REGULAR SESSION – 7:00 PM

CALL TO ORDER

Commissioners Present: Bernice Bagnall; Jim Doane, PE; Jim Duggan, PE; Dick Schmidt
Commissioner Absent: Todd Sanders

Staff Present: Tom Hickmann, PE, Chief Executive Officer; Clark Balfour, General Counsel; Paul Matthews, Chief Financial Officer; Dave Kraska, PE, Water Supply Program Director; Amy Blue, Human Resources Director; Andrew Carlstrom, Customer Service Manager; David Shick, Controller; Andrea Watson, Communications and Public Affairs Supervisor; Pete Boone, PE, Water Operations Division Manager; Mark McConnell, Facilities Maintenance II; Debbie Carper, District Recorder

Other Attendees: Keith Simovic (Moss Adams)

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Mr. Hickmann reported on the Cryptosporidium detections in Bull Run water over the past month, provided updates on the strategic planning process and listed upcoming office closure and CEO vacation days (see attached memo).

Mr. Carlstrom provided the safety minute on giving the gift of preparedness in the form of emergency supplies.

COMMISSIONER COMMUNICATIONS

A. Reports of meetings attended

Commissioners described and submitted a list of recently attended meetings (see attached forms).

B. Topics to be raised by the Commissioners

The Board recently learned that the intended reimbursement of the CEO’s moving expenses, as found in his Transition and Relocation Agreement, would not be fully realized.
Motion was made by Doane, seconded by Duggan, that sections 1 and 3 of the CEO Transition and Relocation Agreement be amended to provide that the CEO shall be reimbursed for actual, incurred moving and relocation costs plus any additional amounts for the tax liabilities resulting from the reimbursement. The motion passed unanimously with Bagnall, Doane, Duggan and Schmidt voting in favor.

PUBLIC COMMENT

There was none.

1. CONSENT AGENDA

   A. Approve the November 20, 2019 regular meeting minutes.

   B. Adopt the standards, criteria and policy directives for the Chief Executive Officer’s performance evaluation.

   C. Adopt Resolution 29-19, a resolution establishing regular monthly meeting dates of the Board of Commissioners for the calendar year 2020.

Motion was made by Schmidt, seconded by Doane, to approve the Consent Agenda as presented. The motion passed unanimously with Bagnall, Doane, Duggan and Schmidt voting in favor.

2. BUSINESS AGENDA

   A. Consider accepting the report of the independent auditor and the District’s comprehensive annual financial report for the fiscal years ended June 30, 2019 and 2018. Staff Report – Paul Matthews

Mr. Matthews gave a brief update on the District’s Public Employees Retirement System (PERS) pension obligations. He said the District’s recently adopted budget appropriated money to fund a PERS side account. Staff deposited $10 million into the side account in September and received a $860,000 match from the state.

Mr. Matthews then introduced Keith Simovic, Senior Manager at Moss Adams.

Mr. Simovic highlighted the two audit reports his firm issued to the District. First, the report on the District’s financial statements received an unmodified (clean) audit opinion that the District’s financial statements are a fair representation and materially correct. There were no material audit adjustments and no material weaknesses found in internal controls. Second, the report on compliance with state requirements, focusing especially on the budget and public procurement processes, included no findings.
Motion was made by Duggan, seconded by Schmidt, to accept the report of the independent auditor and the District’s comprehensive annual financial report for the fiscal years ended June 30, 2019 and 2018. The motion passed unanimously with Bagnall, Doane, Duggan and Schmidt voting in favor.

3. INFORMATIONAL PRESENTATION

A. Customer Information System (CIS) Project Update. Staff Report – Andrew Carlstrom

Mr. Carlstrom gave an overview of the CIS project, including objectives, scope, schedule and budget, before discussing next steps in vendor selection, existing and upcoming intergovernmental agreements and information about monthly billing (see attached presentation).

ADJOURNMENT

There being no further business, President Bagnall adjourned the meeting at 7:36 p.m.

________________________________________    ______________________________________
Bernice Bagnall, President                    Todd Sanders, Secretary
MEMO

Date: December 18, 2019
To: Tualatin Valley Water District Board of Commissioners
From: Tom Hickmann, CEO
Re: Chief Executive Officer and Management Staff Report

The following items will be covered during the report by the CEO:

1. **Portland Cryptosporidium Results** – The City of Portland reported that a total of six *Cryptosporidium* oocysts were detected in select water samples collected from the Bull Run Headworks between November 17 and December 9. The Oregon Health Authority has determined that the public does not need to take additional protections at this time; however, immune-compromised customers are encouraged to contact their health provider. Complete results of Portland’s *Cryptosporidium* monitoring are posted on the Water Bureau’s website.

2. **Strategic Plan** – An all-staff meeting was held to roll out the initial process of staff involvement in the development of the strategic plan. The first elements of this effort will be in the first couple of months of the new year where staff will be engaged in their respective departments to get input on the SWOT analysis and develop measurable mission, vision and core values. As explained to the Board last month, this work will continue over the course of the new year with a draft plan in late fall of 2020 that will be presented to the Board for consideration.

3. **CEO’s Schedule and Office Closure** – I will be out of the office December 23 through January 1. The office is closed for the holidays December 25 and January 1; for water emergencies, the public may reach the District at 503-848-3000.

   The acting in capacity (AIC) schedule for the CEO follows:
   - Tim Boylan, IT Services Director – December 23 and 27
   - Andrea Watson, Communications & Public Affairs Supervisor – December 24 and 26
   - Carrie Pak, Chief Engineer – December 30 and 31

4. **Safety Minute and Department Report** – Andrew Carlstrom, Customer Service Manager, will present the safety moment this evening. He will also provide the department report in the form of an informational presentation at the end of tonight’s meeting.
Customer Information System (CIS) Project Update

December 18, 2019

Andrew Carlstrom
Customer Service Manager

CIS Project Review

• Purpose: Replace TVWD’s aging, customized utility billing system with a new commercial, off-the-shelf Customer Information System (CIS)
  – Partnership between TVWD and Clean Water Services
• Three phases, three agreements
  – Selection, implementation, ongoing operations
• Key ingredients
  – Strong partnership
  – Organizational support
  – Project oversight
  – Commitment to configuration, not customization
  – Strong staff engagement
  – External expertise
**CIS Key Project Objectives**

1. **Address current and projected business needs**
2. **Provide improved system reliability**
3. **Increase customer satisfaction**
4. **Improve supportability through:**
   - Minimizing (goal is zero) new system customization
   - Regular, vendor-provided technology updates
   - Complete legacy platform retirement
5. **Provide greater integration with key business systems**
6. **Manage risk through:**
   - Better controls
   - Data management, including customer information
   - Vendor support
7. **Provide a sustainable, predictable support cost model**

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**Review: Scope, Schedule, Budget**

- **CIS Scope: The Essentials**
  - Solution to include: CIS, batch processing, customer self-service portal
- **Multi-Year Project**
  - Implementation to start once CIS vendor selected, contract negotiated
  - Implementation: 22 months, including post-go-live stabilization
  - Implementation projected to begin spring 2020
- **Total Project Budget: $9.51 Million**
  - External costs
    - Software, hardware, professional services
  - Project labor costs
    - Cost sharing framework to be defined in implementation IGA
  - Contingency (10%)
**CIS Vendor Selection Update**

- Develop Requirements, RFP
- Evaluate Proposals
- Onsite Demos
- Confirm Scope, BAFO
- Negotiate Contract

- ✓ ✓ ✓

**Upcoming with two finalists:**
- Confirmation workshops
- January 2020
- Hansen Technologies
- Open International

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**CIS Phasing and Agreements Overview**

**Phase 1 IGA**
- Initiation through vendor selection, contract negotiations
- Authorized by both TVWD and CWS Boards June 2018

**Phase 2 IGA**
- Implementation, stabilization of new TVWD/CWS CIS solution
- Framework for sharing external, labor costs
- Board presentations February 2020

**Phase 3 IGA**
- Ongoing TVWD/CWS operations under new CIS
- Develop, authorize prior to new CIS go-live
**Monthly Billing**

- **TVWD Assessing**
  - Operational feasibility prior to new CIS implementation
    - Monthly billing with bimonthly meter reads
  - Customer impacts
  - Communications needs
  - Tradeoffs of transition under legacy vs. new system
  - Discussions involve billing partner Clean Water Services

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**Questions?**
Report of Meetings Attended

**Commissioner Bernice Bagnall**

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<tr>
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<td>Communications &amp; Relationships, Water</td>
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<td>District Business</td>
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<td>CEO, legal, Norm Ed.</td>
<td>Scavenger Discussion</td>
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Signed and approved

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ORS 198.190, "A member of the governing body of a district may receive, not to exceed $50.00 for each day or portion thereof as compensation for services performed as a member of the governing body. Such compensation shall not be deemed lucrative. The governing body may provide for reimbursement of a member for actual and reasonable traveling and other expenses necessarily incurred by a member in performing official duties." Please note that in accordance with ORS 294.331 (3) members of the budget committee shall receive no compensation for their services as members of such committee.

By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District’s Customer Emergency Assistance Program.
Report of Meetings Attended

**Commissioner Jim Doane**

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$100 OK to pay to CEAP

Date 1/14/19

Signed and approved

Date 12/18/2014

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Date 18 Dec 2019

Signed and approved

Date 12/18/2019

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**Commissioner Dick Schmidt**

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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District’s Customer Emergency Assistance Program.
I approve Commissioner Schmidt's meetings attended form.

Thanks, and have fun at the Holiday lunch today.

-Bernice Bagnall

Good morning!

Could I please get your email approval of Commissioner Schmidt's meetings attended form?

Debbie C.

Here it is Deb. Thanx for tolerating my failure to bring this last evening. ~dick