

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting and Public Hearing for the District Budget and Supplemental Budget

June 20, 2018

Meeting Summary

CALL TO ORDER

Present: Commissioners Robert Rieck, Charles Conrad, Micky Hoffman, Noel Reiersen, and Carol Wild

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

Absent: None

Public: Paul Schuler (Budget Committee Member)

1.0 – CALL TO ORDER

Chair Rieck called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:03 P.M., Wednesday, June 20, 2018.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

There were no comments or communications from the public.

3.0 – BUDGET COMMITTEE MEETING

Chair Rieck suspended the regular meeting to begin the Public Hearing for the District Budget and Supplemental Budget at 5:05 PM.

3.1 – Written Testimony – Mr. Grimm stated the District has not received any written testimony from the public regarding the proposed budget for 2018-19 or the supplemental budget for 2017-18.

3.2 – Public Testimony from the Public – Chair Rieck noted no other member of the public was currently in attendance wishing to provide testimony or comment on the budget, but that some members of the public could arrive during the meeting to provide input. Chair Rieck stated the hearing would remain open to allow for additional testimony while the Board proceeds with other business beginning with the Agenda Item 4.0 – Consent Calendar. The meeting proceeded. When the remainder of the business concluded, Chair Rieck came back to this agenda item at 6:25 PM. At that time, Paul Schuler commented he was pleased with the District’s process to develop and adopt a budget and praised Ms. Dawes for her work to put this budget together.

3.3 – Closing of the Public Hearing – Following the Business Agenda portion of the meeting, Chair Rieck declared the open public hearings for both the proposed budget and the supplemental budget closed at 6:30 PM.

3.4 – Adoption of District Budget and Supplemental Budget – Commissioner Reierson moved to approve Resolutions #03-2018, #04-2018, #05-2018, and #06-2018 to approve the transfer of appropriations within the current FY, establish a rate stabilization fund, adopt a supplemental budget, and adopt a budget for FYE 2019 and make appropriations, respectively. Commissioner Wild seconded the motion, and the motion passed unanimously at 6:31 PM.

4.0 - CONSENT AGENDA

Commissioner Conrad asked to pull Agenda Item 4.2 from the Consent Agenda. Commissioner Conrad then moved to approve Agenda Items 4.1 and Agenda Items 4.3 – 4.8. Commissioner Hoffman seconded the motion, and the motion passed unanimously. Commissioner Conrad asked about Equipment Reserve Fund #30 where the Budgetary Transfer from the General Fund shows the annual budget with \$109,000 to transfer but no transfer in the YTD Actual. Ms. Dawes stated the transfer had been made for the current fiscal year. So, the YTD Actual should show \$109,000 and the other two columns should show \$0. A correction will be made to the report. Commissioner Hoffman made a motion to approve Agenda Item 4.2. The motion was seconded by Commissioner Conrad, and it was passes unanimously.

5.0 - DISTRICT ACTIVITIES

5.1 – Operations Report: Mr. Grimm commented water demands in the District were higher during the June 2018 than in June 2017 based on warmer, drier weather continuing. Monthly demands in 2018 have been running higher than in 2017 since February. During the middle of June, the District has been drawing 1500 gpm from Portland for a couple of days.

5.2 – Long Term Water Supply Discussion: Mr. Grimm stated the Water Quality Report is in final form at our printer's office in Bend. All residents in the District (not just bill paying customers) will receive a postcard from the District stating the Report is available for viewing on the District website or paper copy is available to be received by mail or by picking up at the West Slope WD office. Commissioner Reierson asked about Portland's impending decision to interrupt Summer Interruptible Water (SIW). Mr. Grimm stated due to early drawdown in the two Bull Run impoundments and having several high production wells down for maintenance in the Columbia South Shore Wellfield, Portland is being cautious toward releasing SIW as a guarantee to the four wholesale purchasers. If the District is cut off from SIW this summer, the charge will be to manage the demand as best as possible paying particular attention to the Peak Season (July-September) purchase limitations the District has with Portland. Commissioner Reierson mentioned that Portland Water Bureau recently has been quoted on KOIN TV as saying with the use of groundwater there is sufficient water through the summer for all customers. The message to the public on camera is different than what the wholesalers have heard in the context of summer interruptible water. Chair Rieck asked what the likelihood is for detecting blue green algae (BGA) or the cyanotoxins like has been detected in Salem. Mr. Grimm stated Portland historically has not seen any BGA formation in the Bull Run watershed. Simply stated, algae grows where water is stagnant and is fueled by higher temperatures and nutrients in the water. Because Bull Run is protected, the amount of nutrients in the water is very low. Therefore, the likelihood is very, very low. Mr. Grimm shared the three public outreach firm responses received to date in response to the request for qualifications sent to seven firms.

5.3 – Board Practices Assessment: Mr. Grimm shared the matrix developed by Mr. Rob Mills working for SDAO. In addition to the matrix evaluation in the packet, Mr. Grimm passed on a comment not in the report from Mr. Mills that the Board could develop a tendency to become more “micro-managing” board in the future as this Board is already very engaged. The evaluation is provided to the Board for their information and desire to follow up with key performance matrix.

5.4 – Analysis of Fixed vs. Consumptive Rates: Ms. Dawes stated currently the District is weighted heavily to volume charges despite many District expenses are essentially fixed charges. She discussed the comparison of West Slope to other area water systems pointing out that some of those systems have a tiered volume rate unlike the fixed volume rate employed by West Slope. Adjusting future rates toward more fixed costs seemingly does not promote conservation measures which we know we need to support. Ms. Dawes stated one option would be to include a minimum of 4 units of water in the fixed charge which protects customers who use less water which essentially can function as a “base tier” rate. Typically, the more the District relies on the volume charge, the more rate volatility the District tolerates. Ms. Dawes commented it is important to think through these issues as the District adopts a series of water rate increases. Chair Rieck commented at some point in the future having a good water rate study would bring value to the District.

5.5 - Late Breaking Issues:

- Mr. Grimm shared the Consortium’s C3 Plan (Curtailment, Coordination, and Communication) which can become helpful to the District this summer. The C3 plan is a toolkit to use to craft individual messages that mesh with regional activities.
- Mr. Grimm mentioned the District has been working with Murraysmith to craft a response to McClure and Sons, Inc.
- There are three positions available for Board members to take a tour of the Bull Run headworks and the facility sites that will be used for upcoming capital projects. Commissioners Wild and Hoffman expressed interests in taking the tour.

6.0 – COMMISSIONERS COMMUNICATION

Commissioner Reiersen provided a brief summary of the recent Consortium Board meeting he attended including the public conservation outreach effort (Bonny Cushman’s report) and the NOAA meteorologist presentation on the summer-into-fall weather pattern forecast. The Board confirmed Commissioner Reiersen’s involvement on the Consortium Board. Commissioner Reiersen asked about the water rates the District charges to commercial customers (Note: The rate is the same for all West Slope customers). Commissioners Reiersen and Wild stated it would be helpful to have a “bucket list” of potential future agenda items beyond just the next monthly meeting. The Commissioners agreed this meeting was helpful to them and the information shared was timely and important. The Board also agreed by consensus to adjust the officer roles beginning July 1 following the District’s historical pattern. Under that pattern, Commissioner Hoffman would become the new Board Chair, Commissioner Wild would become the Board Secretary, and Commissioner Conrad would become the Board Treasurer.

7.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Wild moved to adjourn the meeting. Commissioner Reiersen seconded the motion, and it was approved unanimously. Chair Rieck adjourned the June 20, 2018 Regular Board of Commissioners meeting at 6:32 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

