

**WEST SLOPE WATER DISTRICT**

**Regular Board of Commissioners Meeting & Public Hearing for the District Budget**

**June 17, 2020**

**Meeting Summary**

**CALL TO ORDER**

Present on Virtual Meeting: 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 5:04 P.M., Wednesday, June 17, 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.

**4.0 – PUBLIC HEARING**

Chair Wild opened the public meeting at 5:06 PM and went on to the Consent Agenda Items on the schedule.

**3.0 – CONSENT AGENDA**

Commissioner Hoffman asked to remove Agenda Items 3.1, 3.7, 3.8, and 3.9. Commissioner Hoffman requested a copy of the audio recording from the May 20 meeting on a USB drive. Mr. Grimm stated he would prepare one for him. Commissioner Hoffman suggested the current General Manager’s report is too wordy as written and does not easily convey accomplishments or establish any priority list of project objectives for accomplishment, and a workflow chart would make it easier for the Board and the general manager to track progress and create something more similar to the format of Agenda Item 3.8. Commissioner Hoffman stated there could be three categories including items accomplished since the previous Board meeting, a 30-60 day target of goals to accomplish, and a 60-120 day target of goals to accomplish that would afford the Board the ability to track long term objectives through the project timelines and improve the communication about each District project. Commissioner Hoffman questioned

what activities the District had been doing for the previous 90 days. Commissioner Hoffman also asked about the procedure for the operator on call and whether or not having an operator who was on site to carry the pager would have resulted in not having to pay for after-hours wages to the field operators during the Governor's COVID "stay at home" period. Mr. Grimm stated that all operators were on site each week just not on all days of the week, and the call out listed was a call out for a period outside of the normal working hours. Commissioner Hoffman made a motion to approve the entire Consent Agenda. Commissioner Smith seconded the motion, and the motion was approved unanimously.

## **5.0 – DISTRICT ACTIVITIES**

### **5.1 – Accounts Receivable & Aging / Past Due Accounts Status**

Ms. Dawes stated that looking at the data for the District, it is not obvious that the District is experiencing any revenue impact due to the pandemic, and the impact of seasonal variations is hard to separate from any potential pandemic impacts. June 2020 billing came in under projected levels and \$41,000 lower than May 2020 or \$22,000 under projection and roughly \$180,000 under budget, and \$39,000 more in revenue over the previous year.

The amount of the District's AR that is past due is increasing slightly. The total as of June 12 is up to \$46,855 as compared to a total of \$28,830 on March 14. Ms. Dawes stated the actual amount is not a large sum of money. The District is tracking the past due amounts in each category (Under 30 days, 31-60 days, 61-90 days, 91-120 days, and Over 120 days) on a monthly basis.

### **5.2 – Shutoff for Non-Payment Policy Revision**

Ms. Dawes introduced proposed messaging on a water bill for customer accounts that are more than 60 days past due. The District would not propose to shutoff any customer's water for non-payment but rather initiate a shutoff process for customers who have not contacted the District about a past due account after multiple attempts by the District to contact the customer. Options the District could employ include waiving the door tag and shut off fees as well as giving customers 72 hours (not the usual 48 hours) to contact the District. Note, the District is not giving the customer a 72-hour time limit to pay the bill but rather a 72-hour time limit to contact the District. Commissioner Conrad asked what the number of shutoffs per month was before the pandemic. Ms. Dawes replied about one to two per month on average. Commissioner Hoffman is concerned about any legal consequences the District might face with resuming any shutoff process at this time though he does support Ms. Dawes request to be more firm with customers about communicating with the District. Commissioner Reiersen shared a method of offering an automatic extension to defer payments unless the customer contacts the District, but the deferral would have a sunset date. Commissioner Conrad asked if the District is under an official restriction preventing utilities from shutting off customers for non-payment. Mr. Grimm stated that currently there are no requirements but utilities have pledged to self manage shutoff policies. Ms. Dawes reminded the Board that only three customers have contacted the District about COVID related financial impacts. Commissioner Smith asked what is the amount of money the District wishes customers pay back now vs. the cost of collection. Ms. Dawes stated cost of the shutoff process is likely to be very low but the staff time involved is extensive. The use of collection agencies would be funded by a portion of the debt collected. Commissioner Smith asked if the District has considered revenue from the CARES Act through Washington County to cover customer past due accounts. Ms. Dawes stated she has looked into it and understands funds from the CARES Act would be received by customers to then pay utility bills. Commissioner Smith stated he has concerns about being one of the first Districts to consider resumption of the shutoff process instead of preceding together in unison with other

utilities. Commissioner Hoffman asked how many customers with past due amounts over 60 days are homeowners vs. renters. Ms. Dawes stated 15 customers are renters and 24 are homeowners.

Commissioner Hoffman stated he supported the use of the door tag process to make customers take responsibility for communicating to the District when they are having difficulties paying their utility bill that could eventually lead to shutting off water service for not contacting the District. Commissioner Smith agrees with the concept of pursuing past due accounts but not including service shutoff at this point. Commissioner Reiersen agreed with Commissioner Smith. Commissioner Conrad agreed that customers must be responsible for their own bills/accounts, and if a customer chooses to not contact the District after multiple attempts by the District to do so, the water should be shut off. Commissioner Conrad also stated he would be in favor of deferring that decision until the Legislature has completed their special session and other regional water utilities have had time to further consider this issue ... like the District. Chair Wild stated she would prefer at this time to keep the same message on the bill statement from previous months and consider this issue again at a later date.

### 5.3 – IT Services – Change of Service

Commissioner Conrad appreciated the summary presented in Agenda 5.3 and understood the reason for pushing this issue out past the audit. Commissioners Hoffman and Reiersen agreed.

### 5.4 – Regional Wholesale Water Agreement – Status Update

Mr. Grimm reviewed the status of the work by FCS Group. Commissioner Hoffman asked if Portland is concerned about the potential of stranded investments. Mr. Grimm confirmed the City is concerned about that issue. Under the current sales agreement, the City has protection from stranded investments through the guaranteed minimum purchase and the duration terms of the current contract combined with the five-year declaration to terminate the sales agreement. Commissioner Reiersen asked if the sales agreements in the past have always had the same duration dates/terms for each wholesale purchaser. Mr. Grimm stated they have been although some agreements have been for 10 years (Tigard, for example) and 20 years (West Slope, for example). Commissioner Smith commented he was pleased Ms. Dawes was involved with other finance managers in a stakeholder group working on Portland's rate model.

### 5.5 - COVID-19 Continuity of Operation Plan – Status

Mr. Grimm provided a short summary of current measures and events related to the pandemic response. Commissioner Hoffman asked if the reconfiguration of the office and isolation of workers could have been accomplished at the beginning of the pandemic. Mr. Grimm stated the decision was made to follow the Governor's Executive Order of keeping staff at home and maximizing teleworking as much as possible. As an "essential service", water utilities were allowed to have a minimal number of staff to perform essential services (as outlined in a COOP). Commissioner Hoffman questioned why the District did not follow the format outlined in this agenda from the start. Commissioner Smith commented that government entities at all levels were asked to provide essential services while shutting down facilities and keeping workers sheltered at home at the beginning of the pandemic, and those entities were scrambling quickly trying to figure out how to comply with these orders. Over the course of the next two months, the State shifted from figuring out how to keep people at home to how to reopen businesses including government entities without having the pandemic explode. Mr. Grimm agreed with Commissioner Smith's explanation and reviewed the steps taken by the District to respond to the Governor's Executive Orders. Chair Wild stated the decision to pay the staff full time wages but only having the operators on site every other day (as appropriate a decision as it may have been) was not an "overt decision" that was clear to the Board. Commissioner Hoffman stated

he believed this decision should have been approved by the Board and further questioned if District field staff were keeping up with operations with only two operators during the “stay at home” period, is there a need to keep four operators on staff. Commissioner Hoffman also questioned the decision to address the schedule of the District’s customer service representative in an equitable fashion to the field staff, and he went on to compare a broad focus letter from OWUC/OAWU/SDAO/LOC about the pandemic impacts on water utilities to specific District issues. Mr. Grimm explained the District responded quickly to the Governor’s Executive Order in order to comply with the intent of not spreading the COVID-19 virus. We did not have time to develop a specific plan of how to manage at-home-work-time (no policy in place for that scenario). Field staff who were sequestered at home had available to them some on-line training through SDAO, FEMA/ISO, and AWWA, but the District has not equipped all staff with computers (lap top or tablet) to do such work away from the office, so it would be difficult to obligate staff use personal equipment (if available) for District business. From conversations with the legislative committee and the Governor’s office, utility managers were led to believe the Executive Order requirements would only need to be in place for a couple of weeks, but that deadline slowly moved away from utilities until early-May when the Governor’s Phased Approach for Reopening Oregon was first introduced. Mr. Grimm stated that knowing then what we know today would not have changed the decision that was made in his mind but improvements would have been made to communicate the plan in greater detail to the Board and create a more structured “work from home” plan for all employees, but at the time the best decisions were made with the information and resources available at hand. Chair Wild wondered about the ramifications of paying employees full time wage during a period where most were only actively working on site half time, and the timing on an after-action report. Commissioner Reiersen asked if there were opportunities to purchase computers/tablets during the pandemic. Commissioner Hoffman added the issue for him is not being aware the field crew was being paid full time for being on site half time for those weeks and the Board’s missed opportunity to discuss this issue fully in April or May. Commissioner Hoffman does not believe the General Manager’s position and scope of authority includes the ability to make this decision without a Board action, and he does not agree that there needed to a similar treatment of the District’s customer service representative to create an equitable condition with the field staff personnel. Mr. Grimm reiterated the top priorities for him during the “stay at home” period were to maintain a seamless basic level of service to District customers and ensure the health and safety of District staff by following the Governor’s Executive Orders. Mr. Grimm apologized to the Board admitting the mistake that more could have been done to improve communication and understanding with the Board and not assume that since some Commissioners understood what was happening that all Commissioners understood. Commissioner Hoffman stated he wanted to make sure the Board sets policy for the General Manager to follow. Mr. Grimm admitted the decision made should have been discussed and approved by the Board at the next available meeting. Commissioner Hoffman stated his belief that the District could have had all field staff working together using suggested staggered work schedules and utilizing all four District vehicles, and he wondered why plexiglass barriers have only been talked about instead of being installed in March. Mr. Grimm stated operational measures to protect the office are always being considered to meet the needs of the District. The plexiglass barriers are not needed until the District opens the office to walk-in customers which is not being considered until Washington County qualifies for Phase 2 or Phase 3 operations by businesses.

#### 5.6 – Board of Commissioners – Officer Roles

The Board agreed by consensus for the following officer terms for July 1, 2020 to June 30, 2021:

Commissioner Conrad: Chair

Commissioner Reiersen: Treasurer

Commissioner Smith: Secretary

Commissioner Conrad mentioned that he will be away for the July meeting and Commissioner Reiersen is willing to step in to lead the July 15 regular meeting.

#### **6.0 – COMMISSIONERS COMMUNICATION**

The Board reached consensus on holding a virtual work session on at 9:30 AM Tuesday, July 7 to discuss District activities for the remainder of 2020. Commissioner Hoffman stated he believed it is important to have in-person meetings for important issues. Commissioner Smith stated he believes the value of staying healthy outweighs the value of an in-person meeting. Commissioners Reiersen and Conrad agreed as well as Chair Wild.

Chair Wild attended the Consortium Board's virtual meeting on June 3. Commissioner Hoffman stated that before the District is forced back into a "pre-Phase 1" condition, the Board should adopt some emergency operation policies. Mr. Grimm agreed and added he does not believe the State will return to a "pre-Phase 1" condition, but such a policy discussion is still a good idea.

Commissioners Conrad and Reiersen thanked Chair Wild for her service and tenure as Board Chair for the past year.

#### **4.0 – PUBLIC HEARING**

Chair Wild stated no members of the public have submitted any written testimony for the Board to hear, and no member of the public is present to provide any oral testimony. Chair Wild closed the public hearing at 6:46 PM. Commissioner Hoffman had the following comments about the budget:

- The \$10,000 budgeted item for a maintenance yard gate seems unnecessary.
- Based on the successful information sessions in 2019-20, the contract with Katz & Associates should be declared complete and not spend the remainder of money in the contract.
- The District should evaluate reducing staff to a two-man field crew instead of the current four-man field crew possibly including hiring a consultant to do an analysis for the District.
- The District should consider its commitment to a three to five-year capital improvement plan program.

Ms. Dawes stated there are limits to the actions the Board can undertake after the Budget Committee has approved and recommended a budget to the full Board. Commissioner Hoffman stated that he is concerned about the District spending money unwisely beginning with paying full time wages to District field staff during the "stay at home" period and has expanded his search to the points listed above given that the District may experience some downturn in actual revenue. Mr. Grimm responded the gate project is a security measure to prohibit access to District property during the business day by non-District employees, and the remaining capacity of the public outreach contract is reserved for a strategic outreach plan. Though in the recommended budget, both items can be deferred from proceeding until a later time in the fiscal year without a change to the budget. Mr. Grimm also clarified that a two person crew daily was NOT able to keep up with the routine workload to operate and maintain the distribution system but WAS able to keep up with most but clearly not all of the essential tasks identified in the COOP plan previously presented to the Board. Mr. Grimm agreed on the need to commit to the District's capital program. Commissioner Reiersen commented that even with a passed budget, the Board can still have discussions about actual spending at any time in the fiscal year (confirmed by Ms. Dawes), and then made a motion to adopt Resolution 02-2020 to adopt the budget as presented and make appropriations for FYE June 30, 2021. Commissioner

Conrad seconded the motion, and the motion passed unanimously. Chair Wild thanked Ms. Dawes for her work on the budget.

**7.0 – EXECUTIVE SESSION**

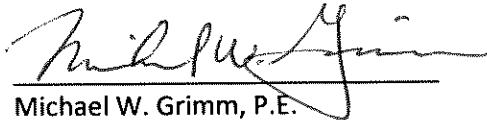
Chair Wild requested the Board suspend the regular meeting and enter into Executive Session to discuss the employment related performance evaluation of the General Manager at 7:50 PM. The Board left the Executive Session and resumed the regular session at 8:04 PM. No decisions were made during the Executive Session.

**8.0 ADJOURNMENT**

There being no further business to discuss, Commissioner Conrad moved to adjourn the meeting. Commissioner Reiersen seconded the motion, and it was approved unanimously. Chair Wild adjourned the June 17, 2020 Regular Board of Commissioners meeting at 8:06 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.  
Acting Secretary

