

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
NOVEMBER 17, 2010
REGULAR MEETING

Present: Commissioners: President Dick Schmidt, Jim Doane, Jim Duggan, and Marilyn McWilliams (Commissioner Burke was absent due to work related business)

Management

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

Public: None

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

President Dick Schmidt called the Regular Meeting to order at 7:00 p.m.

REPORTS BY CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Chief Executive Officer, Greg DiLoreto, reported that on page 30 of the October AWWA Opflow publication, there is an article written by Strategic Planning Coordinator, Cheryl Welch. The title of the article is “What does Sustainability Mean to a Water Utility”. This article is a preview of the book that Ms. Welch recently authored, titled “The Green Utility, A Practical Guide to Sustainability”.

There has been limited interest to the District’s advertisements for the open Budget Committee position. CEO DiLoreto asked the Board to notify him should they know of anyone living within the District that may have interest. Budget workshops begin March 29, 2011.

District employees will hold their annual auction November 18 to raise money for local charities. This year employees have chosen Shrines Children’s Hospital, Kelly Heinz-Grunder Brain Tumor Foundation, and True North Helping Hands.

CEO DiLoreto explained that for the past year he had been a team member serving on a Water Research Foundation project, “Future Trends in the Water Industry”. The research has identified a number of trends and some that may affect the District. It is necessary that District staff be prepared to address those trends. He indicated that Cheryl Welch, Strategic Planning Coordinator, has been assigned to facilitate this project. He explained that a core team of staff has been formed to work on this assignment. President Schmidt has been asked to select two Board members to assist. Once the trends and potential strategies for addressing those trends have been identified, workshops with the Board will be scheduled to finalize the plan.

Chief Engineer, Mark Knudson, provided the department report “Five Projects in Five Minutes”. (PowerPoint slides attached)

REPORTS OF MEETINGS ATTENDED AND COMMISSIONER TOPICS

A report was given by each commissioner of the meeting they had attended for the month.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

None

CONSENT AGENDA

It was moved by Commissioner McWilliams and seconded by Commissioner Duggan to approve the consent agenda consisting of the Work Session Minutes of October 5, and the Regular Meeting Minutes of October 20, 2010. The motion carried.

DISTRIBUTION OF LOCAL GOVERNMENT BOND AND LEVY BALLOT MEASURE INFORMATION (MOTION TO ADOPT)

Manager of the Office of Communication and Intergovernmental Relations, Todd Heidgerken, provided the staff report. He explained that during the September 15 Board meeting, the Board had given direction to staff to develop a process for District staff to include a reminder on the TVWD website of a pending election by providing a link to the Washington County Elections website for additional information. He indicated that at that time it was noted that District staff would come back to the Board with a formal Board Policy for their consideration, of which is included in the agenda packet on page 25.

Hearing no questions of the Board, President Schmidt called for a motion to approve the newly stated Board Policy “Distribution of Local Government Bond Levy Ballot Measure Information”.

It was moved by Commissioner Doane and seconded by Commissioner Duggan to approve the policy as stated by President Schmidt. The motion carried. (This will be added to the Board Policy Handbook).

A MOTION AUTHORIZING A NEW POSITION IN THE FINANCE AND INFORMATION TECHNOLOGY DEPARTMENT FOR 2009-2011 (MOTION TO ADOPT)

CEO DiLoreto indicated that with ongoing detailed projects underway and new projects coming up, the District is in need of a position in the Finance and Information Technology Department. He gave the floor to Chief Financial Officer, Bernice Bagnall who covered the details.

Ms. Bagnall pointed out that she had included a background document on pages 27-29 of the agenda packet, of which she explained in detail. The Finance Department has not added staff since 2005. Since then the District is moving in the direction of comprehensive asset management and lifecycle costs of capital decisions. As indicated by Mr. Knudson earlier in his presentation, District staff is busy working on more capital projects in house than in the past. Ms. Bagnall pointed out that asset and project accounting requirements, in terms of auditing purposes, have become more complex. This will continue with new auditing and public disclosure rules.

Ms. Bagnall highlighted for the Board, the following new tasks that the Finance Department has taken on since the last time the Finance Department added a staff position.

- Procurement-card system management and accounting
- Performance measure tracking
- Accounting for Gold and Silver backflow programs
- Other Post-Employment Benefits accounting and reporting
- On-line credit card and System Development Charges (SDC's) credit card acceptance and the associated bank reconciliations
- Positive Pay check verification with the bank
- Joint Venture accounting for Willamette River Water Coalition and the Joint Water Commission
- Calculation of Sherwood and Tualatin wheeling charges and exhibits
- Joint water supply planning meetings with Engineering
- Financial System Conversion Project
- Support for HR/Payroll conversion and maintenance
- IT Steering Committee and strategic planning for IT projects
- Carbon Emission Reduction Task Force participation
- Specialized reporting for the City of Beaverton
- Accounting for TVWD's non-profit and for Partners for a Sustainable Washington County Community (PSWCC) (pending)

In addition, the existing accounting system is 30 years old, dated and unreliable in terms of risk to the District, which could cause major failures.

Ms. Bagnall explained the current situation with the new accounting system (LOGOS) which requires a great deal of data entry. She pointed out that this has used up finance and accounting staff's capacity that was previously available.

The proposed solution presented to the Board is to add a full-time capital asset and project accounting position, which would address the needs listed on page 29 of the agenda packet. Ms. Bagnall stated that District staff is hopeful that once the financial conversion project is complete, some of the finance and accounting staff will have more time available for other assignments.

By adding the new position, support would be provided to assist in the implementation of the District's Capital Improvement Program, allow enhanced cost tracking of services provided to contract entities, provide resources needed to make effective use of financial and asset management systems software, and produce the type of quality project information that is needed for departments.

There is no need for a contingency transfer to fund the position. Due to vacancies in other positions at the beginning of the biennium, there is sufficient budget left in the finance departmental personal services budget to cover the position for the remainder of the year. There will be an impact to the 2011-2013 biennial budget for salary, benefits, and materials and services.

Board/Staff Discussion:

Commissioner Doane expressed his principle concern with adding staff at this time. He indicated that he was under the impression that the new finance/accounting system would provide greater efficiencies, without having to add staff. He questioned the value of the proposed position to the ratepayer. He explained that he was concerned with what may happen in the future with respect to staffing. He pointed out that conversations with the Board and staff are extremely important in order to prepare for what is to come.

Ms. Bagnall explained that she shared Commissioner Doane's concerns. The main reason for the upgraded system is risk to the District, as she had pointed out earlier. Commissioner Doane applauded staff for developing the IT Steering Committee in terms of looking ahead to assure the new system is providing the District with the needed efficiencies.

Commissioner McWilliams asked for clarification from Ms. Bagnall of future legislative requirements that are imminent with regard to record keeping, as well as risks and how the proposed position would address these issues. Ms. Bagnall explained that new accounting standards are written by the Governmental Accounting Standards Board (GASB) and these standards change in relation to audit reporting. This requires the District to keep various records that had not been needed before. In terms of risk, separation of duties is essential, which requires cross training of duties. Ms. Bagnall indicated that procurement cards have eliminated some risk due to the way in which they are used.

Commissioner Duggan agreed that from his experience on the Board, he noted that it is unusual for staff to ask for a new position outside of the normal Budget process. He indicated that he felt the position is justified and added that staff should not hesitate to ask for new positions if the need exists and can be justified.

Commissioner McWilliams stated that reading the agenda reports, she recognizes the fact that even with the current economy the District continues to grow therefore workloads would increase.

President Schmidt agreed and added that the District needs to keep up with technology. He pointed out that computer issues are much better evolutionary than revolutionary.

Commissioner Doane pointed out that according to the information in the agenda packet the pay grade for the proposed new position is open. He asked staff to notify the Board if the grade is determined to be over a grade 6. If so, he asked that staff bring the item back to the Board for their consideration. CEO DiLoreto explained that the grade would be determined by the grade committee after the job description had been written and approved, most likely in the next month. He said the estimate is that the position would be either a grade 5 or 6.

President Schmidt called for a motion.

It was moved by Commissioner Doane and seconded by Commissioner McWilliams authorizing a new position in the Finance and Information Technology Department for 2009-2011 with the provision to bring the item back to the Board should the pay grade be determined above a 6. The motion carried.

ADJOURNMENT

There being no further business, it was moved by Commissioner McWilliams and seconded by Commissioner Duggan to adjourn the Regular Meeting at 7:55 p.m. The motion carried.

BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT

BY _____ BY _____
President, Dick Schmidt Secretary, James Duggan

Date Approved: December 15, 2010