

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting**

**November 20, 2019**

**Meeting Summary**

**CALL TO ORDER**

Present: 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

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**1.0 – CALL TO ORDER**

Chair Wild called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:03 P.M., Wednesday, November 20, 2019.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

Mr. Grimm read an email message sent from Jodi Walder, West Slope WD customer, to staff to praise the work of two District employees (Gary Pline and Kyle King) who helped with locating a water leak on her property. She stated she was impressed with their customer service. Both management staff and the Board thank both employees for a job well done.

**3.0 – CONSENT AGENDA**

Commissioner Hoffman asked to remove Agenda Item 3.3 from the Consent Agenda, Commissioner Reiersen asked for Agenda Item 3.2 to be removed from the Consent Agenda, and Commissioner Conrad requested Agenda Item 3.7 be removed from the Consent Agenda. Commissioner Hoffman made a motion to accept Consent Agenda Items 3.1, 3.4 through 3.6, and 3.8 through 3.9. Commissioner Reiersen seconded the motion, and it passed unanimously. Commissioner Reiersen asked if the water revenue listed on page 2 of 6 in Agenda Item 3.2 included water that was billed to INNSOFT, and Ms. Dawes confirmed it reflects the full billing. Commissioner Hoffman asked about the Petty Cash reimbursement for “Christmas Swag” for \$24. Ms. Dawes explained the charge was for the purchase of a greenery wreath from the local Boy Scout troop. The wreath is for decorating the District office front door. Commissioner Hoffman raised his concern over using District funds for an expense that some could consider reflects a religious belief. Commissioner Conrad asked about a Plaid Pantry expense for ‘water sample ice’. The expense was for bags of ice to send UCMR4 samples to Eurofin Laboratories. Commissioner Conrad asked about Check #19500 to the City of Portland for the Guaranteed

Minimum Purchase for wholesale water. Commissioner Conrad pointed out that it appears the District may have double-paid for propane to Suburban Propane (Checks #19484 and #19509). Ms. Dawes stated the expenses would be investigated. Commissioner Conrad asked about the upcoming meeting on December 2 with Tualatin Valley Water District and what level of information could be expected from this meeting. Mr. Grimm stated the District's goal is impress upon TVWD the District's interest in wholesale water rate for water delivered to the District's Sylvan Hill Reservoirs. Commissioner Conrad moved to approve Agenda Items 3.2, 3.3, and 3.7, and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

#### **4.0 – DISTRICT ACTIVITIES**

##### **4.1 – Public Outreach Status Update**

Mr. Grimm gave a brief summary of the second information session at the West Slope Community Library that was attended by five District customers and Commissioner Conrad. Customer interests voiced at the session centered around Willamette River water quality, supplemental fluoride, and the rising cost of purchased water. This informal discussion helps the District tailor our research and data collection for the outreach effort in late 2020. Commissioner Reiersen mentioned that several years ago he toured the Wilsonville WTP and was fascinated with detail and complexity of the treatment plant.

##### **4.2 – Wholesale Water Sales Agreement Update**

Mr. Grimm stated that FCS has talked with managers from all five wholesale customers and the City of Portland regarding the principles and outcomes from a wholesale water sales agreement. FCS will compile the responses from those interviewed and make that finding available to wholesalers in mid-December. In January, FCS will present its preliminary findings to the five wholesale customers and then also to the small wholesale customers not actively participating in this project.

##### **4.3 – Medical/Dental Employee Insurance Renewal Rates**

Ms. Dawes gave a brief summary of the District's employee health insurance benefit proposal for 2020. The plan selected by the District will preserve the existing level of coverage for an increased rate of just over 11% which is a typical plan rate increase throughout the industry at this time. Even with the increased plan cost, Ms. Dawes believes the cost of employee insurance benefits will stay under the current budgeted amount.

##### **4.4 – Rate Stabilization Fund Discussion**

Ms. Dawes reviewed for the Board new information she learned about the constraints for using the rate stabilization fund created by the District's Revenue Bond rate covenants. The restrictions on the use the rate stabilization fund may in fact lead to certain fiscal years where the District's water rate would need to be increased significantly to satisfy the bond covenant requirements. To avoid creating a rate shock to District customers, Ms. Dawes explained one potential plan to resolve the issue would be to pay off the District's bonds within the next few years. Ms. Dawes estimates the District should have the capital available to make the payment, and once the bonds are paid off, the District would not be restricted by the bond covenants and may access the rate stabilization fund in successive years to lessen the impact of high wholesale water rates from the City of Portland. Ms. Dawes stressed that this decision does not need to be made right away, and that time exists to continue to examine the District's financial picture and evaluate the decision thoroughly.

#### 4.5 – INNSOFT Customer Leak Adjustment Policy

Ms. Dawes explained that INNSOFT, a District customer, experienced a large leak on the customer's side of the meter. The total monthly bill is \$7,430, and the District's Board-approved leak adjustment policy will offer only \$500 relief against that bill. Staff is proposing that the customer be billed for the consumptive portion of the bill at the District's wholesale water rate (that is, the rate the District is charged by the City of Portland to purchase water). Commissioner Reiersen commented that although he believes the proposal to be fair to the customer, he is concerned about setting an unwanted precedent in this matter. Commissioner Hoffman asked if the customer's own property insurance company had been contacted, if staff would be creating a terms of repayment agreement with INNSOFT, and would the District be able to be "made whole" through the cost of the water purchased. Commissioner Smith asked if this were a typical leak adjustment request, and Ms. Dawes stated it was not ... that most leak adjustments are less than the \$500 cap. Commissioner Smith believes the request and District's response is reasonable to address this and only this particular issue. Mr. Grimm and Ms. Dawes both stated any modification to the Board's policy will be the result of a well-thought through proposal to be discussed by the Board at a later time if desired by the Board. Commissioner Reiersen asked if the customer had the option to pay the customer's portion of the loss over time, and Ms. Dawes replied standard protocol is for the District to ask the customer what payment plan will work for them. Commissioner Smith made a motion to accept Staff's proposal as presented to offer INNSOFT a water leak adjustment to their water bill. Commissioner Hoffman seconded the motion, and the motion passed unanimously.

#### 4.6 – PERS Transitional Liability Payoff (Budget Resolution #08-2019)

Ms. Dawes gave a brief explanation of the action requested. Commissioner Reiersen made a motion to approve the PERS transitional liability payoff as presented in Resolution #08-2019. Commissioner Smith seconded the motion, and the motion passed unanimously.

#### 4.7 – Late Breaking Issues

Mr. Grimm stated SDIS recommends posting No Trespassing signs on the District's barbed fencing. Staff will look into getting signs made by a local sign painting company. West Slope participated in Portland's Joint Monitoring Plan for lead and copper testing in October 2019. Test results show that the 90<sup>th</sup> percentile sample for this round is 11.6 ug/l, and the USEPA action level is 15 ug/l. Therefore, Portland (and West Slope) is in compliance with the Lead and Copper Rule for monitoring in Fall 2019. Mr. Grimm pointed out to the Board that the movie "Dark Waters" would be opening in area theaters this weekend. The story recounts the true story of an attorney who challenged the DuPont Corporation over air, soil, and water contamination from PFOS in the manufacturing of Teflon. The District may get some calls from concerned customers, and individual Commissioners may get some inquiries about PFOS and PFAs contamination in water as well.

### 5.0 – COMMISSIONERS COMMUNICATION

Chair Wild informed the Board that she attended the Governor's 100 Year Water Vision community workshop held in Gresham and found the experience to be very valuable. Commissioner Smith asked if the District planned to take advantage new state regulations for selecting professional services contractors commonly known as QBS or "quality based selection". Mr. Grimm stated the District does indeed intend to use the new state rule, and the District will rely on SDAO for assistance with updating the District's policy. Commissioner Reiersen would like to have an agenda item at a future meeting to discuss emergency water distribution plans for the District (how and where).

**6.0 – EXECUTIVE SESSION**

Chair Wild suspended the regular session of the meeting at 7:11 PM and announced the Board would be entering into Executive Session to discuss the process the Board would use for the upcoming performance review of the General Manager. The Executive Session started at 7:12 PM. At 7:25 PM, the Board concluded the Executive Session and returned to regular session. No issues emerged from the Executive Session that required a vote by the Board and no votes were taken during the Executive Session.

**7.0 – ADJOURNMENT**

There being no further business to discuss, Commissioner Reiersen moved to adjourn the meeting. Commissioner Conrad seconded the motion, and it was approved unanimously. Chair Wild adjourned the November 20, 2019 Regular Board of Commissioners meeting at 7:26 PM.

Respectfully Submitted,

Approved:



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Michael W. Grimm, P.E.  
Acting Secretary