

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting

January 21, 2015

MEETING SUMMARY

CALL TO ORDER

Present: Commissioners Charlie Conrad, Donna Davis, Bruce Hellebuyck, Noel Reiersen, and Bob Rieck

Management Staff: General Manager Jerry Arnold; Finance and Customer Service Manager Heidi Starks

District Staff: Kathie Strathern

Others: Dave Kraska, Carollo Engineering; Pete Boone, Tualatin Valley Water District

Chair Donna Davis called the Regular Meeting of the West Slope Water District Board of Commissioners to order at 5:00 PM, Wednesday, January 21, 2015.

PUBLIC COMMENT/COMMUNICATIONS

No public was present and there was no public communication.

TUALATIN VALLEY WATER DISTRICT (TVWD) MASTER PLAN ANALYSIS OF SUPPLY TO THE WEST SLOPE WATER DISTRICT (WSWD) (PowerPoint Presentation included)

Manager Arnold introduced Dave Kraska, VP, Carolla Engineering; Pete Boone, TVWD Project Manager; and members of the Board of Commissioners. Mr. Arnold stated the purpose for this presentation is have Mr. Kraska and Mr. Boone present their findings to serve the West Slope Water District and the costs associated with supplying water from the Willamette Water Supply Project (WWSP) via TVWD.

Mr. Kraska provided an overview of the current system operations of TVWD and WSWD. The requirements to serve Willamette water to West Slope are pretty well understood, but the costs are a little bit uncertain due to it is still being in development. The cost should be available in summer 2015.

This study is different from the one conducted in 2007 in several ways: JWC was the source of supply; WSWD demands were projected at 2.4 MGD; costs to build the transmission infrastructure was estimated at \$15.2 million, and therefore was determined to not be economically feasible.

In response to a question, Mr. Boone said this is a multi-phased project that lines up very well with the expiration of West Slope's contract with Portland in 2026. The relationship is still open for discussion as an owner or as a wholesale customer.

In response to several questions, Mr. Kraska said the demands for all utilities have dropped significantly since 2007 plus the demand figures from 2007 appear to be very aggressive; the water supply would have been available due to the raising of the dam at Hagg Lake.

Mr. Kraska referred to a map with an overview of the WWSP: the treatment capability at the Willamette will be expanded from 15 MGD to 80 MGD and ultimately to 120 to 140 MGD. The intake at the site is sized for 120 MGD. One of the features of this project is a resilient transmission system to move water north knowing that someday the Cascadia Subduction Zone fault will happen. On the south of Cooper Mountain will be some very large storage reservoirs, possibly as big as 20 or 40 million gallons. The idea is to treat the water at Wilsonville, pump it to Cooper Mountain and from that point everything flows by gravity.

In response to a question Mr. Boone said the reservoirs at Cooper Mountain would be at an elevation of 450 to 500 feet. This is below West Slope's reservoirs which are at an 800 foot elevation.

Conveyance to TVWD will still require a lot of engineering. Delivering Willamette Supply water to West Slope can be delivered from the west or the east of Cooper Mountain and may be determined in the next six months. Broadly speaking, the 435 zone will convey water via gravity to the Ridgewood View Pump Station and a new 18 MG reservoir (to be completed in summer 2016) where it will then be pumped to the Sunset/Rosander facility. Sunset/Rosander will be rebuilt and a new storage facility will be constructed in the next five plus years. From Sunset/Rosander water would be pumped to West Slope reservoirs at Sylvan in the area it is now received using most of the existing facilities.

Mr. Kraska said TVWD uses a very robust criteria to evaluate the capacity of its pumping stations, which means it looks at firm capacity (60% of maximum day demand (MDD)), peak capacity (100% MDD with largest source offline), and reliability (meets average day demand using a secondary power source such as a standby generator). The analysis found no deficiencies in the TVWD distribution mains to supply the additional water demands of West Slope. The capacity at Ridgewood View and Sunset/Rosander pump stations may have to be increased slightly and have been identified and addressed in the Master Plan.

In about six months supply plan cost estimates, selected pipeline alignments, and the cost estimates to serve West Slope should be done. And finally, the Board needs to be aware the water would most likely contain fluoride.

A brief discussion followed regarding the merits of fluoride, the Willamette as a supply source, the cost of water purchased from Portland, and the need to have a conversation with the District's customers prior to the Board making a decision.

There being no more questions, the Board thanked Mr. Kraska and Mr. Boone for their presentation.

CONSENT AGENDA

Following a brief discussion, Commissioner Reiersen made a motion to approve the consent agenda as presented. Commissioner Hellebuyck seconded the motion and it was approved unanimously.

MONTHLY PROJECTED VS ACTUAL FINANCIAL SUMMARY

Manager Arnold reviewed projected vs actual. Year-to-date revenue is about 1% over projected. Expenses are 6% less than projected.

PROPOSED RESOLUTION NO. 01-2015 AMENDING SYSTEM DEVELOPMENT CHARGES (SDC) AND DECLARING EFFECTIVE DATE

Manager Arnold described how the enabling ordinance established indexing the SDC to the Engineering News Record, Construction Cost Index for the Seattle area on annual basis. According to Mr. Arnold the index has increased by 2.4% for the year 2014. Commissioner Hellebuyck made a motion to approve Resolution No. 01-2015. Commissioner Reiersen seconded the motion and it was approved unanimously.

PRELIMINARY PORTLAND WATER BUREAU WHOLESALE WATER RATE INCREASE

Manager Arnold briefly reviewed the estimated increase in wholesale rates for 2015-2016. West Slope's increase is dramatically lower than other wholesalers thanks to maintaining a consistently daily demand below 1,400 gallons per minute for the 91 days from the first of July until the end of September. The increase in price is 3.721% or \$0.047. The final rates will not be known until the Portland City Council rates are adopted in May.

In response to a question from Commissioner Rieck, Mr. Arnold said the rates may be dramatically affected by the allocation costs of Powell Butte 2. A third party audit is currently under way to determine the cost allocation and the results should be available in December 2015. Preliminary estimates are a 41% increase. West Slope will also be impacted by Tigard no longer being a wholesaler in 2017-2018.

Mr. Arnold will present a preliminary retail rate increase for Board members to consider at the March 18th Regular Board meeting, followed by a staff recommended rate hearing in April.

REGIONAL WATER PROVIDERS CONSORTIUM BOARD

It was the consensus of the Board members that District staff provide the agenda to Board members for their consideration and Commissioner Rieck agreed to serve as the alternate. Attendance at the meeting will be determined on a meeting by meeting basis.

UPDATE TO PUBLIC CONTRACTING RULES

Manager Arnold briefly reviewed how the AG's rules are difficult for a small utility to implement/delegate in an emergency. At the last meeting Commissioners concluded it was premature to have the attorney review the entire rules rules in a work session with their not having a chance to look at them first. Commissioners Hellebuyck and Reiersen asked to have them sent to them electronically. Commissioners Davis, Rieck, and Conrad would like a hard copy prior to having a discussion. A decision on how to proceed will be made at a future meeting.

BUDGET COMMITTEE UPDATE

Mr. Phil Miller has agreed to serve on the Budget Committee for a new three year term, if appointed.

DISTRICT ACTIVITIES

The Portland Water Bureau advised wholesalers of a potential boil water on Friday, January 9. District employees were advised to be available for sample testing, open the office, and update the website. On Saturday, January 10 all the samples came back negative. It is the opinion of some water providers the PWB should do what other systems do that use chloramines and that is, inject a higher dose of chlorine several times a year.

COMMISSIONER COMMUNICATION

Chair Davis reminded members of the joint meeting with Valley View and Raleigh on February 20th at Ernesto's.

Commissioner Hellebuyck declared a potential conflict of interest and Ms Starks did the same and left the meeting in regards to the hiring process for the new General Manager.

The subject of staff involvement in the hiring process and how to accommodate their interest in a quantitative manner was discussed. It was the consensus of those present Manager Arnold would refer the question to Ruth Mattox at LGPI: 1) Can the Board modify the approved process? 2) If yes, what is her recommendation on how we should proceed.


ADJOURNMENT

There being no further business to discuss, Commissioner Rieck made a motion to adjourn the meeting. Commissioner Reiersen seconded the motion and it was approved unanimously.


Chair Davis adjourned the January 21, 2015 Regular meeting at 7:07 PM.

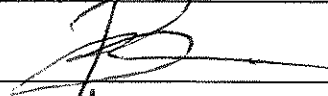
Respectfully Submitted,


Approved:



Jerry Arnold
Acting Secretary

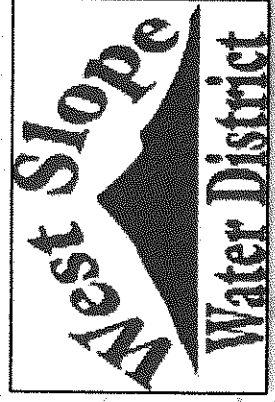
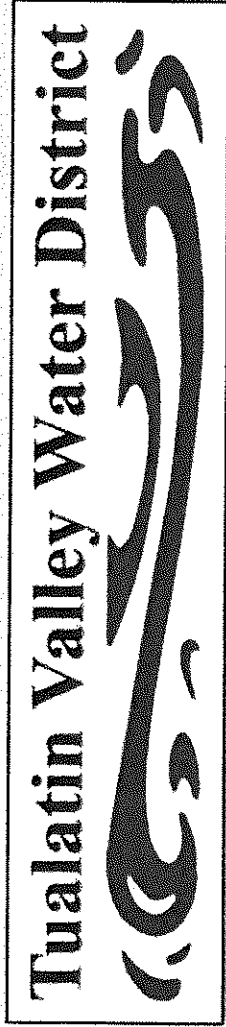






Willamette Supply Evaluation

January 21, 2015



Purpose

- Evaluate requirements and costs associated with supplying Willamette Water Supply Project water to the West Slope Water District

Agenda

- Prior Study
- Overview of TVWD/WISWD System Operation
- Findings to Date
- Next Steps

PRIOR STUDY

TVWD supplying water to WSWD was previously evaluated in 2007

- Goal of 2007 Study: Determine feasibility of supplying WSWD through the TVWD system
 - Modeled supply of JWC water through TVWD
- Findings of that study:
 - \$15.2 M in transmission projects required
 - Determined not to be economically feasible at the time
- Differences from current study:
 - WSWD demand projects were 2.4 times greater
 - Willamette Supply rather than JWC or Portland

OVERVIEW OF TWWD/WSWD SYSTEM OPERATION

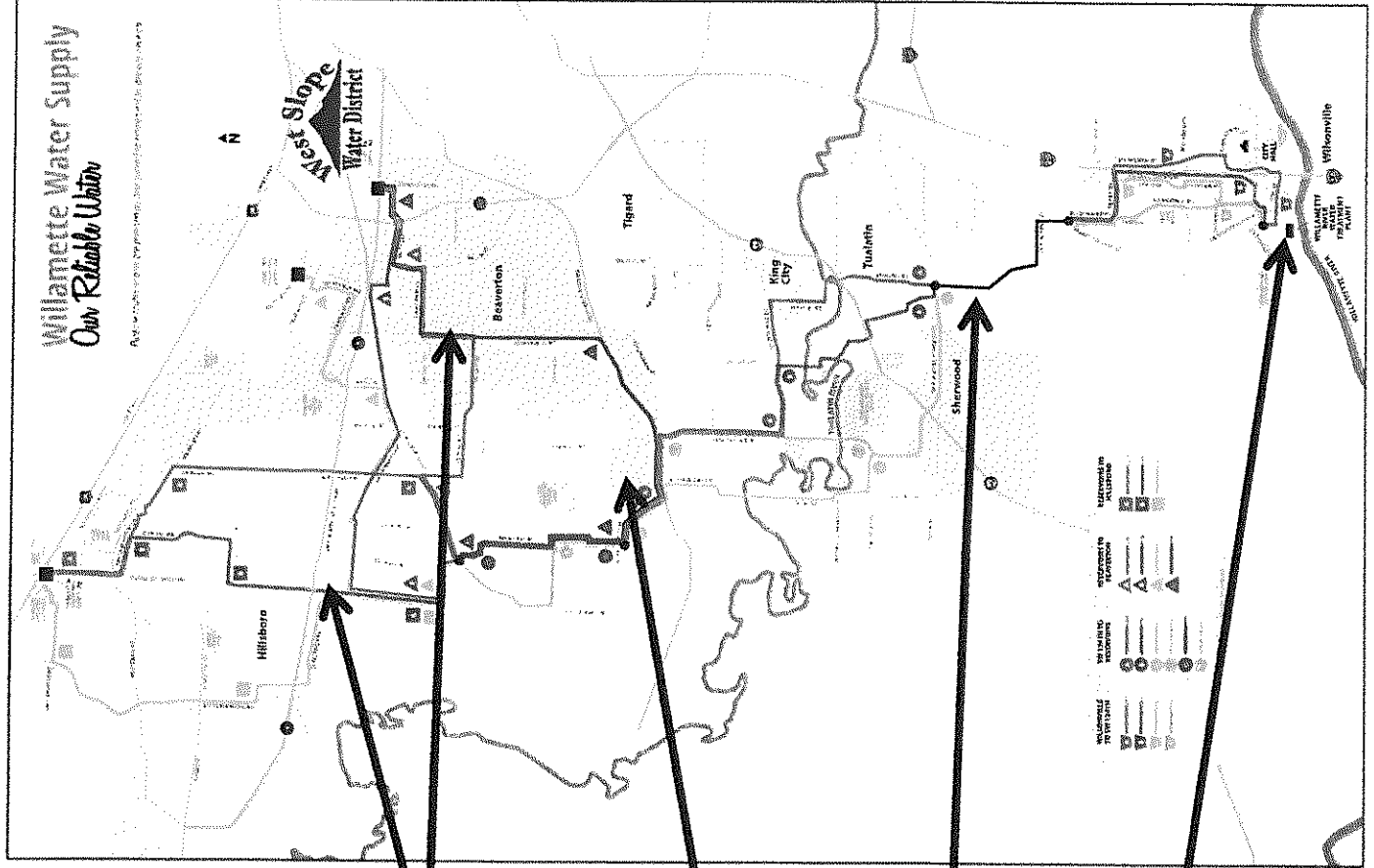
Overview of the Willamette Water Supply Project

Conveyance to TVWD

Large storage on south side of Cooper Mountain

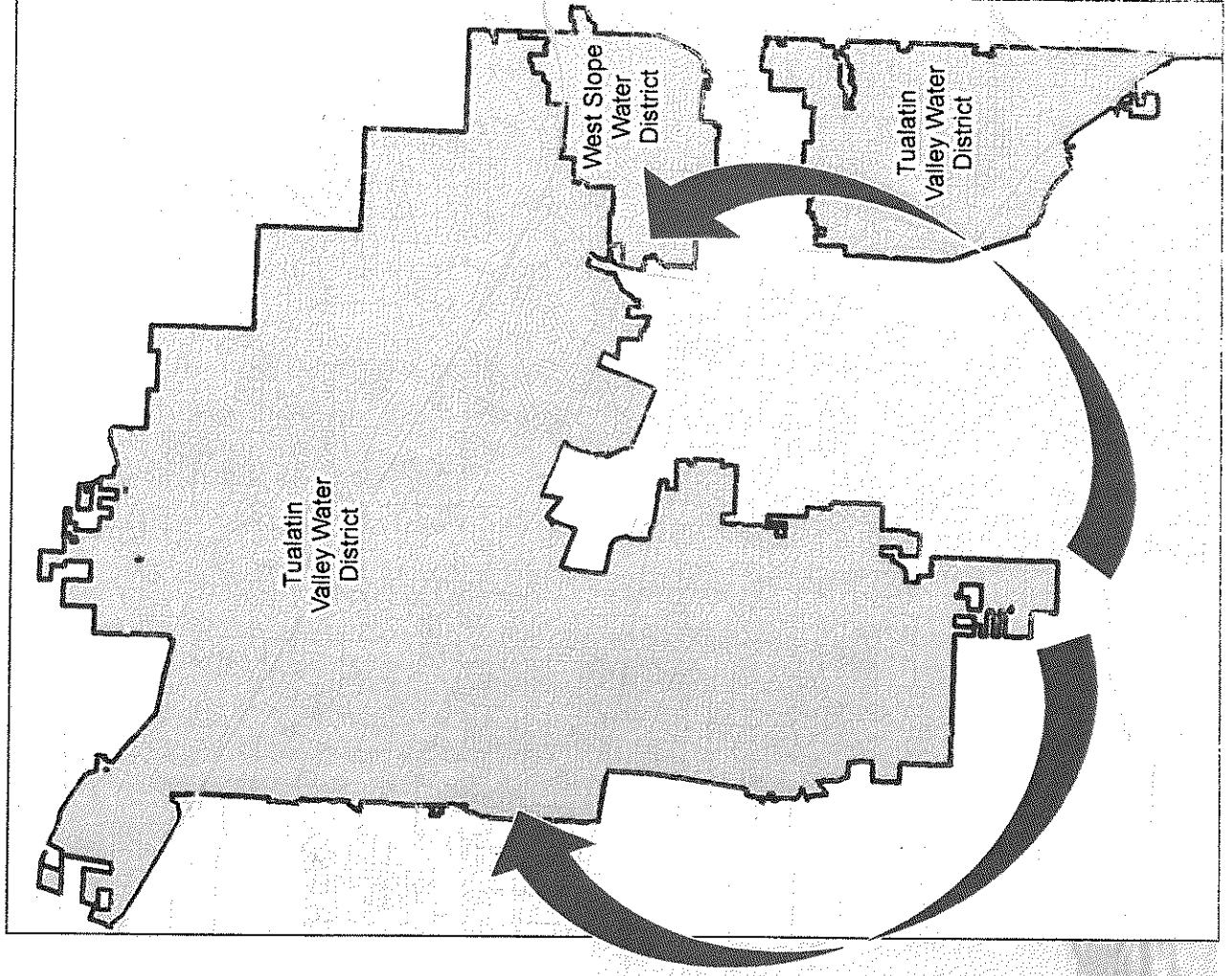
Resilient transmission system to move water north

Expand the Willamette River Water Treatment Plant

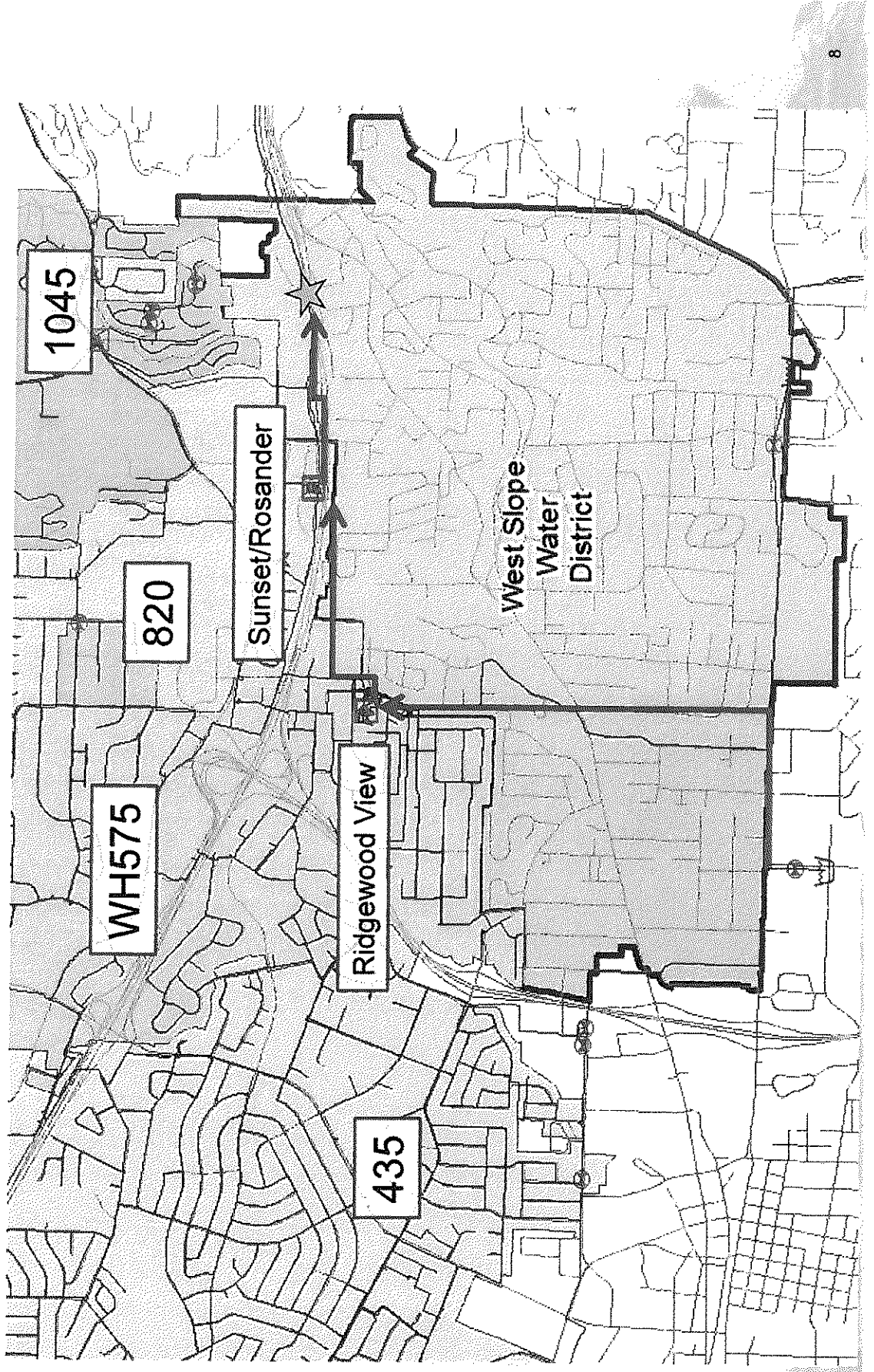


Delivering WWSP Water to the TWWD System

- Alternatives for Willamette Supply integration are still being evaluated
- Service to WSWD will remain part of the basic assumptions



Existing TVWD facilities would convey water to WSWD's Portland connection



FINDINGS TO DATE

TVWD uses robust criteria to evaluate the capacity of its facilities

Supply Capacity	Zones with Storage & >1 Supply Source
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Redundancy Criteria¹

Firm	Each Source: 60% of MDD
Peak	100% of MDD with Largest Source Offline

Reliability Criteria²

Reliable	Meet ADD
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1. Addresses the LOS goal for normal operations.
2. Addresses the LOS goal for a significant event (i.e. power outage).

Requirements associated with supplying WWSP water to the WSWD

- None of the distribution system mains show deficiency due to the addition of WSWD demands.
- Adding the WSWD supply to the TVWD system does influence meeting ALL established planning criteria
 - Ridgewood View BPS and Sunset/Rosander BPS capacities may need to be increased slightly
 - In general, pump station capacity issues are already identified and will be addressed through the master plan.

NEXT STEPS

Next Steps

- Cost Estimates:
 - Final Willamette Supply pipeline alignments will be selected in Spring/Summer of 2015.
 - Revise and finalize the WSWD supply plan after the WWSP alignments are selected.
 - Develop cost estimates once the supply plan is finalized.
- Fluoride:
 - Consider that WWSP delivered through TVWD will likely contain fluoride.

That's all for now . . .