

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170TH AVENUE
REGULAR MEETING MINUTES
APRIL 21, 2010

Present: Commissioners: Richard Burke, Jim Doane, Jim Duggan, Marilyn McWilliams, Dick Schmidt

Management

Staff: Greg DiLoreto, Patty Rupp, Clark Balfour, Todd Heidgerken, Dale Fishback, Mark Knudson, Brenda Lennox, Bernice Bagnall

Staff: Debbie Erickson, Jim Ure

Public: None

Note: Unless otherwise indicated, the words “Motion carried” mean the action of the Board of Commissioners was unanimous.

President Burke called the Regular meeting to order at 7:00 P.M.

REPORTS BY GENERAL MANAGER AND MANAGEMENT STAFF

General Manager DiLoreto announced that a fellow Tualatin Valley Water District (TVWD) employee, Monte Carstens, had recently competed in the Boston Marathon. He did well, with his overall time of 3 hours, 35 minutes, and 30 seconds. Mr. Carstens placed in the top third for his age bracket.

General Manager DiLoreto pointed out that at the April 21 Board meeting, the Board briefly discussed changing the dates of the July and August Board meetings due to conflicting obligations by a few of the Board members. General Manager DiLoreto explained that with the Board’s consensus, Resolution 01-10, Setting Regular Meetings of the Board for the calendar year, adopted in January 2010 could be amended to include the changes. The July 21 meeting would be moved to July 14; the August 18 meeting would be moved to August 11. The Board’s consensus was for staff to present the amended resolution at the May 19 Board meeting.

The District has awarded the construction of a 12-inch waterline on Bronson Road to the lowest bidder, Northstar Associates, for \$108,000. The engineers estimate was \$150,000.

There will not be a Board Work Session in May.

General Manager DiLoreto reported that he would be away from the office on business Thursday April 22 and would return to the office on Monday, April 26. He indicated that he had appointed Operations Manager, Dale Fishback as AIC.

Due to a presentation from the District's IT Department later in the meeting, the normal department report was cancelled.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None.

COMMISSIONERS REPORTS OF MEETINGS ATTENDED AND COMMISSIONER TOPICS

A report was given by each Board member of the meetings they attended during the month.

CONSENT AGENDA

It was moved by Commissioner McWilliams and seconded by Commissioner Duggan to approve the consent agenda consisting of the Regular Meeting Minutes of March 17, 2010. The motion carried.

STRATEGIC TECHNOLOGY PLAN UPDATE (PowerPoint Slides are attached)

IT Officer, Jim Ure, provided a PowerPoint presentation to the Board on the District's Technology Plan and its continuing evolution. For clarity, he described the acronyms that would be used throughout the presentation.

Mr. Ure covered the following:

- ❖ Technology Assessments 2008:
 - IT Applications
 - GIS
 - SCADA
 - CMMS: Functional requirements, workflows

- ❖ Strategic Technology Plan:
 - Reviewed with the Board members in December 2008
 - Board directed staff to start work on the financial system replacement
 - Funding allocated for 2009-11

- ❖ Strategic Technology Plan Recommended Prioritization for 2009-2011:
 - Financial System Selection and Conversion
 - SCADA Upgrade, Master Plan and Security Assessment
 - GIS Upgrade and Enhancement
 - CMMS Selection
 - Included budget estimates and staffing needs
 - Identified governance process – IT Steering Committee

Mr. Ure covered the proposed plan for 2011-2013:

- CMMS Implementation
- Mobile access evaluation after the CMMS implementation is underway
- CIS evaluation: after other projects are complete

Mr. Ure explained the original plan timeline and reviewed the current status of the Financial Systems. The general ledger is scheduled to go live in July 2010. The HR/Payroll systems are scheduled to go live in October 2010. The post go-live and integration work is planned for 2011.

- ❖ The SCADA upgrade work is on track
- ❖ Two new staff positions are filled
- ❖ Comprehensive Security Assessment completed
- ❖ Dollars spent to date are less than projected

Mr. Ure explained the refinement of the plan based upon a gap in the current plan. An analysis of key IT issues led to a revised approach. A series of recommendations were presented to the IT Steering Committee and a leadership group was formed to guide the planning and decision making for the remaining plan components.

Mr. Ure pointed out that key findings include execution of the current plan, which will not lead to integrated process management. Its focus is on individual application deployments, which tend to reinforce separate organizational roles. He indicated that the focus on “system integration” does not address business process integration well. The current plan would likely result in rework and additional costs. Establishing an integrated approach would include working on GIS and CMMS together. Integration of financial management with GIS and CMMS would involve post Go-Live work as would incorporating CIS integration, and addressing integrated business process management.

Mr. Ure spoke of the Asset and Work Management Program, and indicated how this relates to the focus on integration (graph). The objective to the plan is to acquire and implement integrated enterprise-wide solutions for GIS, Asset and Work Management. He displayed the former versus the proposed plan timeline, also in graph form.

In closing, Mr. Ure described what has changed:

- ❖ Integration: Work on GIS and CMMS together – vs. GIS, then CMMS later.
- ❖ CMMS analysis and preparation needs to begin sooner than previously planned
- ❖ Mobile strategies need to be incorporated earlier
- ❖ Data collection work needs to be defined and planned throughout
- ❖ Utilize a Program Management models – vs. a series of separate projects

Other Considerations:

- Detailed project planning is underway. Some iterative planning will be required
- Leveraging an internal cross departmental team for strategy and planning
- Considering a potential pilot approach for field-enabled tools
- Factor in cost and budget implications. An analysis of costs is underway. Some reallocation of funds may be warranted
- More information to follow as progress is made

President Burke commented that the plan seems exceptional, although he expressed concern with the approach, in terms of unintentionally introducing rigidity. Mr. Ure indicated that this was a valid concern and explained the process of not tying programs too closely, as this could cause issues with other interconnecting systems of the program.

Commissioner McWilliams explained that she applauded Mr. Ure as well as the TVWD staff for their efforts in working together interdepartmentally. She asked Mr. Ure, in reference to field enabled

tools, what type of tools these may be. Mr. Ure gave an example of a handheld device that could interface with GIS that could be placed in District vehicles for data collection.

Commissioner Doane indicated that he was impressed with the plan and the ambition behind the program. He described the plan as “cutting edge”.

Commissioner McWilliams asked what type of planning had been discussed with respect to employee’s duties while key employees are concentrating on implementing the program. Mr. Ure indicated that temporary employees are in place at the present time. Evaluations would be made from time to time in order to evaluate what may be needed.

RESOLUTION 04-10, 401(k) PLAN RESTATEMENT

Human Resources Manager, Debbie Erickson introduced Resolution 04-10 as housekeeping in nature. A resolution is required for the adoption of the TVWD 401(k) Savings Plan restatement that includes adoption of the post-Economic Growth and Tax Relief Reconciliation Act of 2001, (EGTRRA) provisions and the “Good Faith” Amendment of the Heart Act. The restatement also has provisions to include a Roth 401(k) that would allow employees to make tax contributions, which allows distributions to be tax-free.

It was moved by Commissioner Doane and seconded by Commissioner Schmidt to adopt Resolution 04-10, 401(k) Plan Restatement. The motion carried.

RESOLUTION 05-10, MONEY PURCHASE PENSION PLAN RESTATEMENT

Ms. Erickson explained that the Money Purchase Plan is the retirement plan that continued for the former Metzger employees. There are currently two employees that remain in the plan. Resolution 05-10 is similar to Resolution 04-10 in that it is housekeeping in nature and necessary under EGTRRA provisions.

It was moved by Commissioner Schmidt and seconded by Commissioner Duggan to adopt Resolution 05-10, Money Purchase Pension Plan (two former Metzger employees). The motion carried.

AMENDMENT TO WATER SUPPLY AGREEMENT WITH THE CITIES OF TUALATIN AND SHERWOOD

Manager of the Office of Community and Intergovernmental Relations, Todd Heidgerken outlined the purpose of the amendment to the water supply agreement with the cities of Tualatin and Sherwood. Since 2007, TVWD has had a three way agreement with the cities of Sherwood and Tualatin, which allows water to be wheeled from the City of Portland supply system to the City of Sherwood (Sherwood). The agreement provides the terms for Sherwood to purchase water from the City of Tualatin (Tualatin). The agreement also stipulates how the wheeling charges for the use of TVWD and Tualatin’s facilities would be calculated and paid to Sherwood.

Mr. Heidgerken noted that the current agreement is set to expire on October 1, 2010. Sherwood has asked to extend the agreement. In addition, the water supply agreement is tied to a separate Intergovernmental Agreement (IGA) whereby TVWD manages and operates Sherwood’s water system. The actual operation of Sherwood’s water system has transitioned and transferred to

Sherwood staff, and TVWD will be formally concluding its roll with Sherwood when the IGA expires on June 30, 2010.

The proposed amendment allows three modifications to the existing agreement. It extends the agreement to October 1, 2015. It also removes the requirement for an agreement for TVWD to manage Sherwood's water system. Finally, the amendment includes language to specify that Sherwood will hold harmless and indemnify TVWD from fiscal or operational impacts as a result of the agreement. Mr. Heidgerken pointed out that all other provisions of the original agreement would remain in effect.

In term of the budge impact, TVWD will continue to receive revenue from the "wheeling" charge that is paid by the City of Sherwood to TVWD.

It was moved by Commissioner Doane and seconded by Commissioner McWilliams to approve the amendment to the water supply agreement with the cities of Tualatin and Sherwood, as described by Mr. Heidgerken. The motion carried.

SECOND AMENDMENT TO WATER SERVICE AGREEMENT, JOINT WATER COMMISSION

Legal Counsel, Clark Balfour provided the staff report. The original Joint Water Commission (JWC) Water Service Agreement was amended and restated in October 2003, which included TVWD and the Cities of Hillsboro, Forest Grove and Beaverton. The City of Tigard (Tigard) joined the JWC in April of 2004, at which time the First Amendment to the Water Service Agreement was executed, which not only accommodated Tigard, but made additional revisions to the 2003 Agreement in terms of voting and quorum requirements. Tigard has now opted to obtain its primary supply from the City of Lake Oswego and has initiated steps to withdraw from the JWC, which were finalized in January 2010. It is now necessary to approve the Second Amendment to account for Tigard's withdrawal.

The Second Amendment changes two sections relating to quorum and voting. The JWC approved the form of this amendment at its April 9, 2010 meeting. The member agencies must now approve the amendment. The staff's recommendation is for the Board to approve to amend the JWC Service Agreement.

It was moved by Commissioner McWilliams, and seconded by Commissioner Doane to approve the Second Amendment to the JWC Water Service Agreement. The motion carried.

ADJOURNMENT

There being no further business, it was moved by Commissioner Schmidt and seconded by Commissioner Doane to adjourn the Regular Meeting at 7:45 P.M. The motion carried.

BOARD OF COMMISSIONERS TUALATIN VALLEY WATER DISTRICT

BY _____ BY _____
Richard Burke, President Marilyn McWilliams, Secretary

Date Approved: May 19, 2010