

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

December 21, 2016

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

1.0 – CALL TO ORDER

Chair Reiersen called to order the Regular meeting of the West Slope Water District Board of Commissioners at 5:01 P.M., Wednesday December 21, 2016.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

Mr. Grimm relayed to the Board a recent customer comment from Ms. Gretchen Bollander thanking the District's field crew for their kind and friendly demeanor and prompt repair of the water main near her home on Maple Lane.

3.0 - CONSENT AGENDA

Commissioner Rieck made a motion to approve the Consent Agenda, and the motion was seconded by Commissioner Conrad. The motion passed unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm stated recently the District has found and repaired three water main breaks ... most likely due to the very cold weather in the Metro area (note: Portland Water Bureau repaired 35 water main breaks in one week in December). The three mains were two 4-inch CI and one 6-inch CI pipe.

4.2 – Green Tank / SW 73rd Avenue Pipe Project: Mr. Grimm provided an update to the Board packet project status:

- The new vault is now fully functional as the new 12-inch DI water main is live. The Green Tank has been drained and will remain offline until June 2017.

- The contractors have reworked their construction schedule to accelerate some tasks and shift other tasks around. Key to the District is to be able to refill the Green Tank by mid-June so as not to be filling the tank in July when the Peak Season Demand constraint is in place. The District is not interested in waiting until Fall 2017 to drain the tank a second time and waste another 600,000 gallons of retail water. The relationship with the contractors is still favorable, but the District and MSA believe we both must be more diligent and forceful weekly (sometimes daily) to keep the contractors on their newly revised construction schedule.
- Mr. Grimm gave a brief summary of the attachments included in the Board packet regarding Mrs. DiBenedetto's comments on the condition of SW 73rd Avenue and her desire to see the entire road paved as well as the issues she has for restoration for the vacant lot which the contractors are using.
- The District was contacted by Mr. Douglas Elston, the contractor's legal counsel, challenging the interpretation of the contract's change of conditions clause related to rock excavation. Since the MSA's December 2, 2016 to Mr. Elston rejecting the contractor's claim, neither MSA or the District have received a reply. The District assumes this issue is resolved.

4.3 – Beaverton Rights-of-Way Fee Update: Ms. Dawes commented the District's surcharge to Beaverton customer to collect Beaverton's ROW fee seems to be working well. The District will be sending the revenue collected to the City of Beaverton on a quarterly basis. The District has received some calls from customers about the new fee but certainly not a large number of calls.

4.4 – Review of Work Session Topics: Mr. Grimm commented that upon a closer look at the rate model developed by HDR, the District will be unable to use it going forward. Ms. Dawes stated the model platform is built on a very robust and complicated Excel spreadsheet. Many of the links between cells and many of the formulas/macros needed to make the spreadsheet model work have been severed. In addition, it is likely that since the model was developed for the District, a number of model assumptions may no longer be valid. Ms. Dawes believes as we develop the budget for 2017-18, it will be possible to make some projections first short term and later long term. The District also needs to decide what financial goals should be established and how the District should choose to achieve those goals. Commissioner Rieck expressed his desire to see a simple model that would forecast revenue requirements for the next five years regardless of rate design. Ms. Dawes mentioned forecasting the operational side of the budget is not very difficult. But the amount of revenue needed for capital improvement expenditures is the big question and much more difficult to forecast.

4.5 – Whistle Blower Policy Adoption: Commissioner Conrad noted Page 1 of the proposed policy states "The employee may report to the activity to another District chief executive officer". Commissioner Conrad asked who would be considered another District chief executive officer? Mr. Grimm replied that CEOs of other districts such as Tualatin Valley Water District or Raleigh Water District would fulfill the described role. The District will also have a brief outline to share with staff explaining the new policy. Commissioner Davis made a motion to approve and adopt Resolution #08-2016 as a new policy for employee whistleblower protection with some minor grammatical changes suggested by Commissioner Conrad. Commissioner Hoffman seconded the motion, and the motion passed unanimously.

4.6 – Powell Butte Facility Cost Allocation: Mr. Grimm stated the Portland Water Bureau has yet responded to the Water Managers Advisory Board proposal made in November to resolve the cost allocation issue. The District anticipates a response from the Bureau very shortly.

4.7 – Financial Audit by Grove Mueller: Ms. Dawes mentioned the two big changes in this year’s report were the booking of the \$200,000+ transitional liabilities (unfunded liability at the time the District joined the Local Government Investment Pool in 2002 that should have been booked last FY) and a \$360,000 adjustment to retirement expenses (PERS) toward the unfunded liabilities. Ms. Dawes stated she would like to learn more about what assumptions are part of the actuarial evaluation for the District (what is being used and are the assumptions still valid). Commissioner Conrad had several minor grammatical and pagination edits to the report. Commissioner Conrad asked why does the District show on Page 39 under Expenditures a contingency of \$926,000 that seemingly was not used during the fiscal year. Ms. Dawes explained the contingency is the reserve being placed in the general fund to ensure revenue stabilization if customer demand declines due to a cooler, wetter summer demand period. This practice is highly recommended across the industry especially for Districts like West Slope that are nearly totally water rate based for general operating expenses and capital investment expenses.

4.8 – District Personnel Update: The District hired Keith Lewelling from the City of Beaverton to fill the vacant Utility Worker position. Mr. Lewelling is a Water Distribution Level 1 operator hoping to take the Level 2 certification exam very soon. His first day at West Slope will be January 1, 2017.

5.0 – COMMISSIONERS COMMUNICATION

Mr. Grimm shared an open letter from Linda Sweeney (Portland resident) to the Portland Water Bureau, Oregon Health Authority, and USEPA with her concerns and perceptions over e.coli and other disease causing organisms residing in the Portland Water Bureau water distribution system.

Mr. Grimm reminded the Board of the SDAO Annual Conference in Portland February 9-11.

6.0 – EXECUTIVE SESSION

Chair Reiersen asked to suspend the regular meeting in order to enter into Executive Session for the purpose of reviewing and evaluating employment-related performance of the General Manager according to ORS 192.660(i). Commissioner Conrad made a motion to enter into Executive Session, and Commissioner Davis seconded the motion. The motion was approved unanimously, and the regular meeting was suspended at 6:25 PM and entered into Executive Session.


The Board ended the Executive Session and resumed the regular meeting at 7:32 PM.

Commissioner Rieck made a motion to hold another work session to review the overall evaluation process for the general manager at 9 AM, Monday January 9, 2017 (later rescheduled to 3 PM, Monday, January 16, 2017 due to inclement weather). Commissioner Davis seconded the motion, and the motion was approved unanimously.

ADJOURNMENT

There being no further business to discuss, Commissioner Rieck moved to adjourn the meeting. Commissioner Davis seconded the motion, and it was approved unanimously. Chair Reiersen adjourned the December 21, 2016 regular Board of Commissioners meeting at approximately 7:33 PM.

Respectfully Submitted,



Michael W. Grimm, P.E.
Acting Secretary

Approved:

