

WEST SLOPE WATER DISTRICT

Special Board of Commissioners Meeting – Work Session

Monday, March 5, 2021

Meeting Summary

CALL TO ORDER

Present on Virtual Meeting: Chair Charles Conrad; Commissioners Paul Schuler, Andy Smith, and Carol Wild

Management Staff: Michael Grimm, General Manager

Absent: Commissioner Michael Hoffman

Public: Gabriel Solmer, Portland Water Bureau Director; Matt Glazewski, Government Affairs Liaison for Commissioner Mingus Mapps; Cecelia Huynh, Portland Water Bureau Finance Director

1.0 - CALL TO ORDER

Chair Conrad called to order the special meeting of the West Slope Water District Board of Commissioners at 11:03 AM., Friday, March 5, 2021. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through posting at the District office.

2.0 – DISCUSSION OF WHOLESALE WATER SALES AGREEMENT PROJECT WITH PORTLAND WATER BUREAU

Chair Conrad reviewed led a brief introduction of all in attendance and thanked everyone especially those from the Portland Water Bureau (PWB) for taking time out of their schedule to participate in the Board’s work session.

Ms. Solmer briefly reviewed the events that began with the current wholesale water sales agreement (Agreement) from 2006 and why in 2021 both the PWB and its wholesale customers are working on a new agreement. The Agreement was appropriate at the time it was written, but the existing Agreement does not address new issues facing metropolitan area water supply systems today. The threat of harmful algal blooms, global pandemics, wildfires, windstorms, power outages, harsh winter ice/snowstorms, and earthquakes have created a desire to develop resilient infrastructure that enhances and encourages cooperation and partnerships between all water utilities. A New Agreement needs to be crafted to achieve this outcome while adhering to key principles such as fairness to all, redundancy in infrastructure and delivery, and a “tailored flexibility” approach for each wholesale customer. Over the next six months, PWB with its financial consultant FCS Group will be working to create a new rate model for PWB that

addresses back-up supplies, revisions to the cost pool accounting method, and a departure from the guaranteed minimum purchase requirement for wholesale customers in exchange for a statement of firm commitment from each wholesale customer.

Mr. Glazewski agreed with Ms. Solmer and added one goal for the PWB is to work together for clean water.

Chair Conrad stated the District wants to further a regional vision for water and is willing to partner with other Metro area water utilities to achieve that outcome. One key is to explain and support the regionalization concept to the public possibly leveraging source limitations in the region to validate regional interconnectivity including threats due to earthquakes, wildfires, water quality events, and terrorist events.

Ms. Huynh commented the New Agreement will be established with regionalization and interconnectivity as a desired goal. She stated the priorities the PWB knows are important to wholesale customers are the Bull Run Water Treatment Plant (BRWTP) and building resiliency into the backbone of the PWB infrastructure. Both the Washington Park Reservoir #3 project and the Willamette River conduit crossing project are the first stages of the PWB's 50-year plan to build resiliency to the system in accordance with the Oregon Resiliency Plan. The BRWTP will be booked into wholesale customer rates fully in FYE 2030. The \$700 million Water Infrastructure Finance and Innovation Act (WIFIA) loan will save the City a significant amount in interest payments.

Commissioner Wild asked where the public can obtain an understanding of what infrastructure needs improved resiliency and what timeline is involved. Ms. Solmer liked the concept of a public facing "dashboard" noting that typically capital improvement plan projects and asset management summaries have not been "public facing friendly" in the water utility sector. Mr. Glazewski mentioned the City's Bureau of Environmental Services (BES - wastewater and stormwater utility) have been using a public information software platform, and coordination or partnership with BES could have advantages.

Chair Conrad provided a brief summary of West Slope's journey to secure a long-term source of supply. Important to the District and its customers are water quality, cost of purchasing water, infrastructure resiliency & reliability, and fluoridation (some customers want it, some customers do not). West Slope has another option for a source of supply other than the PWB, and ultimately the decision on where the District will secure a long-term source of supply will be made by the Board of Commissioners not a popular vote of District customers. In the short term, the District will need to be able to pass on to customers sound explanations for immediate wholesale water rate increases from the PWB.

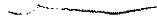
Ms. Solmer stated the PWB is committed to keep the District informed in order for it to make sound decisions on long term sources of supply citing the public needs to understand what it is purchasing with rates. Mr. Glazewski agreed and stated the City desires to keep West Slope as a customer and will do whatever is needed to ensure the District stays a wholesale water customer.

Chair Conrad stated the District remains committed to partner with the PWB and the other remaining wholesale water customers and fully supports the City's efforts to achieve this outcome.

3.0 – ADJOURNMENT

There being no further business to discuss, Commissioner Schuler moved to adjourn the meeting. Commissioner Wild seconded the motion, and it was approved unanimously. Chair Conrad thanked all those in attendance for taking time out each one's schedule to be at the work session, and he adjourned the March 5, 2021 Special Board of Commissioners work session meeting at 11:56 AM.

Respectfully Submitted,



Michael W. Grimm, P.E.
Acting Secretary

Approved:

