

**Rivergrove Water District
Public Hearing/Regular Board Meeting
December 16th, 2019**

Chair Roth called the Rivergrove Water District regular board meeting to order at 7:35 AM at 17661 Pilkington Rd, Lake Oswego. Commissioners Roth, Johnson, McDowell, Magura and Patterson were present. Water District Manager, DJ Ezell, Finance Specialist, Janine Casey, and District Engineer Kyle Pettibone were also present.

Public Comment - No public present.

Chair Roth read Brian Faist resignation letter dated the 12th with his last day the 12th.

Employee Tom Edwards will move into the District's Senior Operator position. Tom discussed his experience with 23 years in the water industry.

CONSENT AGENDA

TAB 1: Minutes-November 25th, 2019

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

UNFINISHED BUSINESS

TAB 2: Reservoir #3 Project Status:

Kyle explained the IFA draft letter for a request for an extension of the District's current Safe Drinking Water Loan and documentation to substantiate the additional funding request from the Safe Drinking Water Loan Fund. They also asked us for an updated Proforma, which is basically a projection of what the District expects for revenues and expenses for the next five years.

Commissioner Patterson asked if Kyle has thought about the Kubota pipe for main replacement. Kyle stated that the specifications for the project call for TR Flex ductile iron restrained joint and that with the SDWLF funding it has to be piping made in the US. He will forward to the Board on information on the piping specifications.

Kyle stated the Proforma shows that the District does have the capacity to take on additional debt service, however what you don't necessarily see in these numbers is that the anticipated level of debt service, the payment would be \$217,000 or a 30-year option \$159,000 assuming 3.5 million at a 2.12% interest rate. This project would consume a large part of the District's debt service with the existing rate structure. Assumptions were done-3% rate increases in the future years, personnel and material services project 5% and 3% increases, and for SDC projections an average of past years. He felt we were conservative in our forecast but Business Oregon asked question of what are you going to do if they don't pan out. From DJ/Kyle's perspective is that we would see in the budget where we could cut expenses but if that doesn't do it rate increases would be necessary.

Kyle discussed how the project evolved and how he reprioritized the components of the Reservoir #3 project from a reliability standpoint. In event the Board feels this is too much money to spend and decides not to continue with the entire project here is what Kyle sees as the top priorities on the project PRV station improvements, interties with LO, transfer pump station improvements, and repairing the piping outside of the reservoir. What that does is if Reservoir #3 needs to be taken out of service you would have the ability to use the upper tanks to supply the lower zone, the intertie with LO would function better, and the booster pump station would be better able to move water back and forth between the upper and lower zone. They are upgrading the piping leading from the reservoir, installing some seismic joints that will perform better in event of a seismic event and also deal with the leaking pipes in the vault. Next item is the soil nail wall. In order to get to the reservoir to do the seismic improvements

to the slope has to be stabilized. To reduce costs here, we could do a temporary excavation of the rock buttress, do the work, then replace the rock buttress.

Chair Roth asked what would be the cost savings in doing it this way? Kyle wasn't sure but the cost for the soil nail wall is about ¾ of a million dollars.

Kyle stated that all of the things have value to the water system, and he is not suggesting that changes need to be made but if there becomes a need to do that, we are making sure that there is a priority plan in place. We are still waiting to hear from Business Oregon whether the funding will be in place. There is nothing to indicate it won't be at this time.

Commissioner Magura pointed out that most all the funding has a buy American requirement, which would exclude using the Kubota pipe. He explained about the products from the US and how the TR Flex is a very robust pipe which is what is specified.

The condition of the Reservoir wall was discussed but mostly it is unknown of the exact condition.

DJ noted that as far as debt service we are paying \$53,414 from our current loan until 2031. She described what the first loan covered. But now we have transferred each year an amount, which last year was \$200,000, for projects in the Capital Improvement Fund. In discussing rate increases, they felt that it would be good to have the consultant who did the first-rate analysis, relook at our financial position, and suggest the amounts of possible future rate increases.

Board consensus was that it would be best to go for the 30-year amortization loan rather than 20 year to give us more flexibility of monies available for main replacements and sustaining adequate fire flows. The interest rate for the loan would be 2.12 percent.

Commissioner Magura commented on the good letter Kyle drafted. First line on page 2 add the word "necessary" or "critical" before the word improvements.

Discussion continued on the project's seismic specifications. Kyle stated he would have to go back and look but he felt that they are based on the 2018, 475-year seismic event specifications and the durations, as the State of Oregon has adopted and will go into effect in July 2020. References of the tank conditions were made in the District study that was completed by Don Ballantyne of EQE.

Board discussion wrap up and consensus is to continue the project as scheduled and designed, at the 30-year loan amortization, if the funding is approved. Letter provided to include additional wording before sent.

TAB 3: Adopted District Manager Job Description

DJ supplied Commissioners with the current District Manager Job Description adopted in 6-18.

Commissioner Magura stated that if they felt the need to remove DJ it should be with protections of income for a certain period of time. Commissioner McDowell noted that if she should get a Board not friendly to her if parachute is included it makes them rethink their decision to terminate her. Contract discussion tabled.

TAB 4: Pump Reads: Last of Brian's work for the Board. Tom will take over the pump reads paperwork. Pump run times are going down.

FINANCIAL REPORT

TAB 5: December 2019 Bank Statements, Reconciliations, Balance Sheet, Accounts Receivable, Income/Expense Summary Charts, Check Register, Transaction Detail by Account, Revenue & Expense Budget vs Actual and by Class

Janine asked if there were questions/comments. Commissioner Magura asked what the wording "split" means in check register? Janine answered for example if on the credit card there are various items purchased to different line items you will just see split in description. He additionally inquired about why there are 0's in the employee salaries. Answer is that is how Quickbooks records it for doing Direct Deposit in check register. But in Revenue and Expenses in the Actual vs Budget report sheet 8-9 you can look under section 5001 Personnel Expenses separated into Administration and Operations

expenses. He still inquired about how do we know what we pay our employees. Janine noted that usually the Commissioner that sign checks reviews the section for payroll which has employee timesheets and paystubs with all their pay information for each employee. Janine will research more into check register report.

Commissioner Magura moved to approve the financial report as submitted. Commissioner Patterson seconded. Motion passed. Commissioners Roth, Patterson, Johnson, Magura, and McDowell voted aye. Nays-none.

Commissioner McDowell moved we pay the bills. Commissioner Magura seconded. Motion passed. Commissioners Roth, Patterson, Johnson, Magura, and McDowell voted aye. Nays-none.

TAB 6: Staff Report

DJ said we had 7 shut offs and 2 remain locked off. Audit draft has been reviewed and back to the Auditor. Employee's status discussed. Tom will move into Senior Operator position. In early Spring she hopes to have a new employee or intern hired for the Operator 1 position.

Non-agenda items: Commissioner Magura will sign checks through January.

Agenda Consensus for January 27th, 2019 Board Meeting: Reservoir project status

Adjournment: The meeting adjourned at 9:00 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.