

Tualatin Valley Water District



BOARD OF COMMISSIONERS

1850 SW 170th AVENUE

JANUARY 19, 2011

REGULAR MEETING

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

Management

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

Other Staff: Douglas Tsoi, Tod Burton

Public: Mark Jockers - Clean Water Services, Phil Kubischta - Southwood Park Water District, Thane Young - Van Scoyoc & Associates – Washington D.C. Government Affairs consultant for the Tualatin Basin Water Supply Project

Note: Unless otherwise indicated, the words “Motion carried” mean 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 announced that registration is open for the American Water Works Association Conference, which will be held in Washington D.C. in June. Executive Assistant, Patty Rupp will be coordinating registrations and logistics for the Board members.

CEO, DiLoreto provided an update of the recent turbidity event of the Bull Run source. The Bull Run system was shut down Sunday, January 16 due to high turbidities in Reservoir #1. The Columbia South Shore Well Field was placed into service. He indicated that Portland would continue to issue turbidity updates throughout the week.

The Annual Employee Awards Banquet is Saturday, February 5 at 6:00 p.m.

Budget Committee meetings are scheduled for March 29, April 14 and May 10.

The topic for the February 2 Board Work Session is a discussion of the District’s conservation program.

CEO, DiLoreto introduced Thane Young with Van Scoyac & Associates, the Washington D.C. Government Affairs consultant for the Tualatin Basin Water Supply Project (TBWSP). Mr. Young addressed the Board in brief on the status of the TBWSP. He indicated that the Project remains in a good position for further consideration by the Bureau of Reclamation (BOR). Mr. Young explained that a decision from the BOR should be introduced sometime in 2014.

The Office of Community and Intergovernmental Relations provided the staff report. Douglas Tsoi, Coordinator for the Partners for Sustainability Washington County Community, provided an overview of the organization.

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 Burke to approve the consent agenda (Work Session Minutes of December 2, 2010, Regular Meeting Minutes of December 15, 2010, and Resolution 01-11 establishing Regular Meeting dates of the Board of Commissioner for 2011). Commissioner Doane seconded the motion. The motion carried.

CHANGE OF REGULAR BOARD MEETING DATES FOR 2011

It was moved by Commissioner Doane and seconded by Commissioner Burke to change the Regular Board meeting dates from the third Wednesday to the fourth Thursday for the following dates:

- ❖ June 23
- ❖ July 28
- ❖ August 25
- ❖ October 27

The motion carried.

RESOLUTION 02-11, AMENDING SYSTEM DEVELOPMENT CHARGES, DECLARING EFFECTIVE DATE

Chief Financial Officer, Bernice Bagnall, provided the staff report. She explained that the District conducts an annual analysis of the District's System Development Charges (SDC's) as well as a formal revision every five years in conjunction with updates to the District's 2007 Water Master Plan. A new analysis is anticipated as part of the 2012 Water Master Plan Update.

Adjustments are made according to changes published in the Engineering News Record Seattle Construction Cost Index. She pointed out that in 2010, the Board moved approval of a decrease in the SDC by 1.4% due to the index dropping by that amount. This year, however, prices are slightly higher.

Per Section 4 of Resolution 02-11, staff recommends an increase of 0.74% based on the change in the Seattle Construction Cost Index.. The December 2010 index is 8,710.74. This change will increase the SDC on a 5/8 x 3/4-inch meter by \$40 to \$5,521. In compliance with Section 4 of Resolution 02-11, and to allow sufficient time for customer notification, staff requests an effective date of March 1, 2011.

It was moved by Commissioner Burke and seconded by Commissioner Doane to adopt Resolution 02-11. The motion carried.

RESOLUTION 03-11, ADOPTING THE INVESTMENT POLICY

Ms. Bagnall provided the staff report. Finance staff conducts an annual review of the District's Investment Policy to ensure it meets current portfolio management needs and complies with state statutory requirements under ORS 294.135. This requires the policy be adopted annually by the governing body if investments are made for maturities in excess of 18 months.

Ms. Bagnall explained that Staff is recommending a minor change to the Investment Policy under Section 6:2 Portfolio Diversification by Institution to increase allowable holdings of Banker's Acceptances from 5% to 10%. The policy document itself has been redesigned to an improved reader friendly format.

The District's investment policy was approved by the Oregon Short-Term Fund Board (OSTF) in April 2009. The OSTF review is conducted when significant changes are requested for an investment policy of a political subdivision investing public funds under ORS 294. District staff has consulted with the OSTF staff regarding the change on Banker's Acceptances, and have been informed that the modification falls within OSTF guidelines. Therefore, the District is not required to submit the policy for further review.

Finance staff will continue to report monthly to the Board on the performance of District's investment portfolio, as well as monitor any future legislative developments that might affect the statutory requirements for the investment of public funds.

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to adopt Resolution 03-11. Commissioner McWilliams expressed her appreciation to the Finance Staff for putting together a great policy in difficult economic times.

The motion carried.

APPOINTMENT OF TVWD BUDGET COMMITTEE MEMBER

It was moved by Commissioner Burke and seconded by Commissioner Duggan to appoint the three Budget Committee members as described in the agenda packet. President Schmidt explained that the process of interviewing candidates for the one open Budget Committee position was a pleasant experience as all four candidates had the proper qualifications. Ms. Bagnall agreed, and pointed out that all four had strong backgrounds and demonstrated knowledge of District operations and finances.

Ms. Bagnall indicated that based on a broad range of private and public financial experience, and her complementary skills to the other members of the committee, the interview panel recommends the appointment of Ms. Linda Latto to the Budget Committee.

Oregon Local Budget Law specifies terms of four years for a biennial budget, and provides discretion to the governing body so terms may be staggered. The Budget Committee recommendations and terms are as follows:

Ms. Linda Latto – four years (term expires 2015)

Mr. Craig Hopkins – four years (term expires 2015)

Mr. John Velehradsky – four years (term expires 2015)

The remaining two members of the Budget Committee – Todd Sanders and Mike Whitely are both within their current terms, which expire at the end of 2013.

The motion carried.

Commissioner McWilliams reiterated her comments earlier in the meeting regarding the Investment Policy and gave *kudos* to the staff for their efforts.

ADJOURNMENT

There being no further business, it was moved by Commissioner Burke and seconded by Commissioner Duggan to adjourn the Regular Meeting at 7:42 p.m. The motion carried.

BOARD OF COMMISSIONERS TUALATIN VALLEY WATER DISTRICT

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

Date Approved: February 16, 2011