

WEST SLOPE WATER DISTRICT
Board of Commissioners Meeting
August 17, 2016
Meeting Summary

CALL TO ORDER

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

Absent: Commissioner Bob Rieck

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 5:00 P.M., Wednesday, August 17, 2016.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

There were no public comments.

3.0 - CONSENT AGENDA

Agenda Item 3.3 Monthly Disbursements was pulled from the consent agenda for discussion. Chair Reiersen asked what kind of services are included in the monthly managed IT services payment (Check #17576 to Pacific Office Automation for \$930.00). Ms. Dawes responded the District receives a full IT service including computers and computer set-ups, service maintenance, file storage and back-up services, and general IT troubleshooting for a flat monthly fee.

Commissioner Conrad moved to approve the Consent Agenda with changes noted. Commissioner Davis seconded the motion, and it was approved unanimously.

4.0 - DISTRICT ACTIVITIES

4.1 – Operations Report: Mr. Grimm mentioned water use for July 2016 is slightly above use for June 2016, but significantly less than the water use for July 2015. The lower water demand (and thus volume of water purchased from Portland) is attributed to the much cooler than average temperatures.

4.2 – Green Tank / 73rd Avenue Pipe Projects: Mr. Grimm stated roughly 800 feet of the new 12-inch DI main has been installed along SW 73rd Avenue beginning at SW Canyon Road. A “hot tap” (cut-in of a tee and a new gate valve while the existing pipe is in service) was successfully made earlier in the week. Mr. Grimm displayed to the Board the cut-out section of the existing 12-inch pipe on SW Canyon Drive. The inside surface of the pipe is cement mortar-lined and very smooth. The outside surface showed little to no pit corrosion. Overall, this section of pipe is in very excellent condition considering it’s age (likely close to 70 years old).

Currently, the construction contractor is installing the 12-inch pipe in the easement through the Blackerby family’s property. Staff checked with the Washington County surveyor’s office and found the easement was actually 15 feet wide and not 10 feet wide as originally believed. The contractors are still about one month behind the original schedule created by Murray, Smith & Associates (MSA) and falling more behind each month. The concern the District has is not the inability of the contractor to do the work but rather the amount of time remaining in the late summer and early fall while the weather is dry. Once the rainy season begins and the soil around the standpipe begins to absorb significant amounts of water, the excavation and foundation work become much more complicated and lengthy due to the added weight of the water in the soil. Several commissioners expressed a desire to take a tour of the project site in the next few weeks.

The contractors discovered a hidden concrete pipe vault buried under the exposed round concrete slab (thought to be the concrete foundation of an old redwood water tank probably demolished when the Green Tank was built in 1949). No one knew this old vault (dated “March 1940” on the top surface) existed, and it was not connected to any current District infrastructure. Unfortunately, this newly discovered old vault is in the way of the new proposed vault, and it must be removed. To have the contractor perform this work which is not specified in the contract requires an official change order. The contractor proposed a time and material change order contract for \$11,900 additional funds to remove the vault, and the District approved the change order. The additional cost is covered by the funds in the capital reserve fund earmarked for the Green Tank project.

The District’s property has been cleared and grubbed to allow for the construction contractors access to the upper (north) end of the site to install the new 12-inch water main on the District property. Most of the trees removed were on the south, west and northwest side of the property. However, two trees were removed on the northeast edge of the District’s property which raised complaints from Ms. Theresa Baird, a resident 2777 SW Maple Lane. Ms. Baird’s property shares a common property boundary with the District’s property. Ms. Baird is unhappy with the tank not having been removed years ago (she addressed the Board several years ago when the Green Tank foundation seismic upgrade project was approved by the Board), she is unhappy with the visual appearance of the District’s property through her trees and plants, she is unhappy with the level of noise from the project work, and she is unhappy with what she terms the District’s “lack of integrity, accountability, and transparency”. E-mails from Ms. Baird and the responses by the General Manager were included in the board packet. The General Manager has offered Ms. Baird an opportunity to meet with the contractor’s landscape sub-contractor to examine the kinds of trees and shrubs that could be planted in the District’s property near Ms. Baird’s property line. The goal of the offer is to allow Ms. Baird a chance to pick the kinds of plants/trees she would enjoy viewing from her property that would be compatible with plants/trees in her property. Commissioner Hoffman commented it is unfortunate that Ms. Baird is unhappy with the changes taking place on the District property, but the project is necessary to complete and it has no direct impact (no construction is taking place) on her property.

Chair Reiersen commented although he was willing to fill in as the District's "point person" with Ms. Baird while the General Manager was away from the office, he did not believe it was the correct thing to do. Mr. Grimm commented that anytime he is away from the office and unreachable he always has a designated "acting-in-charge" (AIC) person ready to assume the role of "point person". Mr. Grimm stated contacting Chair Reiersen was a significant error in judgment by staff in the heat of the moment and will not happen again. Staff will be briefed each time the General Manager is unavailable on proper procedures, who is AIC, etc.

The Board chose to address only the seven requests listed on the third page of Ms. Baird's August 6, 2016 email. Commissioner Conrad stated he hoped the District could meet or at least do its best effort to meet all seven requests listed. Commissioner Hoffman agreed the District cannot completely guarantee no other damage to her property, but certainly the District should strive to protect her property as much as possible. Commissioner Davis reminded the Board the construction contractor's schedule and quality of work is beyond the complete control of the District but thought the contractor is accountable to the District.

4.3 – Beaverton Rights-of-Way Fee Update: Ms. Dawes stated in addition to standard water sales revenue, the City has recently informed the District their definition of "gross revenue" includes all customer fees (late fees, turn off/turn on fees, new meter installation fees, etc.) except payment NSF fees. Ms. Dawes commented either she needs to manually capture any extra fees not on the customer's bill and add that amount to the payment to the City of Beaverton or the District will need to absorb the 5% fee on those extra fees.

Commissioner Conrad asked how leak adjustments given by the District will impact the 5% fee calculation given to the City of Beaverton. Ms. Dawes acknowledged that is an excellent point not previously considered, but the solution will likely be the District will flag a leak adjustment "credit" on the 5% fee owed to the City through use of the adjustment code in Springbrook. Ms. Dawes will look into how that process will work within the District's billing system.

Ms. Dawes stated the District learned we have the ability to generate a mailing list to a select group of District customers ... in this situation, the District customers who are also residents of the City of Beaverton. The distinct advantage is to be able to send a separate letter only to those customers subject to the City's fee. Ms. Dawes also noted the City's fees take affect October 1 which is in the middle of the District's billing cycle. Citing the complicated process of calculating fees for a partial billing cycle (should meters be read October 1 for this calculation, for instance), Ms. Dawes proposed the District absorb the cost of the initial partial month (estimated to be \$1,875). The November bill will be the first bill with the full 5% calculation for the District customers residing in the City of Beaverton. The Board needed to approve this cost to all District customers for this one partial month as the Board had previously approved all costs related to the City of Beaverton's rights-of-way fees be passed on to only City of Beaverton residents in the District.

Commissioner Davis made a motion to approve sending an informative letter to the District customers impacted by the rights-of-way fees and to approve absorbing the first partial month fee as a District wide expense. Commissioner Conrad seconded the motion, and it was approved unanimously.

Commissioner Conrad distributed a revised copy of the letter drafted by Ms. Dawes which was included in the Board's meeting packet. Mr. Conrad shared this revised letter by reducing the length of the letter but yet preserving much of Ms. Dawes' text. Mr. Conrad also commented he

tried the links added at the bottom of the letter but did not get to the correct website page. Ms. Dawes stated she would look into this issue and make sure the links on the letter arrive at the correct website page. Commissioner Davis made a motion to adopt the shorter letter (based on the draft by Commissioner Conrad) to send to the District customers. Commissioner Hoffman seconded the motion, and it was approved unanimously.

4.4 – SDAO Risk Assessment: Mr. Grimm stated SDAO’s risk management consultant, Mr. Jason Jantzi, visited the District to assess areas where the District could improve safety practices and provide enhanced security. Mr. Jantzi also mentioned utilizing a grant program to install additional security measures to address preventing future claims. For example, Mr. Jantzi stated a reasonable project to submit for grant funding would be an electronic sliding gate into the District’s maintenance yard and security cameras that would cover the District’s property in order to prevent another break-in and theft such as when the District’s mini-excavator and trailer were stolen from the District’s property. Mr. Grimm concluded that staff would research the cost of the security improvements and consult with the Board before submitting an application for funding.

4.5 – Future Tasks for the District - Timeline: At Commissioner Rieck’s request from the July 2016 Board meeting, Mr. Grimm presented a rough draft spreadsheet of the District’s future and on-going tasks and their individual completion schedules. Also listed in the spreadsheet is the General Manager’s initial assessment of priority and current project status. The Board agreed with the General Manager the schedule is extremely aggressive and represents a large body of work for staff over time. Ms. Dawes commented a “Website Enhancements” task should be added to the list. Chair Reiersen stated that task should have a priority of “very high” and agreed with Mr. Grimm that a workshop for the Board to discuss after staff has had a chance to weigh in would be appropriate.

4.6 – Financial Audit: Ms. Dawes stated the District will be audited during the week of September 6-8 with auditors on site at the District. Unknown to Ms. Dawes previously but over the last 3 years, the auditors have included a \$4,000 fee to write the report for the District. Last year after she had written the report for the District, the auditors rewrote the report. The District’s procedure beginning this year and going forward will be for the Finance Manager to write the report and not have the District spend an extra \$4,000 to rewrite the report. Ms. Dawes mentioned there were other benefits to the District with her writing the report internally including the awareness of adjustments made by auditors that she changed based on her knowledge of those adjustments.

4.7 – Lazrine Resolution: Mr. Grimm stated the Lazrine family submitted correspondence from their title insurance company regarding the easement encroachment issues. First American Title denied the Lazrine family’s claim for all out-of-pocket expenses related to removing structures from the easement. The District’s attorney is drafting a settlement agreement that will accompany the District’s payment of \$7,184 to legally designate the issue has been resolved.

5.0 – COMMISSIONERS COMMUNICATION

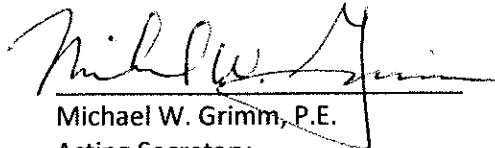
Chair Reiersen and Commissioners Conrad, Davis, and Hoffman will be attending the Board Member training presented by Special Districts Association of Oregon (SDAO) in Tigard August 23.

6.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Hoffman moved to adjourn. Commissioner Davis seconded the motion, and it was approved unanimously.

Chair Reiersen adjourned the August 17, 2016 regular Board of Commissioners meeting at approximately 6:15 PM.

Respectfully Submitted,



Michael W. Grimm, P.E.
Acting Secretary

Approved: 



