

WEST SLOPE WATER DISTRICT

**Regular Board of Commissioners Meeting and Public Hearing
For a Water Rate Increase**

September 18, 2019

Meeting Summary

CALL TO ORDER

Present: Chair Carol Wild; Commissioners Charles Conrad, Noel Reiersen, and Andy Smith

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

Absent: Commissioner Michael Hoffman

Public: Ben Heil, District Customer

1.0 – CALL TO ORDER AND OATH OF OFFICE

Chair Wild called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:01 P.M., Wednesday, September 18, 2019.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Chair Wild recognized Mr. Ben Heil from 3920 SW 96th Avenue at the meeting. Mr. Heil expressed a desire to learn more about alternative water sources from the Board's discussion, and he believed he understood why the District was needing to raise water rates. Mr. Grimm stated there were no other public comments received by the District in the last month.

3.0 – CONSENT AGENDA

Commissioner Reiersen asked to remove Agenda Item 3.7 from the Consent Agenda. Commissioner Conrad made a motion to accept Consent Agenda Items 3.1 through 3.6, and 3.8 and 3.9. Commissioner Smith seconded the motion, and the motion passed unanimously. Commissioner Reiersen asked about the status of the repairs on the Green Tank vault wall. Mr. Grimm stated the estimate for repairs is \$3,400 which will be paid fully by the driver's automobile insurance company. Work is in progress by a sub-contractor to replace the slate slabs dislodged from the wall, reapply a sealant to the grout, and reapply the anti-graffiti coating to the wall. The sub-contractor must work during periods of drier, warmer weather to achieve proper curing times. Commissioner Conrad moved to approve Agenda Item 3.7, and Commissioner Reiersen seconded the motion. The motion was approved unanimously.

4.0 – OPEN PUBLIC HEARING FOR THE WATER RATE INCREASE

4.1 – Chair Wild opened the public hearing at 5:05 PM. At that time, there were no members of the public present wishing to testify before the Board. Chair Wild proceeded with the

Consent Agenda and District Activities and came back to this Agenda Item later. Once the Board returned to this agenda item, staff noted for the record the District received no written public testimony for the Board to consider regarding the water rate increase.

4.2 – No members of the public were present to testify before the Board regarding the water rate increase.

4.3 – Chair Wild closed the open public hearing at 6:19 PM.

4.4 – Commissioner Reiersen moved to adopt the water rate increase as presented by approval of Resolution #07-2019 (Resolution to Raise the Water Consumptive Rate and the Water Base (Meter) Charge by 12% Effective September 19, 2019). Commissioner Smith seconded the motion, and motion was approved unanimously.

5.0 – DISTRICT ACTIVITIES

5.1 – Long Term Water Supply Plan

- Mr. Grimm gave a brief overview of the wholesale water sales agreement with the City of Portland and the current status of the work to create a new agreement to replace the existing agreement. Mr. Grimm also reviewed the status of the two water filtration plants capital projects underway with the City of Portland and the Tualatin Valley Water District (TVWD). Mr. Heil asked how much infrastructure would need to be installed to get TVWD water into West Slope, and Mr. Grimm replied that TVWD could be available to West Slope even now at our Camelot Court intertie with TVWD. To get water to our Sylvan Hill Reservoirs would possibly require minor CIP projects to current TVWD facilities. Commissioner Conrad asked if there were comments received at the Concert in the Park from customers that are not included in the current response spreadsheet. Mr. Grimm stated that all comments received at the park should be on the response spreadsheet. The outreach effort will continue using the local West Coast Library as a meeting venue for four different sessions:

Wednesday, October 16, 2:00 – 3:00 PM

Thursday, November 14, 6:30 – 7:30 PM

Tuesday, December 10, 2:00 – 3:00 PM

Saturday, January 25, 2:00 – 3:00 PM

Commissioner Conrad stated a short note about the outreach sessions can be placed on the monthly billing statement. Ms. Dawes stated she would work with Mr. Grimm to place the “pocket card” and outreach session information on the website.

Commissioner Smith asked if the District is considering translations of the fliers into other languages such as Spanish, which is something the District can look into providing. Ms. Dawes thought accessing information through the District’s website only might be a challenge for many of the District’s older customers who may not be as computer savvy as other District customers.

- Mr. Grimm stated work is progressing with the FCS Group toward achieving a new wholesale water sales agreement. In addition, the Portland Water Bureau staff will present a preliminary estimate of capital costs for a new Bull Run water treatment facility and new conduit piping connecting the plant to the existing conduits to the City Council in an open-to-the-public work session Thursday, September 19. This presentation will be the first glimpse at costs developed by the City’s project management consultants (Brown & Caldwell) that reflect infrastructure to be constructed for the project.

5.2 – WSWD PERS Under SB1566 State Match

Ms. Dawes reviewed a copy of the District’s 12/31/17 principle valuation results from Oregon PERS which shows the District’s transition liability. The transition liability is considered debt by PERS, debt that the District has been paying off over time since the

District entered the PERS program. Ms. Dawes believes the value to the District of establishing a PERS side account and qualify for a state match is very low. However, the value to the District of paying off the transition liability (currently estimated to be around \$165,000) is high given the District would save interest payments reducing our operating costs (and therefore our rates) by 4.3%. The District would need to pay \$1000 for a current valuation report to determine the exact amount of transition liability remaining. The District would use the District's contingency funds in the budget to pay off the transition liability balance owed. Commissioner Conrad asked what the "break even" period is for the reduced interest rate savings to equal the estimated \$165,000. Ms. Dawes stated she has not run this "break even" scenario, but the scenario could be run if needed (Note: Ms. Dawes calculated on 9/19 the District would recover the \$165,000 in just over six and a half years compared to 10 years at \$25,000 paid annually to PERS. The net savings to the District would \$54,000 as well as the added benefit of reducing operating costs which helps to meet bond debt covenant ratios for the Reservoir #3 debt). Commissioner Reiersen moved to direct the District to proceed with paying off the PERS transition liability from the District's contingency funds without pursuing the "state match", and the motion was seconded by Commissioner Conrad. The motion was approved unanimously.

5.3 – Late Breaking Issues

- **Conduit Conditions:** Portland Water Bureau staff gave a brief presentation to the wholesale water managers recently on the conditions of the City's three main conduits between Bull Run Headworks and the Powell Butte Reservoirs. Conduits 2 & 4 appear in fair to good shape based on visual and mechanical inspections of small segments of both conduits. Conduit 3 is in the poorest condition all the conduits (sections may only have a remaining useful life of 25 years).
- **Rockwood Water PUD Groundwater Development:** RWPUD is issuing 2 contracts to drill 2 new wells. It is anticipated for each well to have a capacity of 4-6 MGD from the Sand and Gravel Aquifer (SGA). Once those wells are completed, Rockwood will have a firm capacity of 15 MGD from wells alone. 15 MGD is the District's full build out population. Gresham is following behind them.
- **Red Cross CPR / AED Training:** The District will host a CPR/AED class on Tuesday, September 24 from 9 AM to Noon. Up to 12 staff and/or elected officials may attend the session to be trained for CPR and AED use. At the conclusion of the class, each attendee will receive a certification card good for 2 years. Contact the General Manager if you are interested in attending.
- **SDAO Annual Conference – February 2020:** Registration for the conference opens in December, but it might be a good idea for those considering attendance to book their lodging now before prices go up and venues sell out their rooms.
- **Washington County 103rd Avenue Culvert Project:** As suspected, the County's project to replace the Hall Creek Culvert under SW 103rd Avenue will not begin in 2019. The County is looking at July or August 2020 as the time work would begin on the new culvert.

6.0 – COMMISSIONERS COMMUNICATION


There were no other meetings attended by members of Board since the previous meeting. Suggested agenda items by the Board for future Board meetings included a summary of the customer comments from the outreach effort, the anticipated filtration project cost estimate from Portland, and a status on a projected wholesale water rate from TVWD. Commissioner Conrad observed during the July meeting the Board's discussed a salary increase for the General Manager following completion of the communication workshop, but it did not appear the salary for the General Manager changed to reflect the Board's action. It was discussed that though the

Board discussed the issue and approved the process in February, Ms. Dawes informed the Board that it did not officially act to increase the salary at the July meeting. Commissioner Conrad moved to increase the General Manager's salary by the amount previously discussed retroactive to July 1 following the Board's evaluation in July. The motion was seconded by Commissioner Reiersen, and it was approved unanimously. Commissioner Reiersen announced to the Board the Regional Water Providers Consortium Board will meet October 2 at Metro Council Chambers. Commissioner Conrad mentioned he would like to have an Executive Session during the November Board meeting to discuss the performance appraisal process for the General Manager. Commissioner Reiersen thanked Mr. Heil for attending the entire meeting and all the commissioners agreed. Commissioner Conrad thanked Ms. Dawes for the research and evaluation of the PERS transition liability debt issue. Commissioners Conrad and Reiersen stated they thought the meeting went well, and the other Commissioners agreed.

7.0 – 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 September 18, 2019 Regular Board of Commissioners meeting at 6:51 PM.

Respectfully Submitted,



Michael W. Grimm, P.E.
Acting Secretary

Approved:

