

WEST SLOPE WATER DISTRICT

Regular Board of Commissioners Meeting

November 16, 2022

Meeting Summary

CALL TO ORDER

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

Management Staff: Michael Grimm, General Manager

Absent: Commissioner Ramesh Krishnamurthy; Wendy Irwin, Finance & Customer Service Manager

Public: None

1.0 – CALL TO ORDER

Chair Schuler called to order the regular meeting of the West Slope Water District Board of Commissioners at 5:03 P.M., Wednesday, November 16, 2022. The meeting was held through Zoom remote teleconferencing technology. The public was made aware of the meeting through the District’s website (the meeting agenda and Zoom meeting link were posted on the website).

2.0 - PUBLIC COMMENTS/COMMUNICATIONS

The District had not received any public comments regarding agenda items or other issues for the Board to consider.

3.0 – CONSENT AGENDA

Commissioner Wild made a motion to accept the complete Consent Agenda. Commissioner Meamber seconded the motion, and the motion passed unanimously (3-0).

4.0 – DISTRICT ACTIVITIES

4.1 – General Managers Report

Mr. Grimm highlighted several key issues from the General Manager’s report:

- Long term source of supply: Mr. Grimm shared a short presentation from the Portland Water Bureau regarding some of the key elements of the new wholesale water sales agreement. The elements were developed several years ago and have been woven into the proposed wholesale water sales agreement, and Mr. Grimm gave a brief review of each element and the background of why each element is important. Mr. Grimm presented a qualitative graphical comparison of the estimated wholesale customer

water rates. The graph showed the relative comparison of estimated wholesale water rates if the existing contract were to remain in place vs a family of curves representing estimated wholesale water rates considering peak hour factors, Portland reserve capacity, no peak hour factors, and no consideration for the Portland reserve capacity all under the new wholesale water sales agreement. The conclusion is that the considerations represented by the family of curves show very little variation in wholesale water rates between one another. So now the challenge will be to make sure the new rate model that will be developed will not pose an adverse impact to one or a small number of wholesale customers compared to other Portland wholesale customers or Portland's retail customers. Commissioner Smith asked if it would be wise to hire a financial consultant to evaluate the work by the FCS Group from the wholesaler's perspective and if the wholesale water sales agreement work is still moving forward or if the work is stalled. Mr. Grimm stated it indeed has taken many months to complete this work to this point with considerable input from both wholesale customers as well as Portland. Mr. Grimm stated another evaluation of the "completed to date work by another consultant" will likely not add any significant value to the process over what wholesaler customers believe can be done simply working with the City as has been done so far in this process. The project is at the stage where all parties are taking a last look at all the components that have been added to the rate model and a consensus opinion that all components belong in the new rate model. The next step will be to see what water rates are generated from the new water rate model, which is what the project has been driving toward for the last several years. Commissioner Wild stated the process makes it difficult to look at the components of the rate model in any meaningful way. What will be meaningful for the Board is to see actual wholesale water rates generated from the water rate model, and Mr. Grimm agreed.

- Beaverton-Hillsdale Hwy Water Main Project: Mr. Grimm stated the District is working with Emery & Sons on materials submittal approvals. The contractor was able to acquire and purchase about 3000 feet of the 6000 feet of 12-inch ductile iron water main, and they have asked the District if they could receive a partial payment for that purchased pipe. The District proposed to Emery that the first invoice could be submitted to the District for part of the mobilization line item to provide cash flow to the contractor, and Emery was in agreement with that proposal. With this proposal, the water pipe purchased are still owned by the contractor who has full responsibility and liability for all of the pipe purchased. Commissioner Smith asked if the District has any concerns over the contractor not having sufficient funds for mobilization later in the project. Mr. Grimm stated the purpose of the mobilization line item is to allow the contractor to acquire materials without a significant negative cashflow impact. Commissioner Smith had a concern that the District could unknowingly put ourselves at risk if there is a dispute from the contractor. Mr. Grimm stated that the purpose of the mobilization bid item is to allow the contractor to have some "upfront" cash flow to be able to initiate work on the project by buying materials. Contractors are paid as materials are installed, so it is standard practice to allow contractors to utilize their mobilization bid item early in the project.
- Bull Run water supply off: Mr. Grimm informed the Board that Portland retail and wholesale customers are currently being supplied with 100% Columbia South Shore groundwater until the water quality in the Bull Run watershed improves following the major Pacific storm that dropped a significant amount of rain in the watershed. The turbidity of the Bull Run water is still very high and will continue to slowly decrease in value.

- GPS Project with Frontier Precision: Mr. Grimm shared the proposal from Frontier Precision to allow the District to establish and maintain a GIS system that will be core of the District's asset management plan. The GIS technology has changed so much in the last 5-6 years and has become much more affordable and simple to use that the cost to the District will be about 10-15% of the cost from 5-6 years ago. This new system will utilize the smartphones District operators already have to upload asset locations and condition assessments into the GIS platform. The on-going costs to the District are the annual subscription costs for use of the satellite technology and ArcGIS services maintained by others. Frontier Precision demonstrated to the District's operation staff how to use the technology and hardware. Commissioner Wild commented it is encouraging to hear how well the District operations staff have embraced this new opportunity and the District's opportunity to move from paper maps and paper records to have digital records and data.
- Mr. Grimm confirmed for the Board that Mark Landauer will speak to the Board at the January meeting, and Rebecca Geisen from the Regional Water Providers Consortium (RWPC) will address the Board at the December meeting about the RWPC Strategic Plan.

4.2 – Budget Committee – Volunteer Appointment

Mr. Grimm informed the Board that two positions on the District's volunteer Budget Committee are expiring at the end of 2022. Those positions are currently filled by Marjorie Taylor and Ron Witcosky. Mr. Grimm inquired of the Board if the Commissioners were open to offer the positions to the two current members for re-appointment by the Board. Chair Schuler stated his preference would be to see if these two members would be interested in serving another now full term on the Committee and if not, inquire of other District customers starting with the list of customers who responded to our call for volunteers in 2021. Mr. Grimm will contact all volunteer members to confirm their willingness to continue on the Budget Committee. Commissioner Smith liked the proposal by Chair Schuler and thinks that it would be good practice to extend the outreach to other customers when facing a full-term expiration. Commissioner Member stated it would be good to improve the diversity on the Committee. Commissioner Smith agreed and recognized that we face a challenge with the demographics in the District though as we meet people in our District we realize there is more diversity within the District than we may realize. Commissioner Wild agreed and added that age is another element of diversity to be able to have multi-generational viewpoints represented.

5.0 – COMMISSIONERS COMMUNICATIONS

No commissioners had attended any outside meetings, and there were no additional topics raised by the Board for this meeting or for any future meetings. The general consensus of the Board was that this current meeting was well run and valuable.

6.0 – EXECUTIVE SESSION

At 6:14 PM, the regular session portion of the meeting was suspended, and the Board of Commissioners entered into executive session for the purpose of discussing the General Manager's performance evaluation process at 6:15 PM. The executive session concluded at 6:28 PM and re-entered the regular session at 6:29 PM.

In regular session, the Board's consensus was to continue to use the services of Judy Clarke to assist the Board with the General Manager's performance appraisal. The Board directed the General Manager to work with Ms. Clark to update the previous scope of work and contract. The dates of all the contract deliverables will be updated to the current calendar, and Ms. Clarke will work with Commissioner Smith and Chair Schuler on the staff questionnaire. Commissioner

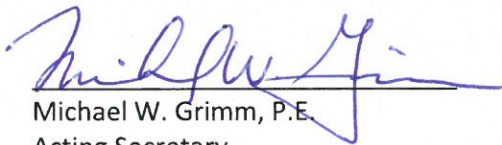
Wild suggested we try to avoid the week between Christmas and New Years for deliverable due dates.

7.0 - ADJOURNMENT

There being no further business to discuss, Commissioner Wild moved to adjourn the meeting. Commissioner Smith seconded the motion, and the motion was approved unanimously (4-0). Chair Schuler adjourned the November 16, 2022 Regular Board of Commissioners meeting at 6:32 PM.

Respectfully Submitted,

Approved:



Michael W. Grimm, P.E.
Acting Secretary

