WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

August 19, 2020

Meeting Summary

CALL TO ORDER

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

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

Absent: Commissioner Noel Reierson,

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 5:03 P.M., Wednesday, August 19, 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
Chair Conrad asked to pull Agenda Items 3.3, 3.7, and 3.8. Commissioner Hoffman made motion to approve Agenda Items 3.1, 3.2, and 3.4 through 3.6. Commissioner Wild seconded the motion and was approved unanimously. Chair Conrad asked about Check #19851 and Check #19868, both for metering software. Ms. Dawes explained since there are two different meters we are using (Mueller and MasterMeter) there are two different software packages. Chair Conrad asked how the District's website was updated to be ADA compliant (related to Check #19876). Ms. Dawes explained the web page's color contrasts are set at different levels to make it easier for all users to see and pictures need simple titles for vision impaired users to recognize the image. Ms. Dawes stated Revize ran a program to detect areas for revision on the site and documented what was revised for the District's future reference to be in ADA compliance. Chair Conrad asked about the commercial development project on Beaverton-Hillsdale Highway (Agenda Item 3.7). Mr. Grimm stated the project, currently in the development and permitting stage, is on the north side of the highway east of SW 107th Avenue on property that would need to be redeveloped. Chair Conrad asked about the issues the District faced with the Leonard Adams Company (Agenda Item 3.8). Ms. Dawes explained the issue was related to a small

amount of duplicative coverage the District historically has been keeping that is not relevant to keep going forward.

Commissioner Smith moved to approve Agenda Items 3.3, 3.7, and 3.8. The motion was seconded by Commissioner Hoffman, and the motion passed unanimously.

4.0 – DISTRICT ACTIVITIES

4.1 – Accounts Receivable & Aging / Past Due Accounts Status
Mr. Grimm shared with the Board that according to SDAO there are no legal issues or restrictions on the District for resuming the District's shut-off procedures for past due customers who are not communicating with the District. Mr. Grimm also stated other Metro area utilities are going forward with resuming their own shut-off procedures though West Slope is ahead of the other utilities. Ms. Dawes stated the total past due amounts for all accounts is up to over $17,000 from over $3,000 prior to the pandemic (31 days or more). 24 Hour Fitness' B-Fit facility in our District is part of the organization's Chapter 11 bankruptcy filing. B-Fit closed their water account with the District owing a balance of over $3,000. Ms. Dawes stated more work is needed to determine if any of that outstanding debt can be recovered by the District. Fifty-eight District customers have balances that are over 60 days past due and none with balances over $350. Commissioner Wild asked if possibly SDAO could offer some assistance with the Chapter 11 process with B-Fit. Ms. Dawes stated she will be working to see if the District can be added to the list of creditors eligible for payment from the bankruptcy proceedings.

Ms. Dawes stated the District is poised to proceed with providing the notice on the bill statement (as presented) to customers with 60+ days past due accounts and a bill stuffer notice to all customers to inform the District of the plan to resume shut-off procedures for customers failing to communicate with staff. Commissioner Smith stated it would be good to inform customers of sources for utility bill assistance. Ms. Dawes commented the website will have information on potential resources such as Community Action. Commissioner Hoffman stated he believed the outgoing notices were clear and presented a cooperative message to customers. Commissioner Wild was satisfied with the notice and supports moving forward with the resumption of the procedure. Commissioner Smith asked what staff has done for the small number of customers who have communicated to the District their COVID related issues. Ms. Dawes stated that customers contacting the District will be given an opportunity to make custom commitments to a payment process even if it needs to be deferred into the future and/or apply for utility bill assistance with outside organizations that will work for the customer and the District. The Board's consensus was to move forward with the shut-off process.

4.2 – General Manager's Report
Mr. Grimm had no additional information on the items in the report. Commissioner Wild asked about communications with TVWD CEO Tom Hickman. Mr. Grimm mentioned Mr. Hickman is still interested in offering a wholesale water rate or a range of rates to the District, and the organization is still interested in a wholesale water sales agreement in the future with West Slope.

4.3 – Salary Range Adjustment Resolution #03-2020
Chair Conrad stated this issue and Agenda Item 4.3 are issues deferred from the April 15 Board of Commissioners meeting to a later date. Chair Conrad is following through with the Board's deferral action and is bringing the issue back to the Board as presented in April to move the issue off the Board's agenda one way or the other. Mr. Grimm stated the agenda item presented in this packet is as was presented previously without any changes, and reiterated

making cost of living adjustments to position salary ranges would not directly result in any actual salary increases for District employees ... all salary increases for staff are at the discretion of the District's management team. Commissioner Hoffman stated he had no issue with adjusting the salary ranges but asked if it would then be possible for employee salaries to be increased without returning to the Board for approval. Commissioner Wild stated she believed individual salary increases were the decision of the management team not the Board. Commissioner Hoffman requested clarification on that outlook from the General Manager. Mr. Grimm stated typically decisions on actual salary increases within the position salary range are the discretion of the management staff. For this fiscal year, no staff salaries have been increased to date. Though no Board action has been been taken to freeze expenditures or actual salaries, staff has been respectful of the perceived opinion of the Board to be mindful of the optics surrounding employee salaries. Commissioner Wild stated in this economic environment she felt uncomfortable with raising salaries and salary ranges but recognized it should be evaluated again in 2021 to bring salaries in line again. Commissioner Hoffman agreed with Commissioner Wild that at this time it is not appropriate to raise employee salaries and that while an annual raise is nice to offer this is a time to tighten our belts at the District. Commissioner Smith voiced his support for employee salary range adjustments noting the actual dollar amount is minimal compared to the overall budget. Chair Conrad agreed with Commissioner Smith that the increases proposed are to salary ranges not to actual salaries, and failure to make the pay range adjustments this year will likely mean the District may need to catch up for two years. As a comparison of other entities, Ms. Dawes stated Washington County increased employee salaries by a cost of living adjustment. Commissioner Smith stated the City of Hillsboro followed a similar process.

Commissioner Smith made a motion to adopt Resolution #03-2020 to adjust staff position pay ranges by a cost of living index as presented. Chair Conrad seconded the motion. The motion failed to pass with a 2-2 vote with Chair Conrad and Commissioner Smith voting in favor of the motion and Commissioners Hoffman and Wild voting in opposition.

4.4 – SDC Indexing – Resolution #05-2020
Mr. Grimm briefed the Board that a study by HDR was conducted in 2015 to determine new system development charges (SDCs) for each meter size, and the Board passed a resolution to annually index the SDC rates determined in 2015 by the Construction Cost Index (CCI) for the Pacific Northwest. Commissioner Wild believes the SDCs should be increased to keep pace with the cost of construction but is concerned about the timing. Commissioner Smith recognized the proposal is a minor increase to the fees but nonetheless an increase, and he would support the resolution. Commissioner Hoffman agreed with Commissioner Smith that is important to keep pace with construction cost inflation.

Commissioner Smith made a motion to adopt Resolution #05-2020 to increase the District's SDCs for all meter sizes. Chair Conrad seconded the motion, and the motion passed by a vote of 3-1 with Chair Conrad and Commissioners Smith and Wild voting in favor, and Commissioner Hoffman voting in opposition.

4.5 – District Public Contracting Amendment
Mr. Grimm stated the need for this agenda item is to be able to enter a contract with a consulting engineering firm for the Beaverton-Hillsdale Water Main Replacement project. Current District public contracting rules limit the contract dollar amount for a quality-based selection process at $150,000. It is estimated that the engineering costs for the main replacement project would just under $250,000. Originally, Mr. Grimm was to propose a revision to the District's public contracting rules, but after further thought, it might be more

valuable to the District for the Board to approve a one-time not-to-exceed cap for this project of $250,000 and request the assistance of SDAO for a comprehensive revision of the District's public contracting rules to reflect public contracting law changes passed in the 2019 legislative session as well as what might be proposed in the 2021 session. Collectively, the Board agreed with that approach. Commissioner Smith asked for clarification and background on the rules being addressed. Mr. Grimm explained the request today is for permission by the Board to enter into a personal services contract with an engineering consulting firm in response to a Request for Proposal issued by the District. Selection will be made through a quality-based selection process. Commissioner Wild asked if there were any extra hurdles to satisfy state requirements if the cost is found to be over $250,000, and Mr. Grimm stated there would not be any additional requirements for the state.

Commissioner Wild made a motion to approve a not-to-exceed amount of $250,000 for an engineering consulting firm contract for the Beaverton-Hillsdale Hwy Water Main project. The motion was seconded by Commissioner Smith, and the motion passed unanimously.

4.6 – Appointment to Fill Vacant Position on the Board
Chair Conrad gave a brief explanation of the two tasks before the Board: 1) Fill the unexpired term for the vacant Position #5 on the Board, and 2) Create a format or menu of options for filing future Board position vacancies. Commissioner Smith thanked the Board for bringing this agenda item forward, and his desire is to be as inclusive for other District customers as practical. Mr. Grimm briefly reviewed the process followed by the Board in 2017 to replace a vacant position on the Board which included an open recruitment advertisement, the submission of applications by interested candidates, an interview process for a shorter list of candidate finalists, and an appointment to the Board. From that same pool of candidate finalists, two candidates were considered for another vacant position on the Board in 2019. Commissioners Wild and Hoffman as well as Chair Conrad commented on the extensive amount of work and time involved in the open recruitment process. Commissioner Wild shared that she preferred a "hybrid" version of the recruitment process but understands the value of considering a limited number of highly qualified candidates. Commissioner Hoffman stated he originally thought it would be best to have a wider recruitment process, but after further consideration of his belief to have a full Board of Commissioners Board for upcoming issues to discuss, he acknowledges it would be valuable to the District to move ahead with a shorter selection process with a small number of candidates. Commissioner Smith asked if staff could furnish the Board with the original application and set of interview questions to make the process move faster. Chair Conrad believed the original materials could be furnished to the Board for that purpose. The Board deliberated for some time about the benefits and constraints of different appointment procedures. Commissioner Hoffman suggested the Board consider the two candidates considered in 2019 for the open position on the Board: Paul Schuler and Ramesh Krishnamurthy. Commissioners Wild and Smith agreed that a short process involving two candidates is more favorable. Chair Conrad is in favor of limiting consideration of potential candidates to the two candidates considered in 2019. Mr. Grimm commented that if the Board is hesitant to appoint a new Commissioner at this meeting, the Board could hold an additional public meeting to interview both candidates again, and the meeting could be set up to stagger the interviews despite the meeting being an open public meeting.

After considerable deliberation, Chair Conrad voiced the Board's consensus to have staff furnish the Board with the original applications from Mr. Schuler and Mr. Krishnamurthy and the set of questions asked to both candidates in 2017. The Board consensus was to schedule a special virtual meeting at 9 AM, Tuesday, September 1 to review the overall process and interview questions. A second special virtual meeting will be held in the afternoon on Thursday,

September 3 for the Board to conduct the interviews, and the General Manager will contact both candidates to schedule the actual times for the two interviews. With this format, the Board could finish the interviews and make a decision on September 3 so the newly appointed Commissioner could be sworn in at the regular September 16, 2020 Board of Commissioners meeting

5.0 – COMMISSIONERS COMMUNICATION

Chair Conrad shared a meeting summary from the July 30 special meeting. Commissioner Smith made a motion to accept the meeting summary as presented, and Commissioner Wild seconded the motion. The motion carried by a 3-0 vote (Commissioner Hoffman abstained from the vote). Commissioner Hoffman read a prepared statement to the Board related to past regular and special meetings and is included as presented as Attachment 3.1.1. Chair Conrad thanked Commissioner Hoffman for his comments. Chair Conrad asked the General Manager to add a general process discussion for filling future Board position vacancies. The Commissioners thanked Chair Conrad for leading a valuable and effective meeting.

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 Conrad adjourned the August 19, 2020 Regular Board of Commissioners meeting at 7:35 PM.

Respectfully Submitted,

Michael W. Grimm, P.E.
Acting Secretary

Approved:

Charles Conrad

Carl M Wild