

WEST SLOPE WATER DISTRICT
Regular Board of Commissioners Meeting
July 21, 2021
Meeting Summary

CALL TO ORDER

Present on Virtual Meeting: Chair Andy Smith; Commissioners Ramesh Krishnamurthy, Susan Meamber, Paul Schuler, and Carol Wild

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

Public: None

1.0 – CALL TO ORDER & ADMINISTRATION OF OATH OF OFFICE

Chair Smith called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:01 P.M., Wednesday, July 21, 2021. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through the District’s website (agenda posted on website with instructions on how to obtain the login information). Chair Smith read the Oath of Office to new Commissioner Susan Meamber whose term of office began July 1, 2021.

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

No public comment was received by the District.

3.0 – CONSENT AGENDA

Commissioner Wild asked to have Agenda Item 3.1 removed from the Consent Agenda. Commissioner Wild made a motion to approve the Consent Agenda Items 3.2 through 3.8. Commissioner Schuler seconded the motion, and the motion passed unanimously. Commissioner Wild asked if a short amendment could be added to the meeting summary expressing her willingness to turn over her representation on the Regional Water Providers Consortium Board if another Commissioner wants to take on that role. Otherwise, Commissioner Wild continue to serve on the Consortium Board into 2022. Commissioner Meamber asked if the attendance list could be amended to show she was not present at the June 16 meeting. Commissioner Krishnamurthy asked several clarifying questions about the monthly financial summary and disbursement reports which were agreed to be addressed at a late date between Ms. Dawes and Commissioner Krishnamurthy. Commissioner Schuler made a motion to approve Agenda Item 3.1, and Commissioner Wild seconded the motion. The motion passed unanimously.

4.0 – DISTRICT ACTIVITIES

4.1 – General Managers Report

Mr. Grimm provided a brief summary of the wholesale water sales agreement discussions currently taking place. Portland has proposed nine features be prominent in the new wholesale water sales agreement (Note: The nine features are the elimination of the guaranteed minimum purchase requirement, adjusting the rate of return to the City, an execution factor for operation & maintenance, construction while in progress expenses added to the rate base, a new base extra-capacity allocation, the elimination of cost pools in favor of a retail vs. wholesale water rate, full and partial fee payments for leaving Portland as a wholesale customer before the contact term ends, the cost of emergency back-up service, and the acknowledgment of augmented distribution storage). Some of the features will benefit wholesale customers more than the City while others will provide more benefit to the City. None of the features are detrimental to either party as most have mutual benefits for all parties in the agreement. The FCS Group through their Portland contract is offering to have a short one-on-one meeting with individual wholesale customers to review specific impacts of each feature to the wholesale customer. The FCS Group will wrap up their methodology contract work before the end of the summer. The City will then use the new methodology to determine new water rates and craft the agreement language to support developed methodology. The workgroup continues to push to have a new wholesale sales agreement in place before July 2022. Commissioner Wild asked when the District would likely see the wholesale rates for July 2022 – June 2023. Ms. Dawes explained the FCS Group contract is to establish a wholesale rate methodology which the City will use to calculate wholesale water rates. The City issues a projected rate each February for the following fiscal year. By May of each year, the Portland City Council approves the wholesale water rates as part of the City's budget. Mr. Grimm added the goal is to use the new methodology through the new sales agreement for 2022-23 wholesale rates instead of the methodology in the current agreement established in 2006.

Mr. Grimm informed the Board the District received the 60% construction plans from AKS today. The engineer's construction cost estimate in these plans is about \$2.3 million which includes a 10% contingency. The District has budgeted \$2.6 million for the project and added a \$0.5 million contingency for an available total of \$3.1 million for the project. The project still has several unknowns that could impact the actual bids at the time of construction such as day vs. night work as required by ODOT. Commissioner Meamber asked if AKS considered the impacts of material availability and cost escalation into their engineer's estimate, and Mr. Grimm replied AKS has considered all they can predict at this point. The District will continue to maintain as much flexibility as possible while managing both the work and cost of the construction project.

Mr. Grimm stated the District has not received the signed Intergovernmental Agreement from Tualatin Valley Water District for the transfer of fire flow service to the Target Store on SW Beaverton Hillsdale Highway. Mr. Grimm will be meeting with TVWD management staff next week and will remind the CEO of the agreement.

Mr. Grimm explained his own misinterpretation of the District's leak adjustment policy allowing the General Manager some discretion in awarding leak adjustments to customers. At a closer examination of the current policy, there is no discretionary allowance for the General Manager in awarding leak adjustments. This past month, Mr. Grimm approved several leak adjustment awards that did not align with the exact conditions the District's policy (see Agenda Item 3.8 for the current month's summary). Since the current policy does not allow for discretionary exceptions to the policy by the General Manager, the District proposes to revise the implementation of the policy by having the Finance Director evaluate compliance to the leak adjustment request against the District policy and having the Board approve the sum total of

each month's leak adjustment at each regular board meeting. Commissioner Schuler asked how often are large leak adjustments requested by District customers. Mr. Grimm stated most leak adjustments requested are small in nature. Ms. Dawes stated the District employs the alternate calculation methodology (Paragraph 11 of the current policy) a couple of times each year. When used, the customers are very appreciative of the adjustment which can be greater than \$1000 for the customer.

Mr. Grimm informed the Board the new District maps will be delivered by Murraysmith shortly, and the work will be concluded in July. The asset management project with Fracta has already begun using data provided by Murraysmith.

Mr. Grimm stated the District office's front door opened to the public July 1 for the first time since March 2020. New in the office is a plexiglass shield to separate customers from District employees. Staff is not proposing any change in Board meetings (switching from virtual to in-person meetings) at this time pending how the Delta variant issues are managed locally and nationally. Commissioner Wild asked how has walk-up traffic changed (if at all) since July 1 and what announcements (if any) have been made to the public. Ms. Dawes responded that a pop-up note has been added to the website stating the District is open to the public again replacing the notice the office is closed to the public due to the pandemic. Ms. Dawes noted on average the District sees 3-4 walk-up customers daily.

Commissioner Schuler asked if TVWD has offered the District any projections on wholesale water rates if the District were to purchase wholesale from TVWD's Willamette River WTP beginning in 2026. Mr. Grimm stated there has been no progress obtaining a wholesale water rate projection from TVWD. Commissioner Krishnamurthy asked about the methodology that TVWD might use. Mr. Grimm replied TVWD will be able to view information obtained from the FCS Group and could possibly tailor their own methodology as a wholesale water provider on that work. Commissioner Krishnamurthy asked if the District would only consider cost in its decision to determine its primary water supply source starting in 2026. Mr. Grimm responded the time for the Board to make the decision is not now. Much more information is needed including water quality comparison, infrastructure resiliency, and capacity availability before a sound decision can be made by the Board. Commissioner Krishnamurthy asked if a comparative analysis will be used to help the Board make the decision. Mr. Grimm replied the Board can certainly enlist a comparative analysis if needed though an "apples-apples" comparison may be able to be made without such a formal report.

5.0 – COMMISSIONERS COMMUNICATION

Commissioner Schuler stated he was attending the AWWA Membrane Technology Conference in Florida as part of his work (not a District trip) and shared insight into the first live AWWA conference since the start of the pandemic. Commissioner Krishnamurthy asked if there were discussions at the conference about water shortage or drought conditions in California and throughout the West. Commissioner Schuler stated those conversations are taking place. Of note, Lake Meade is near 30% capacity currently (the lowest lake level since the lake was formed behind the Hoover Dam). Also, the City of Los Angeles is taking steps to reuse as much water as possible regionally in order to reduce its withdrawal from the Colorado Aqueduct. Upstream users on the Aqueduct in Nevada may contribute capital to Los Angeles' project in order to have more Aqueduct water available for their own needs.

Commissioner Krishnamurthy stated he believed the Board meeting announcements are very restrictive as compared to other community/public meetings he is aware of and believes the District could be more inclusive so customers do not have to call in to the District to obtain the

meeting link but rather place the link on the Meeting Agenda. Commissioner Wild stated the District started the practice of having the public call the District for the meeting link at the start of the pandemic in part to prevent "zoom bombing" during the Board meeting. Commissioner Wild also commented customers attending in-person meetings prior to the pandemic was very rare. Commissioner Krishnamurthy thought publishing the link might make the meeting more accessible for attendance by the public. Commissioner Krishnamurthy would like an electronic copy of the Board packet for the August 18 regular meeting. Commissioner Schuler also stated he preferred an electronic copy over the paper copy. Mr. Grimm stated another side benefit of "registering" for the meeting link was an easy way to get the names and addresses of those attending as an attendance list is required by State law. Chair Smith commented as the end of the pandemic approaches it makes sense to modify the District's policy on meetings especially as State law will eventually require hybrid meetings to increase accessibility to the public.

Commissioner Wild asked about plans moving forward to host an event to honor immediate past Commissioners. Mr. Grimm stated courtesy of former Commissioner Hoffman the "fire pit" in the Carmina Lane development is available for weekday afternoon events. Availability of the three former Commissioners varies but in general weekday afternoons are preferable.

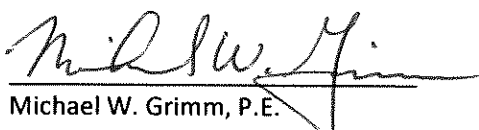
Mr. Grimm asked if any Commissioners were interested in attending SDAO's Board Member Training. There are sessions being offered around the state through September, and the training is also offered at the SDAO Annual Conference usually held in February. Commissioners Schuler and Meamber both asked to be registered for the training.

Chair Smith suggested the District look at a long-term capital improvement project plan beyond just the current 4-5 year window and include discussions on priority and funding of projects. Mr. Grimm stated the District's work with Fracta will result in an asset management plan tool with preliminary cost estimates. The District's real work will be to decide how to position the District to fund those capital improvements. Chair Smith commented his thoughts are how much more can rates be raised in the District to increase the number or frequency of projects to replace the District's aging infrastructure. Mr. Grimm agreed with the need to have a long-range vision using tools like consequence of failure assessments, condition assessments, and likelihood of failure (all asset management features) as well as an assessment based on the Oregon Resiliency Plan. Commissioner Wild commented the meeting led by Chair Smith was excellent, and the other Commissioners agreed.

6.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Krishnamurthy moved to adjourn the meeting. Commissioner Meamber seconded the motion, and the motion was approved unanimously. Chair Smith adjourned the July 21, 2021 Regular Board of Commissioners meeting at 6:23 PM.

Respectfully Submitted,


Michael W. Grimm, P.E.
Acting Secretary

Approved:

