

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
February 16, 2022
Meeting Summary

CALL TO ORDER

Present on Virtual Meeting: Chair Andy Smith, Commissioners Ramesh Krishnamurthy, Susan Meamber, Paul Schuler, and Carol Wild

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

Absent: None

Public: No members of the public were present

1.0 – CALL TO ORDER

Chair Smith called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:00 P.M., Wednesday, February 16, 2022. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through the District’s website (the meeting agenda and Zoom meeting link were posted on the website).

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Mr. Grimm read an email from a customer who did not request a chance to provide comment to the Board but was frustrated with the District’s fixed monthly charge that is separate from the consumptive charge (“why do I have a water bill when I have not used any water?”). Chair Smith asked if fixed charges are common among water utilities, and Mr. Grimm stated it is.

3.0 – CONSENT AGENDA

Commissioner Schuler made a motion to accept the entire Consent Agenda. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously.

4.0 – DISTRICT ACTIVITIES

4.1 – General Managers Report

Mr. Grimm highlighted several areas in the General Managers report. Mr. Grimm mentioned the two sub-consultants under the AKS contract have mostly completed their work tasks. The water and soil samples collected from Beaverton-Hillsdale Hwy near historic fueling stations have not been found to contain typical “BTEX” compounds. The preliminary results from the traffic study indicate the District’s work can be conducted to avoid most of the conflicts with ODOT’s intersection signal sensors (aka. Traffic loops). Mr. Grimm did share the manufacturer’s cost of pipe ductile iron pipe increased 7% in October 2021 and another 12% this month. The

District will continue to examine options for the District to keep the project moving forward at a cost that is as affordable as possible. The other issue with pipe and fittings are the lead times utilities and their construction contractors are seeing at this time (anywhere from 2 to 6 months for some items). Commissioner Schuler asked if it were possible for the District to outright purchase materials needed for the construction project. Mr. Grimm stated there are benefits to early procurement but there are also some risks to the District as well. Early procurement is certainly an option to be explored along with other options. Commissioner Krishnamurthy asked if other utilities are experiencing the same situations, and Mr. Grimm stated all utilities with capital projects have the same problem at this time and collectively all utilities are looking to one another for solutions. Commissioner Wild asked how likely would the District be stuck with pipe that cannot be installed if the District were to pursue early procurement only to have a construction contractor decline to use it. Mr. Grimm stated the most favorable option for the District that affords the least risk to the District is the pre-ordering of materials directly from a manufacturer where the pre-order can be cancelled without financial risk.

Mr. Grimm informed the Board that the District is moving ahead with 120Water to begin the work to establish the District's customer service line inventory to comply with USEPA's Revised Lead & Copper Rule. The rule requires the District to identify the material used for the service line between the water main and the meter (owned and maintained by the District) as well as between the meter and the entry point into the customer's home/business (owned and maintained by the customer). There is currently no guidance from the USEPA or the Oregon Health Authority yet the date to comply with the rule is fixed as October 2024.

Mr. Grimm also informed the Board that Portland General Electric (PGE) needs a very small easement in front of the District's wood fence next to the parking area on SW 89th Avenue to locate a power pole. The new pole will increase the height of the overhead line across SW 89th Avenue that serves the office to provide better clearance for vehicle traffic on SW 89th Avenue. Commissioner Krishnamurthy asked how much of the existing parking lot would the District lose to PGE's project, and Mr. Grimm replied that the easement would be in the boxwood hedge and not in any of the paved area. Commissioner Wild asked if there were circumstances where the District might be hindered from site property improvements because of this new pole. Mr. Grimm responded that he would not foresee any issues for any future District plans. Commissioner Meamber asked if PGE was considering an underground service for the District, and Mr. Grimm replied that PGE is not considering an underground service.

4.2 – Budget Adoption Process – Budget Calendar

Mr. Grimm asked the Board to consider the Budget Calendar as presented in the Board packet for approval. The Board had no changes to the Budget Calendar. Ms. Dawes suggested the Board have a general discussion about water rates at the March 16 Board of Commissioners meeting. Commissioner Krishnamurthy asked if there were any key topics that would be necessary to talk about regarding the Budget. Mr. Grimm stated a list of preliminary budget concepts was presented to the Board in January and those concepts are still main concepts in the next fiscal year budget. Chair Smith asked for clarification if water rates meant customer water rates, and Ms. Dawes confirmed water rates meant customer water rates. The District had no water rate increase in 2020, and the Board approved a 6% water rate increase to cover cost increases incurred by the District in 2020 and in 2021. Commissioner Wild moved to adopt the Budget Calendar as presented. Commissioner Schuler seconded the motion, and the motion passed unanimously.

4.3 – System Development Charge (SDC) Proposed Increase

Mr. Grimm explained the Board has previously approved the practice of annually applying an index (percentage increase) to the District's SDCs based on the inflationary increase in construction during the previous year. The index traditionally used by the District is the Engineering News Record's Construction Cost Index. For Seattle (closest metropolitan area in the national multi-city index to the District geographically), the increase for the previous year is 6.8%. Mr. Grimm pointed to Exhibit A which documents the current rate and proposed increased rate for each meter size. Ms. Dawes commented the District's standard meter size would increase \$114. The consensus of the Board was to follow the standard indexing methodology used by the District. Commissioner Wild made a motion to adopt Resolution #01-2022 increasing the District's system development charges by 6.8% as documented in Exhibit A. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously.

4.4 – Installation Charge Increase – New Proposed Schedule of Rates

Mr. Grimm stated the cost to the District to install new water services continues to increase with the rise of inflation. Costs for materials (water meters, copper pipe, etc.), equipment (trucks, fuel, etc.) and District labor have all increased in the last twelve months. District staff developed a cost of service methodology to calculate the cost to the District of a typical water service installation. Attachment 4.4.2 shows the calculations used to determine the current installation costs based on the cost of these items today. Commissioner Wild liked the idea that costs are based on actual costs today instead of a projection of what costs would be in the future. Commissioner Schuler made a motion adopt Resolution #02-2022 to increase the District's installation fees including Exhibit A – Schedule of Rates. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously.

4.5 – Cost of Living Adjustment Approval/Proposal for District Employee Salaries

Mr. Grimm presented a brief background of the consumer price index (CPI) adjustment traditionally used by the District since 2009 and the CPI-U Pacific (created in 2018) which covers this geographic region. Mr. Grimm shared the first of two proposed resolutions in this agenda is to set a new salary range for each employee position classification (e.g. Utility 1 position, Customer Service Specialist position, etc.) The second resolution formalizes the District's practice of applying the CPI cost of living adjustment (COLA) adopted by the Board to individual employee salaries. Ms. Dawes stated the District has effectively followed the practice of applying the COLA to individual salaries as a minimum annual increase to each employee's salary, but the process has not previously been formalized by the Board. Commissioner Wild asked for clarification on the District's past practice for salary range adjustments and salary increases for each salary range. Chair Smith summarized Resolution #03-2022 will establish a COLA for this year and apply it to the seven employee classification salary ranges. Resolution #04-2022 will establish a District policy of applying the Board approved COLA rate to employee salaries as well. Commissioner Wild confirmed approval of this year's COLA is only for this current year, and each year the Board will be asked to approve an annual COLA for that year. Commissioner Schuler made a motion to adopt Resolution #03-2022 to increase the salary range for the District's seven employee position classifications (not including the General Manager's position) by a cost of living rate of 7.3% (determined by the CPI-U Pacific index) as documented in Exhibit A (Attachment 4.5.2). Commissioner Meamber seconded the motion, and the motion unanimously with Commissioner Wild abstaining. Commissioner Meamber made a motion to adopt Resolution #04-2022 formalizing a policy that the Board approved COLA is applied annually to employee salaries. The motion was seconded by Commissioner Schuler, and the motion passed unanimously.

Judy Clarke from Team HR joined the meeting, and Ms. Dawes left the meeting.

Mr. Grimm asked the board for permission to exercise the authority granted in Section 2 of Resolution #03-2022 for the finance manager's current salary retroactive to January 2022. Commissioner Schuler made a motion to grant permission to the General Manager. Commissioner Krishnamurthy seconded the motion, and the motion passed unanimously.

6.0 – EXECUTIVE SESSION

Chair Smith called for the Board to leave the regular meeting at 6:13 PM and enter into Executive Session to conduct the performance appraisal of the District's General Manager according to ORS 192.660(2)(i). The Board entered into Executive Session at 6:14 PM and concluded the Executive Session at 9:09 PM. Judy Clarke from Team HR was invited to join the Executive Session. During the Executive Session, Commissioner Krishnamurthy left the meeting. Chair Smith called the meeting back to regular session at 9:10 PM.

Following the Executive Session, Commissioner Schuler made a motion to apply a cost of living increase of 7.3% to the General Manager's salary and then a 2% merit increase (resulting in a new annual salary of \$147,752 per year) effective July 1, 2022. Commissioner Meamber seconded the motion, and the motion passed unanimously. Chair Smith stated he would take care of District staff communications related to this action.

5.0 – COMMISSIONERS COMMUNICATIONS

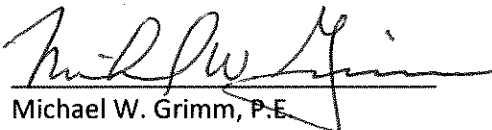
Commissioner Wild attended the Regional Water Providers Consortium (RWPC) Board meeting. In light of the late hour, Commissioner Wild offered to send the RWPC Board packet to the rest of the Board. Mr. Grimm volunteered to send the packet out to the rest of the Board on Commissioner Wild's behalf. Commissioner Schuler had wanted to attend the recent SDAO Annual (virtual) Conference but was not able to due to conflicting work schedules. Commissioner Schuler did attend a recent meeting with California utilities where an equity, inclusivity, and diversity toolkit was shared and promised to share the link to the toolkit with the rest of the Board. Commissioner Schuler asked that the General Manager's salary range be discussed at a future Board meeting. The consensus of the Board was that though this meeting was very long, it was very valuable and were pleased with work of Judy Clarke from Team HR. Commissioner Wild thanked Chair Smith for encouraging the Board to hire Judy Clarke as an outside consultant. Chair Smith thanked the Board as well for their hard work tonight.

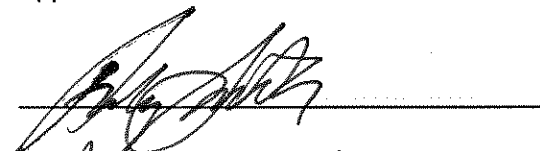
7.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Schuler moved to adjourn the meeting. Commissioner Meamber seconded the motion, and the motion was approved unanimously. Chair Smith adjourned the February 16, 2022 Regular Board of Commissioners meeting at 9:22 PM.

Respectfully Submitted,

Approved:


Michael W. Grimm, P.E.
Acting Secretary


Susan Meamber
