

**WEST SLOPE WATER DISTRICT**  
**Regular Board of Commissioners Meeting**  
**February 15, 2017**  
**Meeting Summary**

**CALL TO ORDER**

Present: Chair Noel Reiersen, Commissioners Donna Davis, Micky Hoffman, and Bob Rieck

Absent: Commissioner Charles Conrad

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

Public: None

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**1.0 – CALL TO ORDER**

Chair Reiersen called to order the Regular meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, February 15, 2017.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

There were no written or oral comments received by the District from the public.

**3.0 - CONSENT AGENDA**

Commissioner Davis made a motion to approve the Consent Agenda, and the motion was seconded by Commissioner Rieck. The motion passed unanimously (3-0). Ms. Dawes asked the Board if they would appreciate having a five-minute summary of the budget at each meeting in addition to the consent calendar. The intent of the summary would be to highlight a few high points for the Board. Chair Reiersen and Commissioners Davis and Rieck agreed it would be helpful (Commissioner Hoffman arrived at 5:02 PM). Ms. Dawes gave a brief summary of the operating budget and the three reserve fund balances.

**4.0 - DISTRICT ACTIVITIES**

4.1 – Operations Report: Mr. Grimm shared the District experienced several main breaks in January but no additional breaks in February. The District appreciates help from the City of Beaverton for the use of their Vac Truck and two staff to help with two of the breaks ... both near SW 75<sup>th</sup> Avenue and SW Laurel Street. Mr. Grimm also informed the Board the District purchased 28.7 MG from Portland in January. With a guaranteed minimum purchase of 1.4 MGD or 43.4 MG for the month, the District ends up leaving 14.7 MG of purchased water unsold to District customers. Mr. Grimm will begin providing the Board with a trend of annual water

use for the past 10 years +/- for the calendar year and the fiscal year in an effort to benchmark and evaluate consumption per connection/capita/ERU.

4.2 – Green Tank / SW 73<sup>rd</sup> Avenue Pipe Project: Mr. Grimm provided a construction project update to the Board:

- The contractors have begun constructing the new foundation with concrete pours taking place this week and more scheduled in the coming days and weeks. Despite the actions taking place, it is doubtful the contractors will meet the Substantial Completion and Final Completion dates. The contractors have not demonstrated they have the ability to follow their own overall project schedule timeline from one week to the next, and their actual construction practices and procedures do not line up with either their 3-week “look-ahead” schedule or the overall project schedule timeline. The District is planning to go through the 2017 summer peak season without the use of the Green Tank. As such, the District increased slightly the three-day peak demand factor with the Portland Water Bureau to give the District a bit more flexibility to meet high District demands while the Green Tank is offline.
- Commissioner Rieck asked if we have had any comments recently from the neighbors near the Green Tank. Fortunately, the District has not received any new complaints about the project. The District is aware the contractor’s lack of adherence to the approved traffic control plan angered drivers on SW Canyon Drive recently. During a recent concrete pour where the westbound lane was closed in front of the construction site, the contractors failed to position the required signage on either side of SW Canyon Drive and failed to have visible flaggers helping to control traffic. The County was contacted, and the contractors were forced by the County to shut down for the day until they demonstrated compliance with the traffic control plan part of the street permit.
- In the Board packet was a request for the Board to extend the engineering consulting services contract with MSA with an additional \$50,000. The District will be limiting the access the contractors have to MSA and their subcontractors for “what if” scenario questions that provide no benefit to the District (and only serve to shorten the contractor’s construction schedule). The Board discussed the requested increase in MSA’s contract and their desire to have MSA establish a more solid and realistic forecast for the tasks that need to be accomplished and what it will cost through the new projected end of the construction period. Rather than vote on the increase at the February meeting, the Board chose to defer the decision to the March meeting and direct the General Manager to have MSA refine their budget forecast with the additional details discussed above.

4.3 – Budget Process for FY2017-18: Mr. Grimm stated he has contacted all three of the current Budget Committee members and the two Budget Committee members whose terms expired at the end of 2016. All five members confirmed their willingness to continue to serve on the Committee. Therefore, it is Staff’s recommendation to the Board to appoint John Ryan and Rosalie Stevenson to another three-year term on the Budget Committee. Commissioner Rieck made a motion to appoint Mr. Ryan and Ms. Stevenson to another three-year term on the Budget Committee. The motion was seconded by Commissioner Davis, and the motion was approved unanimously.

4.4 – CIP Projects – 5 Year Projection: Mr. Grimm presented an example of the project data description for each of the projects in the District’s short term (five-year) CIP. The project data sheets would be included as supporting documentation in the Budget Document for the Budget Committee and the public to see and understand where the District plans to initiate projects

funded by the Capital Reserve Fund. The Board was pleased with the information in the project data sheet and directed the General Manager to continue compiling this information for all short term CIP projects.

4.5 – Bond Refinancing Opportunity – Ms. Dawes informed the Board she had been contacted by DA Davidson and Piper Jaffray as the District’s current bond interest rates are higher than current market interest rates at the halfway point of the bond terms. If the market remains stable enough during the process of refinancing the bond debt (6-8 weeks in the private market, 8-10 weeks in the public market), there is a potential for the District to save at least \$100,000 over the remaining ten years on the bond terms. The Board recommended Ms. Dawes continue to pursue this opportunity by starting with the RFP for bank and lending company proposals for the bond debt refinancing.

4.6 – Manager’s Report – Mr. Grimm gave a brief summary of a meeting he had with a representative from Lithia Auto Group. Lithia has no other property in mind for the District to occupy if the current District property were sold, and staff believes no such site within the District exists. Effectively, Mr. Grimm believes this opportunity will not be pursued to any further extent by Lithia Auto Group.

Mr. Grimm also reminded the Board the Portland Water Bureau continues to sample undisinfected water at the Bull Run intake and continues to find *Cryptosporidium oocysts* in the water samples. The Bureau is still unclear about the source of the oocysts, and for time being until the positive test results cease, the Bureau has now shut down the Bull Run conduits and has switched to 100% groundwater from the Columbia South Shore wellfield. During this time of the year, the 80 MGD wellfield capacity is sufficient to meet Portland wholesale and retail demands through April and possibly into May.

Several days ago, Commissioner Rieck asked Mr. Grimm if there were any rules or restrictions for an elected official to endorse another candidate in another district’s election and sign the endorsement with “Commissioner XXXX, West Slope WD Commissioner”. Mr. Grimm asked that question to staff at SDAO as well as to other general managers, public works directors, and elected officials. All of those contacted by Mr. Grimm commented the practice is not illegal but it is unwise as any endorsement from a citizen identified as a commissioner from a specific district is in reality giving the impression their endorsement is validated and supported by their own Board of Commissioners. It would be best not to have the Board appear to endorse a specific candidate or ballot measure unless the Board has formally voted to provide its endorsement. For the upcoming election, individual members of the West Slope WD Board of Commissioners are free to endorse a candidate as they see fit without identifying themselves as a current member of the West Slope WD Board of Commissioners.

Mr. Grimm mentioned he had a very beneficial trip to the AWWA Utility Management Conference (UMC) in Tampa, Florida, and he came home with many great ideas for the District to meld with our strategic plan to accomplish many of the District’s goals. It may take the District several years to be able to put all of the ideas into practice collaboratively, and Mr. Grimm will be providing the Board with more information gathered at the UMC in future meetings.

Portland’s projected wholesale water purchase rate for West Slope nearly finalized. The current rate is \$1.405 per CCF, and the projected new rate for 2017-18 is \$1.764 per CCF, which is 25% increase. The peak three-day penalty of \$109,000 from 2015 is the main driver of the rate increase and will be paid this year in FY2017-18 over 12 months. Other rate increase impacts

included the capitalization of the Powell Butte 2 facility and overhead increases at the Bureau. The capitalized costs associated with the reconstruction of the Washington Park Reservoirs will not impact wholesale water purchase rates until the facility is placed into service.

**5.0 – COMMISSIONERS COMMUNICATION**

Commissioner Hoffman wondered if the temporary shut down of the Bull Run supply would create summertime water shortages if the shut down continues past the end of May. Mr. Grimm stated the Bureau is not planning on keeping the Bull Run supply offline through spring and into summer. The current shutdown is a precautionary move not a mandated requirement from OHA or the USEPA. Mr. Grimm mentioned the Water Managers Advisory Board will continue to have detailed discussions with the Bureau about balancing the precautionary measures with summer source capacity and demand forecasting. Mr. Grimm will continue to keep the Board informed of this issue and the potential need for the District to exercise its curtailment plan.

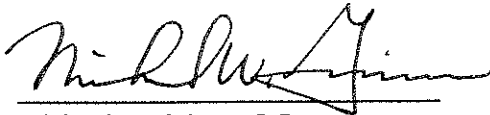
Commissioner Davis asked if staff has been able to do more inquiries into a District employee assistance program. Mr. Grimm stated he and Ms. Dawes will take a look at a web-page tour from a potential provider in the next week or so.

**6.0 – ADJOURNMENT**

There being no further business to discuss, Commissioner Davis moved to adjourn the meeting. Commissioner Rieck seconded the motion, and it was approved unanimously. Chair Reiersen adjourned the February 15, 2017 regular Board of Commissioners meeting at approximately 6:42 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.  
Acting Secretary

