

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
BEAVERTON, OR 97006

SEPTEMBER 7, 2010
WORK SESSION MINUTES

Present: Commissioners: Jim Duggan, Jim Doane, Marilyn McWilliams,
President Dick Schmidt (Commissioner Burke was absent)

Management

Staff: Bernice Bagnall, Clark Balfour, Debbie Erickson, Dale Fishback, Todd
Heidgerken, Mark Knudson, Brenda Lennox, Patty Rupp, Cheryl Welch

Citizens: Sherry Chew and Mary Reece representing Garden Home Crossing

President Schmidt called the Tualatin Valley Water District (TVWD) Work Session to order at 6:04 P.M.

Todd Heidgerken, Manager of the Office of Community and Intergovernmental Relations, facilitated the Work Session. Chief Executive Officer, Greg DiLoreto was out of town on business.

PLACING INFORMATION ON LOCAL GOVERNMENT BONDS AND LEVY BALLOT MEASURES IN TVWD PUBLICATIONS

At the September 2000 Board meeting, the District had been asked to endorse the Tualatin Hills Park and Recreation Local Option Levy. At that time the Board determined that this was not the District's function, however direction was given to bring back future endorsements on a case by case basis.

Mr. Heidgerken explained that the committee supporting the renewal of the Washington County Cooperative Library levy has contacted District staff with a request to place a factual statement regarding the levy in our customer's water bill. Staff is looking for specific direction from the Board in terms of staying with the direction given in 2000 that no information would be included in Tualatin Valley Water District (TVWD) publications or billing information that is not related directly to District business, or to revisit the topic and perhaps consider the newest proposal from Washington County.

Commissioner McWilliams suggested placing a link on TVWD's website of the levy described by Mr. Heidgerken. She pointed out that by adding the link, it would eliminate the cost to ratepayers in terms of adding information to the newsletter.

Mr. Heidgerken noted that Commissioner Burke had sent an email on September 1 to the Board and staff that included his opinion on the topic. He asked that his comment be included in the record.

Commissioner Burke wrote: *“I want it on record that I oppose getting TVWD involved in any issue that is not directly involved in our mission of providing water. I think that any such involvement on our part is inappropriate. I oppose getting involved or publishing anything, positive, negative, or neutral, on the local government/library bond proposal”.*

Commissioner Doane expressed his opinion of staying with the existing policy.

Commissioner Duggan concurred with Commissioner Doane and added that his concern would be that a practice of this nature could backfire and be viewed as an advocacy by the ratepayers if it were to be included in the bill. As Mr. Heidgerken had explained, including information in customer bills would not be timely due to bi-monthly billing cycle. He pointed out that the Voters Pamphlet is the most effective means of educating customers and he said he had no problem with adding a link to the Washington County Elections website.

President Schmidt indicated that District customers may become confused if they received information in their water bill with reference to other services other than water. He said he was also concerned with the 8 week billing cycle. President Schmidt stressed that he was not in favor of the District spending any money on information other than water. He concurred with leaving the policy status quo.

Legal Counsel, Clark Balfour, advised that adding links to the TVWD website is acceptable however, the link would need to point to information that is neutral and factual. Staff would need to explore the links to determine that the information is in fact neutral. Mr. Balfour suggested that if links are added, the Board and staff should consider a disclaimer. Mr. Heidgerken added that the Secretary of State’s office may consider information as advocacy, which could result in penalties associated not only to the organization, however personally as well. This would take careful consideration.

Mr. Heidgerken reviewed comments by the Board, and concluded that the Board’s consensus was to add an agenda item to the September 15 Board meeting for a formal motion with direction to move forward.

COMMUNITY PROJECT SUPPORT

Mr. Heidgerken briefed the Board on the memorandum (memo) dated August 31 (page 4 of the Work Session agenda packet) which was sent by email to the Board. He explained that the memo speaks of a recent request from Terry Moore, a customer of the District and a member of the Garden Home Crossing Committee (GHCC), regarding irrigation water and backflow device testing for a landscaped area located in the vicinity of 80th Avenue and SW Oleson Road in the Metzger area of the District. Mr. Heidgerken pointed out that upon receipt of the request the information was forwarded to the Board for their review. Staff is looking for feedback from the Board on how requests for community projects shall be addressed.

Mr. Heidgerken indicated that staff had not responded to the request, as the request creates a policy question to be answered by the TVWD Board members. The GHCC, who had made the request, has been patient knowing the circumstances.

Two GHCC members attended the meeting and provided clarification and information about their request.

President Schmidt opened the meeting to public comment.

Public Comment:

Mary Reece – 8330 SW 89th, Portland, OR – Representing Garden Home Crossing GHCC

Ms. Reece thanked the Board for allowing her to comment on behalf of the Garden Home Crossing GHCC (GHCC). She provided information which explained the background and history of the garden sites, sponsors and budget. She provided written comments and pictures of the garden site located at SW 80th and Oleson Road, which would be entered into the record (attached). Ms. Reece explained that when the GHCC began the project in 2008 of the largest garden area along 80th and Oleson Road, Washington County (County) who was widening the road at that time, installed the irrigation system which is metered along with a backflow device. The County also agreed to pay for the water and backflow testing. She said the GHCC expects to use anywhere from \$15 to \$18 per month for water during the watering months. Ms. Reece explained that the County had notified a GHCC member, Terry Moore, that they had a change of policy, which was not expected by the GHCC that would not allow the County to pay for the water and related maintenance after September 2010. She noted that the GHCC does negotiate with other agencies and private businesses to irrigate the other 13 gardens, a few being Tualatin Hills Park and Recreation District and the Portland Clinic.

Ms. Reece described the GHCC's request that TVWD support and sponsor the GHCC at the 80th and Oleson Road garden by placing the account in the name of the Tualatin Valley Water District and to also provide water and backflow maintenance for a few seasons, until the GHCC can develop a plan and locate a sponsor. The GHCC would cover repairs and maintenance of the sprinkler system. She mentioned that there are other utilities in the right-of-way.

Ms. Reece indicated that the GHCC did not feel that TVWD would be setting a precedent since the GHCC is the only volunteer group with such projects in Washington County.

Commissioner Doane indicated that he understood the request to be that TVWD could make an investment of around \$200 annually, until the GHCC had secured a sponsor.

Chief Engineer, Mark Knudson, pointed out that his calculations came to approximately \$110 to \$120 a year for water and backflow device testing.

Chief Financial Officer, Bernice Bagnall, pointed out that under the Revenue Bond Conveyance there is a provision that says that we will not, and are not allowed to give away free water or discounts for service. This does not actually take effect until the current bonds are defeased, which would be 2014. Ms. Bagnall explained that there is a short amount of time where this could be carried out, however this could send a negative message to the rating agencies that our Board enacted that covenant, and then paid no attention to it due to a technicality. She suggested that staff discussions had been of actually funding the GHCC and treat this like a donation, much like we do for Care to Share, which would not conflict with the bond covenants.

Board Comments:

Commissioner Doane said he understood the need to be immediate, until a permanent sponsor is established.

Commissioner Duggan thanked staff for investigating the various options. He explained that he was originally skeptical regarding the idea, but once he understood the request, he considered the opportunities for partnership and public education. He suggested that a plaque or sign be added to the garden that would speak of water efficiencies and conservation, and also refer the reader to the TVWD Demonstration Garden.

Commissioner McWilliams indicated that she had visited the garden site. She indicated that she was impressed with the design. Commissioner McWilliams noted that the garden site is located in a public area and agreed with Commissioner Duggan in terms of the opportunities for public education. She suggested that the meter account be transferred into the name of the GHCC with a pre-determined money amount donated by TVWD.

President Schmidt asked if there would need to be requirements or criteria for the types of plants that could be planted in the garden. Mr. Heidgerken explained that he believed there would not be requirements.

Mr. Heidgerken went over the options with the Board on page 2 of the Memo. The consensus of the Board, and direction to staff was to consider Option 4 with modifications.

- ❖ Transfer the account for the water meter into the name of the GHCC
- ❖ Enroll the account into TVWD's "Gold" Backflow Testing Program
- ❖ Agree to work with TVWD staff on opportunities to promote wise water use within the garden and encourage residents who are going through or by the garden to learn more from other resources such as TVWD's Website and Water Efficient Conservation Garden

Based on the current balance of the account for water usage since July 2010, the future backflow device testing fee, and the anticipated water use for the 2011 irrigation season as provided by members of the GHCC, TVWD would send a check in the amount of \$250 to cover these costs. Mr. Heidgerken explained that the check would be issued upon transfer of the account information to the GHCC and enrollment in the "Gold Plan" backflow testing program. The \$250 would be a one-time contribution.

2010-11 ORGANIZATION OBJECTIVES AND TARGETED TASKS (Objectives and Targeted Tasks are attached for reference)

Mr. Heidgerken explained the annual review process that has been in place for the past three years regarding the Board Goals in relation to Organizational Objectives and Targeted Tasks. Objectives are added based on the Board's suggestions and direction and can be deleted and revised as necessary. He pointed out that this method allows a way to measure progress, as well as meeting the Board's expectations. The Board Goals would extend for multiple years, however, objectives and targeted tasks may change year to year.

Mr. Heidgerken pointed out that the information presented at this meeting is for informational purposes only. Suggestions discussed by the Board would then be incorporated into a final draft document that would be presented to the Board for approval and adoption at the September 15 Board meeting.

Strategic Planning Coordinator, Cheryl Welch, presented and referred the Board to the spread sheet. Department Managers would present objectives related to their department.

Group 1

I: Provide a quality water supply in quantities to meet current and future needs

Chief Engineer, Mark Knudson, covered the objectives and targeted tasks 3-4, with respect to Goal I, as presented in the spreadsheet. He reported that progress will continue in terms of tracking the Tualatin Basin Water Supply Project in accordance with the Board's current policy, tracking the work by the Bureau of Reclamation (BOR) and ongoing assessment of seismic issues associated with Scoggins Dam. In addition, TVWD is currently participating with the City of Hillsboro (Hillsboro) with regard to a study that they are conducting, which is a reassessment of regional water supply options. Additional studies may be needed based upon the outcome of the study.

Commissioner McWilliams asked if Hillsboro was looking at taking ownership of the dam from the BOR, or would Hillsboro deem this as non-feasible due to cost.

Mr. Knudson answered that this is not an alternative that Hillsboro had considered however, there are alternatives of the existing resource that may include TVWD.

Commissioner McWilliams commented that staff's approach to objective 5 is commendable.

Commissioner Duggan asked if Hillsboro is looking at sources, such as ground water.

Mr. Knudson explained that there are several sources that were being considered, and ground water is one.

II: Provide an efficient, reliable and secure water system

Mr. Knudson covered Objective 12. He explained that the District currently serves around 130 properties in Multnomah County near the Washington County line. These properties are actually not within the TVWD established service area boundary. TVWD has infrastructure in place that serves these customers, some for as many as 40 years. The customers were established before the Urban Growth Boundary (UGB) was in place with no clear Urban Service Agreement. TVWD agreed to serve these customers. Mr. Knudson pointed out that the infrastructure in that area is in need of upgrades. The question is how TVWD should serve these customers. Mr. Knudson explained that in order to solve the issue in terms of the Objective, the ultimate objective would be to work with Washington and Multnomah Counties, and property owners to reach an understanding of which service area they should reside. In addition there are around 50 customers inside the UGB who will be addressed through an ongoing Urban Services planning project that would be sponsored by Multnomah County. TVWD would participate in the process.

Ms. Bagnall covered Objective 15, tracking of unaccountable water. She mentioned that this was an area that Commissioner Doane was particularly interested in. Ms. Bagnall explained that a cross departmental team has been established and is charged with water calculation issues which would create a process to calculate accurate measures and account for monthly water loss.

Commissioner McWilliams commented that when she toured the Barney Reservoir she noted a few situations that she felt were safety concerns. She asked if there were liability insurance in place.

Mr. Knudson said there is insurance in place through the JWC and Barney Commission partnership. The City of Hillsboro is the managing partner. The concerns noted by Commissioner McWilliams were reported based on the tour to the City of Hillsboro.

III. Provide stewardship of District assets and resources

Mr. Knudson covered Objectives 18 and 19. He referred to Objective 18 as the creation of a water main replacement program. Currently the District has approximately 750 miles of pipelines. If the expected service life of those lines is 200 years, the District should be replacing close to 4 to 5 miles a year. Mr. Knudson explained that the District is replacing less than a quarter of that amount. The objective is to create a program that would identify and prioritize replacement of pipes which would be around 4 miles of pipe per year. Older pipes were installed in such a way that they were not especially careful in the use of bedding and backfill. This now seems to be a corrosion problem.

Manager of Customer and Support Services, Brenda Lennox, indicated that currently the phone system does not have the capability to call to remind delinquent customers that their water will soon be shut off for nonpayment or for other important messages. Ms. Lennox explained that it makes sense to wait until a new phone system is in place to avoid additional costs. This may be within the next 5 years.

Mr. Knudson described Objective 19. This is implementing the work that the Board had recently heard at a presentation during a recent Board meeting given by Engineer, Mike Britch in terms of implementing planning and enhancements for West Hills Reservoir and Pump Station reliability improvements. This was added as a new objective.

Ms. Bagnall covered Objective 20. She pointed out the troubles that many banks are facing during this economy. The District is attempting to comply with an increase level of payment card industry security standards. The Targeted Task is to complete the firewall deployment and network security upgrades. IT team is working on a PCI Self-Assessment survey and will submit this to the bank. The team is working towards addressing security remediation.

Group 2:

IV: Be an employer of choice in the water industry

Human Resources Manager, Debbie Erickson, covered Objective 22. She pointed out that as the workforce becomes older, it is important to capture knowledge. The District will continue with the Workforce Planning Project. The implementation of the new Financial Management System will be helpful as well as the Computerized Maintenance Management System (CMMS).

Commissioner Doane indicated that he presumed that the District is utilizing interns from various universities. Ms. Erickson replied that yes, the District looks at various universities and is also utilizing the CECOP program. Interns are chosen for departments as needed.

Commissioner McWilliams asked how the interns are trained in terms of generational differences. Ms. Erickson pointed out that there have not been any problems so far.

President Schmidt asked if the District is keeping up with the Social Media that appears to be at the forefront. Mr. Knudson explained that he had noticed a trend with text messages as opposed to phone calls in terms of communication from one crew to another, coordinating workloads.

V. Promote customer awareness of the services and value we provide

Mr. Heidgerken covered Objective 28. Mr. Heidgerken explained that the District has done well in terms of reaching out to the elementary school age children. Expanded efforts are underway to explore opportunities with respect to middle and high school students. Commissioner McWilliams had suggested at an earlier date to go toward some of the non-traditional routes. Mr. Heidgerken pointed out that efforts continue with reaching out to the Beaverton School District. He mentioned that this has been a difficult process in terms of getting their attention which has been extremely difficult.

VI. Promote beneficial partnerships with other entities

Manager of Operations, Dale Fishback, covered Objective 33. This is a newly added objective.

Commissioner McWilliams asked if TVWD were included in the emergency radio program. Mr. Fishback clarified that TVWD employees would have radio contact with each other, however regional radio communication has mostly been State driven with 800 numbers. He added that there is uncertainty at this point, however, this is being watched to determine what the larger agencies will do. In the case of a disaster, a Command Center would be established and direction would be given from that point. The District does own a satellite phone that could be utilized if necessary.

Commissioner McWilliams asked if TVWD's operational data is stored off site.

Mr. Knudson explained that at the current time a change is being made which includes the **SCADA upgrade project which would enhance the procedure of how District personnel would** backup and store this data along with other District data.

Commissioner Duggan commented that the District should stay on top by being involved with ORWARN, as long as the meetings and training apply to the District.

Mr. Fishback clarified for Commissioner McWilliams on how a satellite phone operates. Washington County has several satellite phones that could be used at the Command Center.

VII: Support effective organizational performance through enhanced internal operational systems

Mr. Heidgerken covered targeted tasks 35-36 that he explained were newly added.

Bernice Bagnall covered Objectives 34, 37, 38 and 39. She pointed out that the IT Department is in the process of running their department as sustainable as possible, and also to become more robust and reliable in order to support TVWD business needs and internal controls. Ms. Bagnall indicated that the new financial software the District purchased from New World Systems, which is network web-based (LOGOS), will enhance the District's organizational performance. She added that key staff members are in the midst of learning the logos program. This software program is able to support a biennium budget.

Commissioner Duggan inquired about the SharePoint program and its uses.

Mr. Knudson explained that SharePoint is a Microsoft add-on product. The program is integrated with Microsoft Office and is used with other Microsoft tools to share, store and retrieve documents and files. Workgroups are able to share documents.

VIII: Fulfill District mission in a manner that provides regional leadership, protects the earth's environment, supports a strong economy, and promotes a robust community

Ms. Welch indicated that this objective contains sustainability work.

Ms. Lennox covered Objective 43. She explained that work will continue in terms of automated meter reading (AMR) implementation. Not only does this protect employees when taking a meter reading, this also protects our environment with respect to the District's carbon footprints, with fewer miles driven. There are 185 commercial meters being read per AMR. Implementation is also taking place in new sub-divisions as well as replacement meters. There are 200 residential meters with AMR capabilities.

Commissioner McWilliams asked for clarification on Objective 48, taking on accounting tasks currently handled by Vision Action Network (VAN).

Ms. Bagnall replied by explaining that the new financial system is able to handle this sort of accounting, therefore it made sense to set up the small financial accounting piece for the Partners for a Sustainable Washington County. The Executive Director, Douglas Tsoi, resides at the District and this will be helpful for Mr. Tsoi in his position.

Commissioner McWilliams inquired about the situation with Tualatin Valley Community Television, with respect to the coverage of TVWD Board meetings, both TV and streaming. Ms. Bagnall explained that should the company fold, staff would approach the Board for suggestions.

Commissioner Doane asked if the employee recycling program has been productive.

Ms. Welch explained that the program is going well, and opportunities are reviewed and implemented if feasible.

ADJOURNMENT

Without objection, President Schmidt adjourned the meeting at 7:57 P.M.

**BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT**

BY: _____
Dick Schmidt, President

BY: _____
Jim Duggan, Secretary

Date Approved: October 20, 2010