

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting**

**February 17, 2021**

**Meeting Summary**

**CALL TO ORDER**

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

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 Conrad called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, February 17, 2021. 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 directed for the Board.

**3.0 – CONSENT AGENDA**

Commissioner Smith requested Agenda Item 3.8 be removed from the Consent Agenda. Commissioner Smith made a motion to approve Agenda Items 3.1 through 3.7 in the Consent Agenda. Commissioner Wild seconded the motion, and the motion passed unanimously. Commissioner Smith inquired about the public records request in Agenda 3.8 and if the District is in compliance with state rules. Ms. Dawes stated the group American Transparency regularly requests AR disbursements similar to the report included in the monthly board packet. They also request staff names, titles, and annual salaries. The first report is provided to the inquirer at no additional cost, but because the second report is a document that would need to be generated specifically for the request, a fee is asked to complete the report, and the inquirer has not sent money to the District to cover the cost of creating the report. In the past, the Board passed a resolution allowing the District to recover costs of meeting a public records request. Typically, Ms. Dawes responds to requests within a week. The District needs to make minor modifications to the District’s web site to allow requests to be made through the website by downloading a form and submitting it to the District. Commissioner Wild moved to approve

Agenda Item 3.7 from the Consent Agenda. The motion was seconded by Commissioner Schuler, and the motion passed unanimously.

#### **4.0 – DISTRICT ACTIVITIES**

##### **4.1 – General Managers Report**

Mr. Grimm stated the District has signed the Memorandum of Understanding with the City of Portland to work collaboratively on a new wholesale water sales agreement. Early announcement of wholesale water rate for FYE22 is less than the current wholesale water rate. New proposed rate at \$1.542 per ccf. A projected rate for FYE23 is \$3.495 ccf largely based on the City's Washington Park Reservoir #3 being booked into rates in that year. Chair Conrad asked if the City can dictate to a wholesale customer the route or series of infrastructures used to transmit water. Mr. Grimm stated some infrastructure is essential for Portland's retail and wholesale customers while other infrastructure is primarily for Portland retail customers but could possibly be used by a wholesale customer. Infrastructure that is assigned to a wholesale customer is based on the cost pool basis of the current wholesale water sales agreement. But no, the City cannot force a wholesale customer to take water through a specific route. Commissioner Schuler asked if the lower rate would allow the District to increase the rate stabilization fund. Ms. Dawes mentioned the District is mapping out a strategy to include paying off some of the outstanding bond debt from the District's Reservoir #3. Mr. Grimm inquired with the Board if there was interest in having a work session with Gabe Solmer with the Portland Water Bureau to discuss the creation of the new agreement and other issues and impacts facing each water utility. (The Board agreed to hold a virtual work session at 11 AM, Friday, March 5.)

District staff has been working with AKS Engineering and Forestry on the pipeline alignment for the Beaverton Hillsdale Hwy water line replacement project. The District anticipates getting a better construction cost estimate for the project before the end of the month.

Mr. Grimm informed the Board about a cybersecurity issue that occurred in Florida last week related to an outsider gaining access to a water utility's remote access portal for their treatment plant's SCADA system. West Slope has a similar remote access portal. Portland Engineering will continue to work with the District on improving the security of the District's SCADA system and its remote access portal. Commissioner Wild asked if the District has any internal timed prompts to change passwords for the SCADA access, and Mr. Grimm stated at this time it does not. Ms. Dawes commented the SCADA system is outside of the District's managed IT service contract. Chair Conrad asked if the District has the ability to change passwords for the SCADA system, and Mr. Grimm stated the District has that ability. The District will improve the internal practice of changing passwords going forward.

Mr. Grimm stated ODOT's Canyon Road improvement project will no longer present a conflict for the District's 12-inch water main on the south side of the highway due to ODOT's redesign of their own storm drain alignment. Not being in conflict with ODOT's infrastructure means the District will not need to move our water line saving the District a considerable capital outlay expense.

##### **4.2 – Strategic Plan Acceptance**

Mr. Grimm opened the opportunity to make additional revisions or comments to the draft of the District's Strategic Plan. Commissioner Schuler suggested that "action" words like "facilitate" be substituted for more passive words like "manage" or "maintain". The Board had

no other edits or amendments to the Plan. Mr. Grimm will work with professional graphics artist to create the forward-facing document to the public.

#### 4.3 – Reserve Fun: Reauthorization Resolution

Ms. Dawes stated the reauthorization resolution is basically a “housekeeping” task. The District maintains the equipment reserve fund to prefund replacements of District vehicles setting aside money that follows the depreciation value of each vehicle. The District also maintains the capital reserve fund that is utilized to budget for infrastructure improvements and replacements. According to State law, both funds are to be reviewed at least once every ten years to ensure the District is not accumulating a large sum of money that is not being used for its intended purpose. It is the District’s opinion that both reserve funds are being used for their intended purpose and the funds in each do not need to be returned to the District’s general fund. Chair Conrad inquired about the SDC fund which is regulated and overseen by separate State law and the rate stabilization fund which having been established in 2018 has not been subject to a ten year review. Commissioner Hoffman made a motion to approve Resolution #01-2021 and #02-2021 to reauthorize both the Equipment Reserve Fund and the Capital improvement Reserve Fund. The motion was seconded by Commissioner Wild, and the motion passed unanimously.

#### 4.4 – Budget Year 2021-22 Concepts

Mr. Grimm reviewed the summary list of preliminary budget concepts for this upcoming budget year (FYE 2022). The budget will include a cost of living adjustment to six staff position salary ranges that will cover the last two years (the increase will be presented to the Board at the March meeting), a succession plan to recruit and hire all three District management positions (Ms. Dawes announced a firm retirement date of June 30, 2022), a proposal of a two-year budget beginning with the start of the 2022-2023/24 fiscal year, completion of the Beaverton-Hillsdale Hwy water main replacement project (refined construction cost estimate to be available from AKS by end of March), assessment of the District’s resilient “backbone” infrastructure for the next 70 years following the Oregon Resiliency Plan, continued replacement of old Master meters with new Mueller meters for District customers, the launch of the District’s new asset management program through a third party vendor to host the AM platform (estimated at \$2,400 annual subscription), and beginning a customer service line inventory project with 120Water (estimated at \$11,000 annual subscription cost).

#### 4.5 – System Development Charge (SDC) Indexing to ENR CCI

Mr. Grimm reviewed with the Board the documents in the Board packet. In 2015, the Board passed a resolution to annually index the newly updated SDC rates for all meter sizes based on the Engineering News and Record Construction Cost Index (CCI). For 2020, the CCI increased 6%. The installation & application fees are not being proposed for adjustment at this time but will be revisited at a future Board meeting. Commissioner Schuler asked if the installation / application fees have ever been indexed and if staff has made any comparison of the District’s installation fees with other water utilities. Mr. Grimm responded that since 2015, the installation fees have not been indexed, and staff has not made a comparative study of other utilities. Commissioner Schuler asked if the installation fees could be a market price instead of a cost-based price. Ms. Dawes stated that all of the District’s fees have traditionally been cost-based and should remain that way as the District is a non-profit utility. Commissioner Wild made a motion to adopt Resolution #03-2021 to index the District’s SDC rates to the CCI for 2020. Commissioner Schuler seconded the motion, and the motion passed unanimously.

#### 4.6 – Resumption of Fees Associated with Customer Turn-Offs

Ms. Dawes reviewed the renewing of the turn-off fees after one month. In addition to shifting the costs back to the customers who are creating the expense, the number of door tags placed on door went from 50-60 tags a month to 25 tags this last month. It is not known for certain if this action has had any direct impact or not, but there could be some amount of impact. Commissioner Smith asked if any fees were assessed to District customers. Ms. Dawes replied that the \$15 fee was applied for hanging a door tag to the 25 customers, but no fees associated with turning off water were assessed since there were no customers whose water needed to be shut-off for not communicating with the District. Normal shutoff time would have been the week prior to the February 13/14 weekend. But with the impending winter storm, the decision was made to defer turning off anyone's water service until after the storm. That decision proved very beneficial for all as it gave time for customers to contact the District (so there were no customers whose water was to be turned off), and the District staff did not have had to travel back in the storm to turn back on any customer's water service.

#### 5.0 – COMMISSIONERS COMMUNICATION

Chair Conrad asked if commissioners had attended any outside meetings. Paul Schuler attended the virtual SDAO conference and the water caucus meeting which included discussions about the CARES act funds and impacts to customers and utilities, OR-OSHA rules for COVID-19, wildfire and harmful algal bloom impacts to water utilities, Oregon Business Development work to help develop business models for utilities, and an update of legislative issues in this session. Commissioner Wild attended the Regional Water Providers Consortium board meeting where the guest presenter spoke on the threat of soil liquefaction to the region's fuel storage and distribution center in the lower Willamette River area. There were no other topics raised for this meeting and no items raised for future meetings. The next Board meeting will either be a work session with the City of Portland or the regular March Board meeting. Chair Conrad mentioned in 2013, the Commissioners of several water utilities gathered for a lunch session with then Portland Commissioner Nick Fish which was very beneficial sharing regional issues and concerns. The Board agreed today's meeting went very well.



#### 6.0 – ADJOURNMENT

Chair Conrad thanked the Board for their service through the meeting. 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 February 17, 2021 Regular Board of Commissioners meeting at 6:45 PM.

Respectfully Submitted,

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Michael W. Grimm, P.E.  
Acting Secretary

Approved:

  
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Charles Conrad  
  
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