is asking for an additional \$30,000 be approved through Resolution #04-2020 and transferred from the District's General Fund into the District's

Equipment Reserve Fund. Ms. Dawes pointed out this would be the second transfer from the District's contingency funds within the General Fund (the first transfer was for the PERS Transition Liability Payoff). Commissioner Hoffman expressed concern over making such a large purchase during the current economic situation, but he also recognized the need to replace meters that no longer read as soon as possible. The other Commissioners agreed and stated the purchase was necessary. Commissioner Conrad made a motion to approve Resolution #04-2020 approving the transfer of \$30,000 from the General Fund to the Equipment Reserve Fund to purchase new Mueller meters. Commissioner Reiersen seconded the motion, and the motion passed unanimously.

5.0 – COMMISSIONERS COMMUNICATION


No commissioner attended any meetings during the month of March. Commissioner Conrad asked about the PERS Retiree option to return to work as it applies to Tier 1 PERS employees nearing retirement age (a follow-on question from the February 19, 2020 Board of Commissioners meeting). Ms. Dawes explained that due to tax liability issues for the employee, the timing of implementing this option is more suitable to the end of the calendar year. This topic will be revisited again in the fall. Commissioner Conrad also commented that due to the need to address the COVID-19 pandemic issues, the work session originally planned for early March and the wrap up of the General Manager's performance appraisal would need to be pushed out several months. Mr. Grimm stated that he had no objections and understood the reasons for the delay. The Board was in agreement. The consensus of the Board was that the video conferencing platform for the meeting was fine although as mentioned earlier thought there was value in exploring another platform like Zoom for the next meeting. Commissioner Reiersen also mentioned preferring a paper copy to an electronic copy of the Board packet. The other Commissioners agreed.

6.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Hoffman moved to adjourn the meeting. Commissioner Conrad seconded the motion, and it was approved unanimously. Chair Wild adjourned the April 15, 2020 Regular Board of Commissioners meeting at 7:04 PM.

Respectfully Submitted,

Approved:


Michael W. Grimm, P.E.
Acting Secretary

