

**WEST SLOPE WATER DISTRICT**  
**Regular Board of Commissioners Meeting**  
**April 19, 2017**  
**Meeting Summary**

**CALL TO ORDER**

Present: Chair Noel Reiersen, Commissioners Charles Conrad, Donna Davis, Micky Hoffman, and Bob Rieck

Absent: None

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

Public: None

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**1.0 – CALL TO ORDER**

Chair Reiersen called to order the Regular meeting of the West Slope Water District Board of Commissioners at 4:59 P.M., Wednesday, April 19, 2017.

**2.0 - PUBLIC COMMENTS/COMMUNICATIONS**

There were no written or oral comments received by the District from the public. Chair Reiersen offered condolences to Commission Davis on the recent passing of her husband, Ted.

**3.0 - CONSENT AGENDA & FINANCE MANAGER’S REPORT**

Commissioner Davis wished to discuss Agenda Items 3.3 and 3.4 regarding Check # 17967. Chair Reiersen had questions about Agenda Items 3.2 and 3.4. Regarding Agenda Item 3.2 – Actual vs. Budget, Chair Reiersen asked where Board meeting payments are recorded in the budget. Ms. Dawes stated all budget costs are recorded under Line 10-01-640 near the bottom of the spreadsheet. Chair Reiersen asked about the bank reconciliation – general ledger account page where the ledger shows a \$109.08 charge for “Ceridian Dec Fees – Disputing”. Ms. Dawes explained Ceridian processes the District’s payroll and charged the District for a fee to cover an inquiry to the State. However, Ms. Dawes recognized the Ceridian inquiry was the result of a mistake Ceridian made, not the District. Therefore, Ms. Dawes filed an official dispute over the charge, and she believes the District will not have to pay the \$109.08 charge at all. Commissioner Conrad made a motion to approve the Consent Agenda, and the motion was seconded by Commissioner Davis. The motion passed unanimously.

Ms. Dawes commented the District made the regular bond payment for April 1 using funds in the SDC fund (\$60,828.16 payment from the LGIP account). Ms. Dawes pointed out the \$1,700 expense to Springbrook for their assistance to the District with the City of Beaverton’s R-O-W

fee implementation. For the current FY, expenses are tracking below the budgeted amount as is the District's actual revenue tracking below the budgeted amount. The combination of both the District's FY revenue and expenses at or below the budgeted amounts should allow the District to meet the budget at the end of the current FY. Before the end of the FY, Ms. Dawes will transfer money from the LGIP – Capital Improvements Reserve Fund to reimburse the General Fund for payments made to the Green Tank Project engineering consultants and the construction contractor made directly from the General Fund.

#### **4.0 - DISTRICT ACTIVITIES**

4.1 – Operations Report: Mr. Grimm stated the District used less water in March 2017 than in March 2016 due to an unusually hot spring in 2016 and an unusually cold and damp 2017 spring. As compared to the GMP with Portland, the District purchased slightly less than 19 MG of water that was not sold to District customers (water supply left “on-the-table”). The total of unused/unsold water since January 1 is just less than 50 MG.

4.2 – Green Tank / SW 73<sup>rd</sup> Avenue Pipe Project: Mr. Grimm commented the work is progressing better on the Green Tank at this point. The contractor is not gaining any ground on the project schedule, but they are not losing ground to the project schedule, either. Commissioner Conrad and Chair Reiersen both made guided trips to the site recently. Mr. Grimm provided a construction project update for the Board:

- The painters will be demobilizing from the site in the next day or so.
- The 14-inch cast iron pipe on SW 73<sup>rd</sup> Avenue was successfully abandoned.
- The District will be signing a change order to replace all the bolts holding the C-channel roof girders together (estimated to be under \$10,000 for an extra 3-days added to the project time schedule).
- The ODOT permit allowing work to be done in the State's right-of-way expired at the end of 2016. MSI filed a new permit on behalf of the District.
- Weekly construction meetings with the engineering consultants (Murraysmith) and the construction contractors (McClure & Sons) will be scaled back to once every other week to be more efficient managing the Murraysmith contract.

Commissioner Conrad asked if the District has received any additional complaints (phone, email, or letter) from Green Tank area residents. The last customer comment received involved the contractors playing loud music at the construction site. The contractor was told to keep the music down and agreed to comply with the request. Since the complaint, there have been no further issues

4.3 – Budget Process for FY 2017-18: Ms. Dawes commented the Portland wholesale water rate is making next year's FY projection a bit tight and close to the District's debt covenant ratio of 1.25 which in dollars is around \$400,000 to \$500,000 of reserve coverage for the bond debt. Ms. Dawes mentioned she noticed records in the bond documents about a rate stabilization fund which would be used to cover the bond covenant when rate revenue is lower than normal. Ms. Dawes commented within the next two years the District will likely need to increase the retail water rates to cover the bond debt ratio due in part to higher water purchase costs from Portland and higher PERS costs to the District. Mr. Grimm stated there will be more asset costs factored into the Portland wholesale water rates over the next 5-10 years. Projects such as the Washington Park covered reservoir, corrosion control treatment, treatment (filtration and/or disinfection?) for cryptosporidium, and a new conduit tunnel under the Willamette River will be booked and placed into service in the next 5-10 years by the Portland Water Bureau. The

District will have some decisions to make in the next few years regarding long term source of supply ... whether the wholesale purchase agreement with Portland is better for the District as opposed to a purchase agreement with Tualatin Valley Water District (TVWD), a co-ownership in the Willamette River source project, or a merging of the District into TVWD. Certainly, no decisions have been made one way or the other today, but a discussion based on rate projections from both entities will need to be made in the next few years. Ms. Dawes asked if the Board was interested having future budget committees examine a five-year plan (budget law requires budget committees to only review the upcoming one-year budget). Chair Reiersen stated his opinion was not to imply keeping the five-year plan reserved to just the Board because the Board has the sole responsibility to approve/decide the five-year plan, but rather to allow the budget committee to see what that five-year plan looks like as they review an upcoming FY budget. Building the five-year plan is the Board's responsibility to direct, but the budget committee is certainly welcome to see that plan but not to debate the plan.

4.4 – Correction to Resolution #01-2017: Ms. Dawes commented an amendment to Resolution #01-2017 – Schedule A is needed to correct an inaccurate listing of the Operations Manager's salary range. For FYE2018, the correct maximum monthly salary for this position is \$8,576 not \$7,566 as written in Schedule A. The Board agreed to the correction.

4.5 – District Website Upgrade Project: Commissioner Davis asked about Check #17967 to Revize for \$4,150 (50% down for the web design and whether or not the District is starting from scratch with the new website). These payments cover the web design and the first year of maintenance fees (estimated to be \$1,200 annually thereafter – the District currently pays \$900 annually to Project A). Content from the current website will be migrated to the new website with much more content added. The look and feel will be different from the existing website, but the ease and functioning ability to work with the site from our side (the backside) will be greatly improved. Revize was one of four website design companies reviewed, and it was ultimately selected based on the appearance of their other client websites, the speed of the sites, and the contract price to the District. Chair Reiersen asked if the Board was in agreement that the District's new website should have a section set aside for the Commissioners. The other Commissioners agreed they liked the idea as well as having a picture of each Board member and an email address through the District's email account.

4.6 – Employee Assistance Program: Mr. Grimm reminded the Board an Employee Assistance Program (EAP) has been one of the Board's interests and a goal for the General Manager for some time. The EAP is designed to help employees with interpersonal relationships (at work or at home), personal well-being issues (living a healthier life, feeling less depressed, overcoming fears or habits, etc.), and conflict resolution issues with co-workers. The EAP will allow employees to access one-on-one counseling for issues at work or in their personal lives through:

- Three sessions of counseling per person, per issue, per year (face-to-face or via video)
- A one-hour training session
- An unlimited routine and immediate critical incident stress management
- Unlimited telephonic management consultations

Chair Reiersen asked if the District can have some sort of awareness of how often the EAP is utilized without knowing who requested assistance and for what reason on at least an annual basis (that is, is it used and if not how CAN it be better offered to be used?). Commissioner Davis commented that even though the conflict resolution aspect of the EAP may not be used for several years, the one time it IS used is valuable as employees need to have a "safe" place to resolve conflicts. Commissioner Rieck commented the use of the EAP should be made known

and open to all employees, and Mr. Grimm assured the Board that District management will not be “gate-keepers” to these benefits as employees access the benefit through the LifeWorks website or by telephone directly. Mr. Grimm will follow-up on what kind of high level tracking of services the District may use. Commissioner Hoffman agreed the value of the EAP is achieved if even one employee uses the benefit. Commissioner Rieck asked if there is any employee training provided by LifeWorks, and Mr. Grimm stated the company does offer a staff orientation training session to inform employees how to use the service and what the content of the resources are.

Commissioner Hoffman made a motion to authorize the General Manager to sign a contract with LifeWorks to provide and EAP for West Slope WD employees for annual cost not to exceed \$1,500. Commissioner Rieck seconded the motion, and the motion passed unanimously.

4.7 – Employee Benefit Program: Mr. Grimm stated the previous employee benefit program of a TriMet universal pass will not be renewed this coming year due to lack of use by employees. Instead, Mr. Grimm wanted to offer a benefit to District staff that would provide value to employees for about the same annual cost as the TriMet universal pass. Mr. Grimm explained the proposed benefit is designed to help grow or stretch employees in their lives outside of work to create a healthier, more rounded and grounded employee. The intent of the benefit is to encourage staff to take on a new practice or hobby to either challenge them to achieve something, learn something new and expand their horizon, or seek an activity that will bring some measure of peace or reduction in stress to their life. Typical examples would be to learn a hobby or skill like fly fishing, golf, or painting. Another alternative would be to make positive changes in one’s life by might be taking a yoga class, buying a gym membership, or taking rowing lessons. It is not intended to purchase items such as exercise equipment, invest in a vacation or vacation property, or an activity that would be covered by the District such as a work-related training class.

Commissioner Hoffman asked how the \$350 amount per employee per year was determined. Mr. Grimm stated the amount is open for discussion, but the relative amount is about the cost of 1 or 2 credit community college class, a partial gym membership, or number of lessons to learn to play golf, tennis, or some other activity. Chair Reiersen asked if this amount is a “use it or lose it” benefit, and Mr. Grimm stated that he would approve each employee proposal, the use of the benefit would be 100% employee optional, and the amount per employee would be viewed as a “not-to-exceed” amount. Chair Reiersen commented this program would be easy for the District to know if the employees use the benefit in whole or in part.

Commissioner Hoffman stated he is uneasy about the burden placed on the general manager being the gatekeeper to approve or reject requests. Mr. Grimm replied it is his intention to create a District policy or criteria to access the benefit. Commissioners Rieck and Hoffman both wanted to review a set of criteria for a policy such as proposed. Mr. Grimm replied he wanted to make sure the Board would be interested in the proposal first before spending time creating the criterial. Commissioner Hoffman stated his concern regarding potential resentment toward the general manager and/or the District from employees whose proposed activity is rejected. He likes the effort but realizes there is work to do to “get the bugs out”. Commissioner Conrad mentioned unlike the TriMet benefit, if the employees opt not to take advantage of the benefit, the District has no expense related to the benefit.

Commissioner Rieck believes the policy should have understandable, transparent criteria available to the employees so as not to create any issues related to approval or rejection of the proposed activity. Chair Reiersen stated he was not prepared to approve this motion until staff

returns at a future Board meeting with a more comprehensive policy outlining what employees can undertake with this benefit. The remaining commissioners agreed to table the agenda until more information is available.

4.8 – Manager’s Report – Mr. Grimm relayed a number items for information only to the Board which does not require any vote by the Board at this meeting:

- The wholesale water purchasers are currently in discussion with Portland on two outstanding issues from the Raftelis 5-year audit: Capitalized overhead included in wholesale rate making; Doubling of first year asset costs by Portland. The current proposal is to have finance staff representing the wholesale water purchasers meet with Portland finance staff to learn their processes and make suggestions on mutually beneficial solutions.
- Portland has not detected any new cryptosporidium oocysts at the Bull Run Headworks intake. However, the oocysts detected to date put the Bureau way beyond their variance levels with the State.
- Portland’s corrosion control study has been completed with the outcome pointing to Portland needing to establish a pH of 9 and an alkalinity of 20 mg/l in distribution system water. The Bureau is looking at conducting a pilot study to iron out final details of a full-scale treatment facility at the City’s Lusted Hill site.
- The District’s lead and copper monitoring takes place this month. The sample West Slope contributes to the joint monitoring plan with Portland and its wholesale customers has been collected. Results should be available by mid-May.
- Rebecca Geisen with the Regional Water Providers Consortium (RWPC) wants to encourage at least one Board member from West Slope Water District to become actively involved in the Consortium Board. There are open positions on the Consortium Board which is the policy-making board of regional elected officials. Without the Consortium Board, the RWPC could not operate, pass a budget, and serve the member organizations. Typically, there are three meetings each year. One of the biggest projects for the Consortium Board is to update the Consortium’s Strategic Plan (note: the West Slope board has recent experience developing a Strategic Plan ...!)
- Commissioners Conrad, Hoffman, and Reiersen are all running in the May 16 election unopposed. At the July meeting of the Board of Commissioners, the Board will have an oath of office ceremony to usher in the new four-year term for these three Commissioners.
- Saturday, April 22 is Earth Day around the country. Locally, the Raleigh Hills Business Alliance is hosting a “Shred Day” event at the AAA office on Beaverton-Hillsdale Highway. The time of the event is 9 AM to Noon. The central event is a paper shredding service at no cost to the public.

## **5.0 – COMMISSIONERS COMMUNICATION**

Chair Reiersen had no additional comments or communications, and none of the other Commissioners did as well.

**6.0 – ADJOURNMENT**

There being no further business to discuss, Commissioner Conrad moved to adjourn the meeting. Commissioner Hoffman seconded the motion, and it was approved unanimously. Chair Reiersen adjourned the April 19, 2017 regular Board of Commissioners meeting at approximately 6:53 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.  
Acting Secretary

