

**Rivergrove Water District
Minutes-Regular Board Meeting
July 23rd, 2018**

Chair DeVries called the Rivergrove Water District regular board meeting to order at 7:32 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners DeVries, Roth, and Patterson., were present. Commissioner McDowell and Johnson were excused. District Manager DJ Ezell, Finance Specialist Eelia Bean, and District Engineer Kyle Pettibone from RH2 were also present.

CONSENT AGENDA

Public Comment: None present

TAB 1: Minutes-May 17th, 2018 Regular Board Meeting

Page 2 top of page replace the word “but” with buy. Then halfway down the page where it says “Commissioner McDowell agrees and asked if they could through” it should read “throw” a meter in. This is a good reminder that we need to get the Ordinance on the agenda for revision. DJ also passed around a copy of the previous owner to that residence and it showed that \$157.00 was written off back in April 2017. She wanted it explained that we don’t pull meters and terminate accounts without a reason.

Commissioner Roth moved we accept the minutes as corrected. Commissioner Patterson seconded. Motion passed. Commissioners Roth, DeVries, and Patterson voted aye. Nays none.

TAB 2: Minutes-June 25th, 2018 Regular Board Meeting

Commissioner Roth moved we accept the minutes as presented. Commissioner Patterson seconded. Motion passed. Commissioners Roth, DeVries, and Patterson voted aye. Nays none.

UNFINISHED BUSINESS

TAB 3-Auditor letter to Board.

Chair DeVries asked what they needed to do with this letter and also if it was standard operating procedure of the Auditor. DJ stated that they asked that she get a copy of the letter to the Board so this is why it is there. And yes she felt it was done every year.

TAB 4-Reservoir #3 Project Update

Kyle stated he is giving a brief update on what they have found on the Reservoir #3 project and provided a memo to the Board.

In general, he will break it down to a couple of sections in his report. Overall in doing the structural review of the Reservoir they found that it is generally in good condition. The existing foundation anchor bolts were found to be deficient which is what they were expecting. Needed is a foundation extension and the addition of 90 anchor bolts to counter overturning, uplift and soil bearing. But the reservoir shell is adequate to resist buckling or hoop tension in a seismic event. There are no seismic upgrades necessary to the shell portion of the reservoir. The anchor bolts just go into the concrete foundation. The existing foundation is 3 ½ feet and the new foundation generally would be at a depth that would match that. The anchor bolts go down to within about 8 to 10 inches to the bottom of the additional foundation. The cost of those seismic upgrades is in the range of about \$475 to \$500 thousand. When we started the project, one of the questions that was brought up was how does this compare to the cost of replacing it with a new reservoir. Replacement costs would be in the range of 1.5 to 2 million dollars depending on what type of structure would replace it. Their opinion is that this is a good tank that can be maintained cost effectively and this is just part of that maintenance that is necessary.

Commissioner Patterson asked in comparison what is the longevity of a new tank versus fixing the existing one. Kyle stated that steel tanks are great in that, while they do require maintenance coatings, they generally can be cost effectively retrofitted. Concrete tanks, on the other hand, may not require as much in the way of maintenance as steel tanks, but they are generally much more expensive and difficult to repair and retrofit. With most steel tanks you are able to make needed foundational upgrades and can add additional steel to reinforce the shell if necessary. Primary maintenance needed is that you have to coat it and recoat it. Steel tanks are a good tank to have because they can be easily maintained. From a condition standpoint looking at the coatings the interior coating appears to be in a reasonably good condition. There are some areas that need some touch up. Right around the roof connection there is additional paint work that needs to be done. In general, it looks to be in very good condition.

Chair DeVries asked how they assessed the interior condition. Kyle stated that they had evaluated in the interior in two ways, 1) by reviewing the information obtained from the District's semi-annual tank inspection in which divers went down to clean and inspect the tank; and 2) by climbing down into the tank while in service to inspect the top 10 or so feet of the tank shell and roof.

Commissioner Patterson asked if photos/videos were taken of the condition of the tank. Kyle stated yes. For the most part where they see the most issues is at the top of the tank where the water level fluctuates. Other issue where identified at the vent and also where the roof is welded to the shell of the tank where it is showing coating deficiencies. Their recommendations are where those areas are to treat and prepare the surface and apply additional coating to those areas.

Commissioner Patterson asked if that is something that has to be done every year. Kyle stated typically we are looking at every 20 years for coatings.

Kyle stated that what they are recommending within the interior is that a cathodic protection system be installed. It is in the range of \$25,000. The benefit of the Cathodic Protection is that it will be the sacrificial anode and corrode rather than the tank corroding. Often times when a tank is new they put the cathodic protection in it but don't turn it on for the first 10 years or so. Once you get to where you are probably at now this is an inexpensive way to extend the life of the coating.

Chair DeVries asked where it is placed. Kyle stated that anodes are installed in the tank and a rectifier and test station is located next to the tank. The test station is used to assess the condition of the anode, which is typically done every 5 years where there is non-aggressive water.

Commissioner Patterson asked how to you define aggressive water. DJ stated that ours doesn't usually corrode and that the white stuff that gets built up around the sinks and stuff in customers homes is scale forming minerals usually opposite of corrosive water characteristics.

Kyle stated as far as the exterior coating of the reservoir it is in worse shape. There are areas where the coating is starting to separate from the shell and there are signs of corrosion occurring. For the most part it appears that the steel in these areas is still in reasonably good condition and it is really just surface corrosion. However, it does need to be treated. There are a couple of different ways to approach it. One you could do a simple pressure wash and overcoat which is a fairly common way to do things. The other is to do a blast and complete recoat. The cost differences on those are fairly significant. The real benefit from the blast and recoat is an aesthetics one. When you just do the over coat if there are rough surfaces or cracks you are going to continue to see those. With the blast and overcoat you get a nice glossy finish. This tank is located back in the woods and there is really only one neighbor that can see it. From his perspective he doesn't feel that it really warrants a blast and an overcoat. In the estimate we have just assumed that it will be a pressure wash and overcoat.

Chair DeVries asked if there could be spots that a pressure wash is not going to do the job. Kyle stated yes and they will have provisions in the specs that as part of the prep those areas are more aggressively prepared.

Commissioner Patterson asked if they did any drilling around the tank to analyze the soil. Kyle stated yes they did. She asked if he could provide the report on the findings of the drilling. Kyle

responded yes he would. Findings were from 3 borings around the tank and it seems to be on a basalt layer about 7 feet down on one side and 3 foot down on the other side. They looked at the landslide area and there will be some additional field research to be done. Commissioner Patterson asked if they did any horizontal borings. Kyle responded no but it would be done in the next phase probably later this year. Commissioner Patterson asked if they had a schedule of when this research would be done and the costs estimates of the work for budgeting purposes. Kyle stated yes it will be part of the formal findings in the report at next meeting. He discussed also the listing of the safety cages for climbing the reservoirs. OSHA has come out and will no longer accept safety cages on the reservoir ladders for climbing. Changes have to be made by 2036. For the Board's information he put the estimate of \$40,000 to remove the safety cages and install safety climbs.

The landslide remediation will involve the install of a soil nail wall similar to the one previously proposed along with adding some rock fencing up above the wall. The slope has rocks that are sticking out so the rock fencing will help protect things down below.

Chair DeVries asked if they assessed the coating where the landslide goes against the tank. Kyle stated yes, they did as far down with a shovel that they went. It appeared that the shell had been protected by some sort of plastic sheeting used between the tank and the soil and that the surface will be able to be finished with an overcoat. Chair DeVries asked for a description of a soil nail wall.

Mechanical and Distribution Improvements: RH2 recommends that a pressure reducing valve vault with check feature be installed at the Centerwood intertie with LO to provide emergency and supplemental supply during the Reservoir No. 3 upgrades. Commissioner Patterson asked if they had discussed this with Lake Oswego. Kyle stated yes in fact they are willing to help in doing the testing of the current meter in the vault. Kyle stated that when the hydraulic modeling was done there is a need to have the ability to have fire flow which is not available if Reservoir #3 is off line. Therefore, we would need permission from LO to open the intertie and configure it so that it was always available.

Commissioner Patterson asked if that would be done for both those interties. Kyle stated that there are two interties with LO, and one with Tualatin. Only the Centerwood interties needs to be upgraded.

Commissioner Patterson asked why? Kyle stated from a hydraulic modeling standpoint only one is necessary. Commissioner Patterson asked what if the other one doesn't work what is plan B? Kyle stated that plan B is that the intertie at McEwan and 65th is a manual valve and if needed it can be opened. Kyle stated that the reasoning behind upgrading the intertie in Centerwood to automatic is that it takes the human element out of it. The cost to upgrade one intertie that is metered is approximately \$80,000. The intertie on Centerwood is a metered intertie so it is perfectly suited for being used as an emergency always on automatic intertie. If you want to upgrade the other two as well you would most likely have to install meters in those locations which would increase the cost. DJ noted that the intertie at 65th and McEwan is just a valve at the end of our main and beginning of theirs just like all the rest in the District. DJ also reiterated that last Spring the interties were exercised and that information was provided to the Board with pictures in that month's Administration report. This testing was done in partnership with Lake Oswego who assisted us with turning it on and off and having blowers going and oxygen testers.

Regarding the valving at the reservoir, Kyle recommended that the Board consider installing an Electronic Actuator and seismic shut off system. While this is an optional improvement, one of the common ways to address seismic resiliency, is to have the ability to isolate or reduce flow out of a tank in case there is a main break and to help reserve storage. Because we are already having to modify the valving and piping at the tank, this would be a good time to do it. Cost of the actuator and seismic shutoff system is around \$40,000. Board and DJ's consensus was that it was a very good idea to do it now. The other recommendation that was discussed as optional is the replacement of the 10 inch AC transmission main between reservoirs 1 & 2 and Reservoir 3 with a more resilient

pipe. This is the water main that connects all of the District's storage to the entire water system. He strongly suggests that we do that, and that this was a good project to attach it to since the purpose of the project is seismic resiliency. The projected linear cost is \$101,700. Board consensus was that this sounds like a good time to do it.

Discussion was brought up about the question if the AC has to be removed or could it remain in the ground. Consensus was that it is a jurisdictional thing and that the main being mostly on our property RH2 would recommend that it remain in ground but that the District would be responsible in perpetuity of knowing the location of the in-ground AC pipe.

Commissioner Patterson asked so we are looking at roughly \$1.9 million. Kyle stated roughly \$2 million.

Commissioner Patterson said and that is for our 50-year-old tank. Kyle stated keep in mind there is a lot more being done than what is being done to the tank itself. To replace just the tank itself would be 1 ½ to 2 million. Chair DeVries stated for a life cycle perspective we still think patching this thing up and keeping on using it is the best option. Kyle stated yes and he feels the upgrades we are looking at is not doing much patching. The upgrades that we are doing are due to code not necessarily condition.

Chair DeVries noted that if we replaced the tank we would still have to stabilize the slope. Kyle stated yes. The only thing we are talking about is the \$500,000. Commissioner Patterson asked if flexible connections would be installed. Kyle noted there is no flexible connections currently but that the engineers estimate does include flexible connections between the yard piping and the tank.

Kyle stated the page with the estimate they worked with DJ and they realize that the funding is short and so they have put in a phasing process within the project. Phase 1 in the first year will include the slope stabilization and the distribution improvements. Phase 2 includes the reservoir seismic improvements. This will happen in at least 2 procurements and possibly 3 as the slope stabilization is a very specialized field. RH2 will help DJ with the loan amendments for the additional funding necessary. RH2's recommendation is that they prepare everything in the winter months, go out for bid, and start construction in the Spring and we essentially do that again in the second year. Kyle stated that essentially in the second year is when we are going to take the tank off line and they are working to minimize the time the tank will be offline. They are looking at taking it offline basically after the high demand time and then doing the recoating. It's a narrow window either October or early Spring for that to happen.

Discussion continued on how the existing foundation will be upgraded it is not going to be replaced but it is going to be extended. Question about if we are going to have the space available around the tank to do maintenance. Kyle stated that the design criteria is for there to be 12 feet available around the tank. Also, in the transfer station they are looking at adding a second pump and when they went into the station it was very apparent that the electrical does not meet existing code. By virtue of replacing the pump that electrical will need to be brought up to code and that is included in the cost estimate. The only items not included in the cost estimate are those in red. They can amend that based on the Boards feedback. It's about \$180,000 and if we don't do the access upgrades it's about \$140,000. There are questions about adding the ladder upgrades and also the main replacement as to what our costs might entail with ductile iron costs possible changing due to the tariff situation. We may need a high contingency. Including the items in red brings it back up to over 2 million.

Chair DeVries felt that we don't do the access upgrades as it is not required until 2036. Discussion continued on the access upgrade. Kyle stated it is something that can be deferred but maybe not up to 2036. DJ noted that this is just Reservoir #3, but Reservoir #2 and Reservoir #1 has to be done too.

Kyle stated that one way to do it is this is a specification type detail they could include it in the design bid package but identify it as a additive item and remove it if the Board decides the costs could be removed.

Chair DeVries moved to approve the conceptual cost estimate and optional cost items as additives and that the Board authorize RH2 to move forward on the design. Commissioner Roth seconded. Motion passed. Commissioners DeVries, Roth, and Patterson voted aye. Nays-none.
Kyle left the meeting at 8:35.

FINANCIAL REPORT

TAB 5: Fiscal year 2017-2018 in Review

DJ stated that she highlighted all the categories in the budget that we are statutorily required to not spend over the amounts. We did not expend over any of those amounts.
Chair DeVries stated that what concerns him is that in are line items which are over did we adjust for the new budget. Truck maintenance is one slightly over budget. If we are over budget on some items we need to adjust the budget. These are not big amounts but we should try to get closer.
DJ stated that all the highlighted line items are from the different funds. DJ stated that we did all the transfers and made sure they show up.

TAB 6: Financial Report-Deposits Reconciliations and Board Report Checklist

Chair DeVries noted on the list of transfers they did not balance. Eelia noted that she put the numbers in incorrectly she will correct them.
DJ updated the Board on the computer/server issues and what happened at our last billing. All customer payments from 5/4 to 5/17 the data was lost and that information didn't show up on customer's accounts. For example, on the 488 accounts on autopay the money was withdrawn from customer bank accounts but did not show up on their water account as paid. CUSI recreated the autopayments in the accounts. Eelia manually put the other payment data in from the daily paper copies we had of all accounts. Six hours of overtime was generated and an amount sent to Pacific office for Eelia's overtime and Pacific office reimbursed the District that amount. DJ stated that she put out a distribution email to those customers that we had correct emails for on autopay.
DJ explained the insufficient funds service fee from Banner Bank and the circumstances that created it. We also are trying to deal with the Quickbooks software issues that keep aborting Eelia out of the software and not saving the work she had done. There has been no resolution for that to date.
However, as far as the Auditor is concerned for last fiscal year in Personal we expended \$321,960.20 and had budgeted \$386,020.00 under the legal budgeted amount. In Material services, we expended \$270,668.52 and budgeted \$361,370.00 under the legal budgeted amount. In Capital Outlay we expended \$60,553.53 and budgeted \$75,000.00 under the legal budgeted amount.

TAB 7: June 2018 Bank Statements and Reconciliations

Bank statements are reconciling.

TAB 8: Financial Resport-Fiscal year 2018-2019 -Pay Bills:

Commissioner Roth moved that we approve the Financial report. Commissioner Patterson seconded. Motion passed. Commissioners Roth, Patterson, and DeVries voted aye. Nays-None.
Commissioner Roth moved that we pay the bills. Commissioner Patterson seconded. Motion passed. Commissioners Roth, Patterson, 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." *Chair DeVries signed the check list the "Financial report check list" for this meeting.*

NEW BUSINESS

TAB 9: District Report/Pump Reads

DJ stated that she attended SDAO's seminar on human resources. One of her concerns is the Equal pay for equal work requirements that are coming up January 1, 2019. Of our job descriptions the

two that may be an issue is the two Operator positions as the work is very similar. There are things that are allowable to justify a different wage. Here are examples: a seniority system; a merit system; a system that measures earnings by quantity or quality of production, including piece-rate work; workplace locations; travel, if travel is necessary and regular for the employee; education; training; experience; or any combination of these factors, if the combination of factors accounts for the entire compensation differential. ORS 652.220(2). DJ sent the two Operator job descriptions over the HR resources for them to look at to see if there issues with the equal pay regulations coming up.

Commissioner and Staff Comments: Commissioner Patterson was concerned about Eelia's personal safety on shut off days when she is alone in the office. Discussion was held about having a physical setting where it could help in those situations. It was suggested to look into a possible panic button that if you hit it the signal goes to 911 for help or there is physical defense. Other suggestions making sure we have sufficient staff to have two in the field and two in the office. If that is not possible close the office until the field staff are back in to be present in case of angry customers.

Commissioner Roth reported on attending the annexation meeting and the antagonistic attitude of the Lake Oswego City Counselors to the unincorporated areas. They say no more single annexations.

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

Non-agenda items: None

Agenda Consensus for August 27th, 2018 Meeting

Full report on Reservoir #3 design-Kyle

Ordinance review and update

Chair DeVries adjourned the regular Board meeting at 9:03 AM.

Respectfully submitted,

DJ

DJ Ezell,
Water District Manager
Rivergrove Water District

These minutes are not verbatim and the meeting was tape recorded.

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.