

# Tualatin Valley Water District



BOARD OF COMMISSIONERS  
1850 SW 170th AVENUE  
BEAVERTON, OR 97006  
WORK SESSION  
SEPTEMBER 6, 2011  
6:00 PM

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

Management

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

Staff: Cheryl Welch

Citizens: None

President Schmidt called the Work Session to order at 6:02 p.m.

2011-2012 DISTRICT OBJECTIVES AND TARGETED TASKS (Objectives and Targeted Tasks are attached for reference)

Chief Executive Officer, Greg DiLoreto provided opening comments. He indicated that this is an annual process where the Board of Commissioners is asked to review the Tualatin Valley Water District's (TVWD) Organizational Goals, Objectives and Targeted Tasks. Objectives are revised as necessary. Items are updated or created in order to provide specific actions intended to refine the District's strategic plan. Staff is seeking feedback from the Board on the draft 2011-12 document. Suggestions by the Board will then be incorporated into a final draft document that would be presented to the Board during the September 21 Board meeting for approval.

CEO, DiLoreto then gave the floor to Strategic Planning Coordinator, Cheryl Welch, who provided a PowerPoint presentation of the Goals, Objectives and Targeted Tasks to be considered. She explained that the format of the document had been revised slightly in order to clarify performance measures and targets.

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

Chief Engineer, Mark Knudson, covered Objectives 1 through 5.

Commissioner Doane asked what the timing is for the Hillsboro Master Plan. Mr. Knudson explained that Hillsboro originally had thought the results would be available by the end of 2011. Due to the Bureau of Reclamation's hold up in terms of Scoggins Dam, this may be completed later than Hillsboro had originally planned.

Commissioner McWilliams asked if there would be adequate water supply upon draw down, should ASR be utilized. Mr. Knudson indicated that ASR is included in the plan; however, capacity could be an issue. JWC is involved in an exploratory ASR well that could be expanded to a production well.

Manager of the Office of Community and Intergovernmental Relations (OCIR), Todd Heidgerken, covered Objective 5 as it relates to the Conservation Program. Staff is moving ahead with the modifications to outdoor water use rebates and as well as residential rebates. The BIG program will become more flexible.

**Goal II: Provide an efficient, reliable and secure water system:**

Ms. Welch covered Objective 6 and pointed out that staff has continued to manage the peaking factors relating to the Portland Water Bureau's (Portland) Wholesale contract and anticipates negotiating a lower peaking factor next year.

Objective 10 is ongoing and staff continues the implementation of enterprise-based GIS in relation to the updated work-plan. A solid foundation is being created to move forward with the Computerized Maintenance Management System or CMMS.

Commissioner Doane inquired about Objective 7, Emergency Water. Mr. Knudson explained that Portland is slow making progress with negotiating easement agreements with property owners for the intertie site.

Commissioner Duggan questioned the timing of Objective 11 under Goal II. Mr. Knudson indicated that although the scanning process is slow, staff is confident 10% per year is reasonable. The documents will ultimately included in GIS.

Mr. Knudson covered Objectives 8 through 12. He mentioned that Objective 12, annexations to bring existing customers in Multnomah County into Washington County and the District's service area is on hold for the time being due to Washington County's planning processes. Washington County ultimately has the authority as to whether the District can annex into Multnomah County. Apparently, Washington County does not want to imply that there is a commitment for transportation obligations in the future. CEO, DiLoreto added that this might come to a legislative decision.

Chief Financial Officer, Bernice Bagnall, covered Objective 13. She indicated that the process is on track and is confident the financial forecast supports major water supply acquisitions. She mentioned that consideration has been taken to go out for a small bond issue in the next few years in order to re-establish the District's presence in the bond market.

Manager of Operations, Dale Fishback, covered Objective 14. Security upgrades are ongoing.

Ms. Bagnall covered Objective 15, and explained that this relates to unaccounted for water calculation issues. Mr. Knudson indicated that supply line meter calibration errors have been discovered and testing of other system inputs has taken place. Staff has been working to refine calculations and make sure all meters are included in SCADA reports.

**Goal III: Provide stewardship of District assets and resources:**

Ms. Welch noted that Objective 16, the Computer Maintenance Management System (CMMS) short list is complete and the Request for Proposal will be advertised soon. Choosing the vendor is underway.

Commissioner Doane asked for clarification on the terms implementation and integration. Manager of Operations, Dale Fishback responded by explaining that integration is the marrying of various systems such as the Financial System and Utility Billing. Implementation is actually using the system.

Commissioner McWilliams asked if there were repeated problems with respect to recent main breaks. Mr. Knudson indicated that this is one of the reasons for implementing the CMMS program. The program would track these sorts of problems. Laying new pipe and exploring trenchless construction in these areas will take place.

#### **Goal IV: Be an Employer of Choice in the water industry:**

Ms. Welch explained that Human Resources are working to develop a District wide cross training program. Critical positions continue to be updated. More interns are being utilized each year in various departments.

Commissioner Doane mentioned that he thought that the Board was to review personnel policies. CEO, DiLoreto noted that he was not aware of this.

Human Resources Manager, Debbie Erickson covered Objective 20 through 23. She outlined the various ways that the District advertises for positions.

Mr. Knudson covered Objective 24. The Engineering department has increased the utilization of in-house staff for planning and design. Cross training is ongoing.

#### **V: Promote customer awareness of the services and value we provide:**

Commissioner Doane pointed out that would like to see Clean Water Service (CWS) change their information cycle to become consistent with TVWD's billing cycle. Since his bill comes out at the end of the cycle, the additional information in the bill is outdated by the time it reaches his home. Mr. Heidgerken and CEO, DiLoreto indicated that there had been numerous conversations with CWS staff and they are not willing to make the change. Mr. Heidgerken added that customer complaints on this topic are sent to CWS.

#### **VI: Promote beneficial partnership with other entities:**

With regard to Objective 30, Commissioner Doane inquired about the District's relationship with the City of Sherwood (Sherwood). Mr. Heidgerken and CEO, DiLoreto explained that the District's Intergovernmental Agreement (IGA) for operation of the City's system has been terminated. The IGA under Objective 30 is related to the District's selling 5 MGD of the capacity in the Willamette Treatment Plant (WTP) to Sherwood through the Willamette River Water Coalition (WRWC). Legal Counsel, Clark Balfour clarified for Commissioner Doane the circumstances of how the IGA was written where it was anticipated that Sherwood and TVWD would transfer Willamette related assets to the WRWC. The WRWC would then manage and interface with Wilsonville. Sherwood did not want to take this step and as a result, the current IGA structure places TVWD as the mediator between the cities of Wilsonville and Sherwood on certain WTP issues.

Commissioner Doane asked which IGA's are ready to expire. Mr. Heidgerken indicated that Southwood Park Water District renews annually.

Ms. Lennox covered Objectives 39 through 41. She explained Objective 41 with respect to a new level of working with Oregon's Occupational Safety and Health Administration (OSHA) in order to achieve OSHA's Safety and Health Administrative Voluntary Protection Program status. The District would be the first utility to reach this status.

**Goal VII: Support effective organizational performance through enhanced internal operational systems:**

Mr. Heidgerken explained that Objectives 35 and 36 have been combined (now 35).

Ms. Bagnall covered Objective 36 and explained that the training for those employees using the Microsoft SharePoint program would be postponed until the new version has been installed.

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

With regard to Objective 46, Commissioner Doane suggested that District staff look into alternative sources of clean energy rather than utilizing only energy credits. Ms. Welch and Mr. Knudson indicated that options had been explored however; the positive value has not yet been ascertained.

Ms. Erickson and Ms. Lennox covered Objectives 42 and 44. Objectives 40 and 41 were combined since both pertain to the District's carbon footprint.

Ms. Bagnall covered Objective 46 in terms of reviewing sustainable purchasing practices.

In closing, Ms. Welch mentioned that she was aware that the Board is interested in reviewing personnel policies. No other Goals or Objectives were added by the Board. The final document will be presented to the Board for adoption at the September 21 Board meeting.

OPTIONS FOR ACTING IN CAPACITY FOR CHIEF EXECUTIVE OFFICER

In December 2010, the Board approved CEO, DiLoreto to submit his name as a candidate for the position of President of the American Society of Civil Engineers (ASCE). On August 16, 2011, CEO, DiLoreto was notified that he had been elected by the members of ASCE. The obligation is to serve as President-elect for 2011-12, President for 2012-13, and Past President for 2013-14. The position would require absences from the office for extended periods of time (approximately 70%) over the next two years, beginning November 1, 2011. CEO, DiLoreto pointed out that he would remain committed as CEO for the District and report directly to the Board. He added that with today's technology, he could be reached by smart phone, laptop computer with wireless capabilities, and telephone with live service video capabilities, of which he is proficient.

During his absence, an AIC would be needed to handle the day-to-day operations of the District. Currently, this is done by rotating those duties among various department heads. To reduce confusion, a number of approaches have been explored so that the Board, employees, partners, and customers will be assured that the day-to-day activities would be addressed.

CEO, DiLoreto explained that this would be an excellent opportunity for Mr. Heidgerken and Mr. Knudson to gain knowledge as well as management and organizational experience before his retirement date of October 31, 2013. Both Mr. Heidgerken and Mr. Knudson had expressed interest in the CEO position during the workforce-planning program.

CEO, DiLoreto provided five options to the Board with respect to who would be appointed as Acting in Capacity (AIC) while he is away from the office periodically.

CEO, DiLoreto clarified for Commissioner Doane that he would continue to work for the Board; the AIC would handle day-to-day activities.

The Board members expressed their opinions of the options.

Commissioner Doane asked how performance reviews would be carried out for the AIC. CEO, DiLoreto commented that he would compile information from the Board for performance reviews.

Commissioner Duggan commented that he would prefer a one year term for each AIC, with respect to performance reviews and communication.

Commissioner Doane stated that he currently has trouble figuring out who is AIC when CEO DiLoreto is out of the office and added that he sees no pattern or logic. Commissioner's Duggan and McWilliams explained that it is clear to them by reading the Thursday Memo who is AIC when CEO, DiLoreto is away. Commissioner Duggan pointed out to Commissioner Doane that there is no real pattern as the AIC is chosen based on circumstances.

Commissioner McWilliams asked management staff if it is difficult to be AIC on top of keeping their departments running properly. She also asked if hiring would be involved to stay on top of the workload. Mr. Knudson and Ms. Erickson replied that normally the AIC assignment is relatively short and should it run longer than a week, the time is split between two managers. The assignment for a year would be challenging, however they did not believe hiring would be a concern. Ms. Erickson reiterated that CEO, DiLoreto would continue to be committed, and reaching him would not be a problem.

Commissioner Doane expressed that he would prefer to hire the predecessor now and skip the processes as described by CEO, DiLoreto. He indicated that he prefers Option III. He also suggested that the Board have the opportunity to review the resumes of the final candidates for the two management positions that are open. CEO, DiLoreto mentioned that this has not been the practice of the Board in the past and is handled internally. Ms. Erickson explained the hiring process, and clarified that both Mr. Knudson and Mr. Heidgerken would be involved with the assessment centers as well as the executive interview process.

The consensus of the Board was to discuss this further during the September 21 Executive Session. It was agreed to begin the Executive Session at 5:30 p.m. Final action would be taken following the Executive Session at the Regular Board meeting.

#### ADJOURNMENT

Without objection, President Schmidt adjourned the meeting at 8:08 p.m.

BOARD OF COMMISSIONERS  
TUALATIN VALLEY WATER DISTRICT

BY: \_\_\_\_\_  
Dick Schmidt, President

BY: \_\_\_\_\_  
Jim Duggan, Secretary

Date Approved: October 27, 2011