

**Rivergrove Water District
Minutes-Regular Board Meeting
January 22nd, 2017**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:34 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners DeVries, Roth, McDowell, and Patterson were present. District Manager DJ Ezell and Finance Specialist Eelia Bean were also present. Engineers Dennis Schafer and Kyle Pettibone, and Insurance agent Geoff Sinclair from Brown and Brown were also present.

Insurance Renewal Information:

Geoff passed around a summary of the District's Insurance coverage.

Page 3-Contact information for Insurance contacts-they are available 24/7. Geoff's card has cellphone.

Page 5-Premiums trend up property values 2% but because the District liability went down the price is pretty much level.

Page 7 on property coverage-\$3.7 million dollars property liability valuation-no flood coverage, \$500 deductible for buildings, etc. Have blanket coverage with SDAO so entire amount of limit is applied to like one property that gets damaged and so District is set pretty good.

Page 8-9 Sublimits-midterm they expect to increase coverages at no increased cost. The District will be notified when that happens.

Page 11-Deductible of \$1,000-pumps, phone systems, etc.

Page 12-Crime coverage right now the District has a \$250,000 limit which is about average for the District's size. Crime vs cyber: Crime is when there is theft of money-the money goes away. Cyber is when there is theft of information such as social security numbers, etc.

Page 13-Liability the District has \$5.5 million coverage total. Cyber sixth line from bottom called data disclosure coverage-\$1 million coverage on policy. This only covers notification costs not fines and penalties or administration costs.

EPLI- Employment claims for such as negligent firing suits the District has \$5 million dollar coverage on that also.

Page 15-Auto coverage \$500 deductible and the District also has rental vehicle coverage for vehicles rented. This does not cover employee's vehicles which they are being paid by the mile for reimbursement for collision but does cover liability. Employee's insurance should cover damage to the employee's vehicle.

Worker's Compensation: District has SAIF which has been refunding partial premiums each year. SDAO is only other option for Workers compensation but once you are in SAIF it is probably a better idea to stay.

Earthquake and flood coverage was discussed. We are in a pool of 900 systems against the assets of SDIS. Payouts would be divided by the number of systems. FEMA would be the go to agency when a disaster happens up to 75% of the uninsured damages.

Geoff will get us a quote for \$500,000, \$750,000 and \$1,000,000 for cybercrime coverage. How do we determine replacement value? Geoff left the meeting at this time.

CONSENT AGENDA

Public Comment: None

TAB 1: Minutes December 18th, 2017 Regular Board meeting

Commissioner Roth moved to approve the Board meeting minutes of December 18th, 2017 as presented. Commissioner Patterson seconded. Motion passed. Commissioners DeVries, Patterson, Roth, and McDowell voted aye. Nays none.

Fiscal year 2016-2017 Board Audit approval:

Commissioner McDowell moved to approve the fiscal year 2016-2017 Fiscal audit as presented. Commissioner Roth seconded. Motion passed. Commissioners DeVries, Patterson, Roth, and McDowell voted aye. Nays none.

UNFINISHED BUSINESS

RH2 Engineers Introduction-Contract Finalization:

DJ introduced Kyle and Dennis and also mentioned we are close to finalization. They also met with DJ and got information on Reservoir #3 to help them with the task writing for design on the Reservoir #3 project. DJ mentioned that she will be sending them the information next year when renewal times come up. Discussion continued on what we would need to do to insure the critical main lines and crossings as we don't do that at this time. We might get Geoff to quote those critical pipelines and see how much it would cost. We will ask Kyle and Dennis for their recommendation on replacement, like kind of quality, or best available value.

TAB 2-Kubota ERDIP Pipe Presentation Request

DJ stated that she passed on the information to the Board and asked them if they wanted to have this demo at the next Board meeting. The issues concerning the pipes such as installation, cost of installation, contractors available to install, designed for Japan international standards not USA, fittings are hard to get, availability, design is more involved, and Kubota's quality control is involved-Kubota staff records every joint installation.

Other products are coming to the USA manufacturers such as US Pipe called TR Flex Extreme which is very similar as far as flex as the Kubota pipe. Kyle will get additional information to the Board on the pipe coming from US Pipe.

Kyle stated what he is seeing other water systems doing is normally installing ductile iron with restrained joints and in vulnerable areas they are installing some type of boltless restrained joint system which is a more engineered system.

Board consensus was to wait and not look at the Kubota pipe presentation at this time.

Discussion continued on earthquake resilience for the transmission lines and possibly putting a valve after the reservoir that would shut if "the big one" hit. Kyle will look into adding that to the Reservoir #3 project. Board asked Kyle for addition information on the TR Flex Extreme pipe.

TAB 3-Customer Complaint service charge on a 1 inch meter

DJ explained the process of how she tracked how our rate schedule for the sizes of meter came about. Discussion involved the difference of the service charge versus a usage charges and do we have to give the customers with one inch meters 1.5 times more service? Physiological maybe we should look at what does the service charge cover and what does the service charge cover.

DJ noted that she did an apples to apples comparison of the water systems that were above us when we did the rate analysis and for ¾ x 5/8 meters we are number 7 out of 20 (1 lowest to 20 highest) . However, in comparing the 1 inch costs in an apples to apples comparison we are at number 19 out of 20. DJ stated it was always her impression was that we needed to do the rate increases for our Capital Improvements but didn't really want to have our rates exceed where Lake Oswego's were if possible? Correct? Board Chair concurred.

But she did take this customer's individual water usage history and compared what the bill would be for the summer billings between Rivergrove's rates and Lake Oswego's rates. His water bill on August 10th from Rivergrove was \$608.01. If his bill for the same amount of usage from Lake Oswego would have been \$1,376.49. On October 10th his bill from Rivergrove was \$493.21 and the same time period it would have been \$1063.29. This is due to LO's having a real steep tiered rate for usage where Rivergrove's usage charges remain the same. She just did the figuring and really hadn't sent that information on to the customer.

Chair DeVries noted on the water system comparisons that some even had the same amount for service charges for a ¾" x 5/8" and the 1 inch. DJ stated yes that is true but she is not sure how they compute that. She said that Jim felt that a 1.5 comparison might be a better ratio between the two rather than the 2.2 ratio that we have now. She also included the information if the ratio was changed to the 1.5 what it would mean to the budget. According to her figures doing that for the 169 meters would make \$41,837 less to the Water Sales.

Chair DeVries asked DJ what her recommendation would be? DJ felt that we should not go back and make any changes. However, in the upcoming rate increase she felt that maybe we could freeze the 1 inch meter service charge until we get to the ratio of 1.5 instead of 2.2. She would have to check with our Attorney to see if that was feasible since we have already approved all the rate increases including July 1, 2018.

Dennis felt that until the next cost of service review after a possible Capital Improvement Project update there would not be any reason to change what was proposed as it followed the process and there was justification.

DJ will research if legally we could change just one meter size service fee service charges and bring it back. Board would not do any changes at this time.

TAB 4-Status of Contract sign off between the District and Northstar Electric

DJ stated that she was just bringing the Board up to date on the status. Northstar signed the deductive change order and returned it. At this time there has been no additional communication. DJ will keep the Board informed of any changes. Board asked DJ to find out if what amount of the additional \$8,000 over budget for the project in Engineering was due to trying to get Northstar to complete the contract.

TAB 5: District Report-DJ

DJ updated the Board on the installation of the hydrant on Canal Road and also passed around pictures of the metal cover over the generator at Old Gate. We will be doing shut offs on Thursday.

Commissioner McDowell asked Kyle and Dennis about their ideas on the Reservoir #3 project. More coming soon. Ideas came up about painting the reservoir with tree patterns to blend in better. Chair DeVries noted that West Linn has a reservoir painted like this.

Kyle and Dennis left the meeting at this time.

FINANCIAL REPORT

TAB 6: Nov 2017 Completed financial reports

Eelia noted that there is another signature page in the financials for the November financials and to please sign it. This is what was not complete at the last meeting.

TAB 7: Financial Report-Dec 2017 Bank Statements and Reconciliations

Chair DeVries noted that in the folder with the checks and receipts there used to be another page that listed the transactions and the checks amount. They do have that in their notebooks but it was nice to have in the folder. That was something that they could briefly look at and then search

in the bills to see the check and supporting documents. Eelia noted that and will add that next meeting. Commissioner McDowell expressed his appreciation as to how staff is protecting the bank statement copies.

TAB 8: Pay Bills: Approval for payment Form & Supporting Documents

TAB 9: Board Report Checklist-Fiscal year 2017-2018-Pay Bills P & L Budget to Actual, P & L by Class (Fund), Trial Balance: All reports were included.

TAB 10: CUSI & QB's Reconciliation Spreadsheet & Supporting Documents

Commissioner McDowell moved that we accept the financial report as presented.

Commissioner Roth seconded. Motion passed. Commissioners Patterson, McDowell, Roth, and DeVries voted aye. Nays-None.

Commissioner McDowell moved that we pay the bills. Commissioner Roth seconded. Motion passed. Commissioners Roth, Patterson, McDowell, and DeVries voted aye. Nays-None.

All Board members present reviewed and signed the "Approval of Payment Form. And all Board members present reviewed and signed the form entitled Rivergrove Water District-Bank & LGIP Statements." Commissioner signed the check list the "Financial report check list" for this meeting.

NEW BUSINESS

Commissioner and Staff Comments: Commissioner Roth noted that there is a five unit subdivision going in on 65th where Glen Nelson lived. Developer is the same person that built McDuff Court and they are trying to make it look like both are connected. DJ stated that all these items will be gone over in the development review. Commissioner Roth stated that they are aiming for breaking ground in a year.

Commissioner Volunteer to sign checks this month: Commissioner Roth volunteered.

Non-agenda items: None

Agenda Consensus for February 26th, 2018 Meeting

Budget officer appointed

Budget calendar approved

Chair DeVries adjourned the regular Board meeting at 9:11 AM.

Respectfully submitted,

DJ

DJ Ezell,

Water District Manager

Rivergrove Water District

These minutes are not verbatim and the meeting was tape recorded. A link to those recordings is available at www.rivergrovewater.com.
ORS 192.650 Recording or written minutes required; content; fees. (1) The governing body of a public body shall provide for the sound, video or digital recording or the taking of written minutes of all its meetings. Neither a full transcript nor a full recording of the meeting is required, except as otherwise provided by law, but the written minutes or recording must give a true reflection of the matters discussed at the meeting and the views of the participants. All minutes or recordings shall be available to the public within a reasonable time after the meeting, and shall include at least the following information:

(a) All members of the governing body present;

(b) All motions, proposals, resolutions, orders, ordinances and measures proposed and their disposition;

(c) The results of all votes and, except for public bodies consisting of more than 25 members unless requested by a member of that body, the vote of each member by name;

(d) The substance of any discussion on any matter; and

(e) Subject to ORS 192.410 to 192.505 relating to public records, a reference to any document discussed at the meeting.