

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
JULY 28, 2011
REGULAR MEETING

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

Management

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

Staff: Tod Burton

Public: Allen Tauscher, Andrew Carlstrom
Sherry Chew and Mary Reece – Garden Home Crossing Committee

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 7:02 p.m.

OATH OF OFFICE, SWEARING IN OF NEWLY ELECTED BOARD MEMBERS

Commissioned notary, Patty Rupp, swore Commissioner's James Doane and Richard Burke into office as Commissioners of the Tualatin Valley Water District (TVWD) for the terms noted below. Elections took place in May 2011.

Position No. 4 - Richard Burke - July 1, 2011 to June 30, 2015

Position No. 5 - James Doane - July 1, 2011 to June 30, 2015

ELECTION OF BOARD OFFICERS

President:

It was moved by Commissioner Doane and seconded by Commissioner McWilliams to appoint President Schmidt to his second term as Board President. No other nominations were cast. Vice President McWilliams then called for the vote. The motion carried.

Commissioner McWilliams then returned the gavel to President Schmidt.

Vice-President:

It was moved by Commissioner Doane and seconded by Commissioner Burke to appoint Commissioner McWilliams to her second term as Vice-President. No other nominations were cast. The motion carried.

Treasurer:

It was moved by Commissioner Doane and seconded by Commissioner McWilliams to appoint Commissioner Burke to his second term as Treasurer. No other nominations were cast. The motion carried.

Secretary:

It was moved Commissioner Doane and seconded by Commissioner McWilliams to appoint Commissioner Duggan to his second term as Secretary. No other nominations were cast. The motion carried.

Note: Commissioner Doane retains the position of Acting Secretary.

BOARD APPOINTMENT TO COMMITTEES

Commissioner Burke moved to maintain the current board appointments to committees as status quo. Commissioner Doane seconded. The motion carried.

REPORTS BY CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

CEO, DiLoreto announced that staff had recently been notified that TVWD had been selected as one of the 100 best non-profit employers to work for by the Oregon Business Magazine.

CEO, DiLoreto provided an update to the Board on the Tualatin Basin Water Supply Project (TBWSP). At a recent meeting, the TBWSP partners were informed that the Bureau of Reclamation would not have estimates on the cost to upgrade Scoggins Dam until May 2012. CEO, DiLoreto reported that the original schedule called for estimates in September 2011. Unfortunately, this affects all of the partners and in particular, the City of Hillsboro, which has been waiting on these figures in order to complete their water supply comparison study. Recent news has identified within the inundated area of the 40-foot dam raise a threatened plant know as Kincaid Lupine. In addition, a species knows as the Fender Blue Butterfly has been discovered.

CEO, DiLoreto announced that he had received retirement notices from Chief Financial Officer, Bernice Bagnall, and Human Resources Manager, Debbie Erickson. Both are due to retire at the end of November 2011. Processes are in place to replace these positions. He added that the intention is to have new employees on staff for training three to four weeks before November 30.

CEO, DiLoreto reported that notice had been received from the IRS of the District's tax-exempt status. This will allow employee donations and purchases at the annual charity auction to become tax deductible above the true cash value. The auction is held annually in November by the employees to raise funds for charities selected by the employees.

CEO, DiLoreto stated that he would not seek any changes to his employment contract this year and as such would suggest that the Board dispense with his annual performance review.

Goal setting for the coming year will be held as part of the Work Session on September 6.

Departmental Report

Due to a water main break that occurred at 4:30 p.m., the departmental report by Operations Manager, Dale Fishback was postponed.

REPORTS OF MEETINGS ATTENDED AND COMMISSIONER TOPICS

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

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Mary Reece and Sherry Chew – Garden Home Crossing Committee
P.O. Box 19332, Portland, Oregon 97280, email rosymary7@gmail.com

Ms. Reece and Ms. Chew came before the Board with a request for additional funding to cover irrigation water in order to maintain one of their 13 gardens located along Oleson Road in the Metzger area of the District. They had first addressed the Board for the same reason in September of 2010. Ms. Chew shared photos of the gardens with the Board. Ms. Reece pointed out that donations are made by the volunteers who help maintain the gardens, however this is not enough to cover the cost of irrigation. Ms. Reece indicated that TVWD had credited the Garden Home Crossing water account in 2010 with a donation of \$250 dollars that paid for a large water leak as well as the cost for the backflow device inspection. Ms. Reece said the Garden Home Crossing Committee was seeking an additional donation from TVWD to help maintain the garden.

Commissioner Burke asked Ms. Reece the specific amount of the request.

Ms. Reece replied that the volunteers were asking for \$200.

Commissioner McWilliams asked Ms. Reece for an address where citizens could provide donations. Ms. Reece responded with her personal address (above).

Commissioner Burke moved to provide a one-time donation of \$200 to the Garden Home Crossing Committee as a public service gesture. Commissioner Doane seconded the motion. The motion carried.

CONSENT AGENDA

Commissioner Burke asked Legal Counsel, Clark Balfour, if there may be a conflict of interest for he and Commissioner Doane to vote for item 8.2, Certification of Election Results for the May 17 Election, since they had been elected. Mr. Balfour explained that this is would not be considered a conflict of interest.

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to divide the question. Commissioner Doane indicated that he did not attend the meeting of June 23, 2011 therefore, he would abstain from voting on that item.

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to approve Item 8.1. The motion passed with three votes in favor and one abstention.

It was moved by Commissioner Doane and seconded by Commissioner Burke to approve Item 8.2. The motion carried

PUBLIC HEARING FOR PROPOSED RATES IN ACCORDANCE WITH ORS, CHAPTER 264.312 FOR THE PURPOSE OF CONSIDERING RATES AND CHARGES TO CUSTOMERS FOR WATER SERVICES PROVIDED

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to recess the Regular meeting and open the Rate Hearing. The motion carried.

President Schmidt then read written testimony from two citizens for the record (attached).

- Hy P. and Myra M. Jackson - 620 SW 167th Avenue, Beaverton (wrote in opposition)
- Dixie Kroll – 630 SW 126th Avenue, Beaverton (telephone call to Tod Burton in favor)

Staff Report:

CEO, DiLoreto, and Planning and Debt Project Manager, Tod Burton, provided a PowerPoint presentation regarding the proposed rate increase.

- TVWD is a Special District water utility (receives no tax dollars; funded entirely by rates, Commissioners are elected at large).
- TVWD serves 205,000 citizens through 58,100 connections.
- Provide contract services to other entities (meter reading for City of Beaverton, billing for Clean Water Services, and management of Southwood Park and Valley View Water Districts)
- TVWD makes every dollar count
- Water demand, which has fallen for 4 years in a row, is projected to level out
- Fixed charge increases implemented in 2010
- Lower than projected purchased water costs from Portland, savings by using interruptible water for peak demand
- Supports Capital Improvement Plan (CIP)
- Supports Board policy goals and financial plan
- Recognizes challenging economic conditions for customers

Rates pay for reliable, quality water for consumption, cooking, hygiene, irrigation and fire protection. They also pay for the CIP replacements and maintenance, hydrant-flushing program, customer service, conservation programs and major initiatives.

CEO, DiLoreto explained that staff was recommending a lower increase than originally planned.

- Proposed increase of 1.5% overall for 2011-12 (last year staff had anticipated requesting a 4.0 % increase for 2011-12)
- On average this equates to \$0.36 per month for a typical residential customer with a bi-monthly average of 14 ccf using 5/8-inch meter
- Operational cost savings and delay of the TBWSP allows a much smaller rate increase request
- The District remains in a strong financial position
- Proposed rates must meet revenue requirements for 2011-12
- Cost of Service Rate Study underway with results anticipated in December 2011
- The recommended effective date of the proposed increase is October 1, 2011

Mr. Burton identified the recommended changes to other charges based on analysis of actual costs.

- No changes to most fees
- After hours/weekend turn-on and off (additional charge for non-business hours service, increase \$5 from \$45 to \$50)
- Removal/locking of meter (increase from \$80 to \$85 for meter removal and increase from \$50 to \$55 for locking [first occurrence])
- Testing of meter off premises (increase from \$255 to \$285)
- Temporary Irrigation Meters (new)
 - New customer class code 7, automates current customers in the Utility Billing System
 - Establishes \$1,990 fee; pays same fixed and water commodity charges as other District customers (program to be monitored by Engineering Services)
- Meter and Service Installations
 - Meter fee increases vary by meter size (\$20 - \$45)
 - Service installations and Dig-Ins are adjusted upward an average of 8% to cover labor and material costs

In closing, Mr. Burton outlined the staff's recommendation for the proposed rate increase with the Board's approval of Resolution 07-11 as presented, with the effective date of October 1, 2011.

Seeing no public testimony, it was moved by Commissioner Burke to adjourn the rate hearing at 7:53 p.m. Commissioner Doane seconded. The motion carried.

RESOLUTION 07-11, ESTABLISHING RATES, FEES, AND OTHER CHARGES FOR TVWD;
DECLARING EFFECTIVE DATE AND OTHER MATTERS RELATING THERETO

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to adopt Resolution 07-11, establishing rates, fees, and other charges for TVWD, declaring effective date and other matters relating thereto.

Board discussion:

Commissioner Burke expressed concern with the current situation in Washington D.C. should the Federal debt be downgraded, which he described could cause a ripple effect on water supply planning. Discretionary spending could be affected, therefore now would be the time to posture for future planning in terms of timelines.

Commissioner Doane indicated that he appreciated the remarkable effort by staff to keep the rate increase to 1.5%.

President Schmidt then called for the vote. The motion carried.

DIRECT REMAINING CONTRIBUTIONS OF EMPLOYEE IRS 125 FLEXIBLE SPENDING ACCOUNT TO “CARE TO SHARE”

CEO, DiLoreto explained that once each year, TVWD employees who wish to participate in the IRS Flexible Spending Account designate a portion of each paycheck into this account. The funds are deducted from employee’s paychecks tax-free and are used to pay for any unreimbursed medical, dental, vision expenses as well as dependent daycare that qualifies under the plan. IRS rules state that any money not used by the employee at the end of the plan year is forfeited to the District and rolls into our other miscellaneous income. The District can use those funds for any lawful purpose, however, the District is prohibited by the IRS from returning those funds to the employees that contributed them. In 2007 and 2008, \$2,881.66 remained and was donated, with Board approval, to “Care to Share”. In 2009, employees left \$1,556.43 and in 2010, they left \$2,893.39. Given the difficult economic climate, it is proposed that this leftover amount from 2009 and 2010 totaling \$4,449.82 once again be contributed to the “Care to Share” program.

It was moved by Commissioner McWilliams and seconded by Commissioner Doane to direct the remaining contributions of employee 125 Flexible Spending account to ‘Care to Share’ as describe by CEO, DiLoreto. The motion carried.

ALTERNATIVE METHODS FOR PUBLIC BROADCAST OF DISTRICT BOARD MEETINGS

Manager of Community and Intergovernmental Relations, Todd Heidgerken, explained that the Commissioners had inquired at the last Board meeting about options for making the viewing of TVWD Board meeting more available to customers. He referred to pages 53-55 of the agenda packet, which provided six options for the Board to consider. He indicated that staff recommended Option 2, “Current Process and Add On-Demand Video Streaming to the Web”. He pointed out that this option could be implemented at no additional cost, and provides better access to viewing meetings on demand (the day after the Board meeting).

Commissioner Doane asked if “closed captaining” would be included in the staff’s recommendation. CEO, DiLoreto clarified that there is money in the budget to include closed captaining. A discussion took place amongst the Board and staff on the subject.

It was moved by Commissioner Burke and seconded by Commissioner McWilliams to adopt Option 2 as written in the memorandum from staff to the Board dated July 14, 2011, and included in the agenda packet on pages 54-55. The motion carried.

ADJOURNMENT

There being no further business, it was moved by Commissioner McWilliams and seconded by Commissioner Burke to adjourn the Regular Meeting at 8:10 p.m. The motion carried.

BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT

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

Date Approved: August 25, 2011