

**Rivergrove Water District
Minutes-Regular Board Meeting
August 27th, 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, Johnson, McDowell and Patterson were present. District Manager DJ Ezell, Finance Specialist Eelia Bean, and District Engineer Kyle Pettibone from RH2 were also present. Larry Magura, PE, water district customer was present also.

CONSENT AGENDA

Public Comment: Larry Magura present. He had a couple of questions on the tech memorandum when it is appropriate.

TAB 1: Minutes-July 23rd, 2018 Regular Board Meeting

Commissioner Roth had a correction. On Tab 4 line 9 it notes that the existing foundation is 3 ½ feet but she wanted to know what length, width, depth? Kyle answered that is the depth of the current foundation.

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

UNFINISHED BUSINESS

Reservoir #3 Project Update:

Kyle stated at last month's meeting he provided a summary in a memo of the findings that were assembled into the technical memo. The purpose of him being here was to address any questions that they might have on the tech memo.

Any questions:

Larry mentioned that Rivergrove is a small water district and is adding connections all the time but what he didn't see in the memo was what we are expecting for future growth and what capacity we have. Kyle stated that was beyond the scope of this project as there was a Master plan prepared and approved previously with capacity addressed. This project came out of that as a recommendation for capital improvements. They did not go back and reevaluate the planning projections or storage capacity. They could certainly do it.

Larry stated as his professional opinion. He felt that we are on the ragged edge of having enough storage capacity. With the gradual adding customers and looking at climate change. Larry felt that Murray Smith might not have been sensitive to the current issues.

Chair DeVries asked isn't there a certain procedure that you use to figure that out. Kyle stated yes and that there are guidance documents from AWWA on how to estimate future capacities.

Commissioner Patterson stated looking at some of the projected numbers for the entire project of \$2,691,000 and her question is why are we putting all this money into a tank that is 42 years old? Her concern is that it would be better to add capacity now with a stronger tank and know that we have a good usage of 50 years. Twenty years from now even if it costs another half a million to add that the cost is going to be even more in 20 years.

Chair DeVries asked what do we do with the current tank? Larry stated there could be a compromise. He has added an additional lift to the reservoir which could be done. He asked Kyle how long the tank would be out of service. Kyle stated that the goal to have the tank out of service for no more than 3 months during the off-peak water usage time. The chairs can be tacked into place

when it has water in it. But to complete the welds and also the coatings of the tank that has to be done when the tank is drained. Foundation prep, excavation, valving excavation can be done prior to draining the tank.

Commissioner Patterson stated that if we had a new tank it would be more seismically stable than this tank because of the codes when it was built. Kyle stated but with the upgrades we will be doing the current tank will meet the current day codes and be as seismically stable as a new tank. If you build a new tank you could have more capacity. Commissioner Patterson interjected yes and it could have more resiliency because she knows in their design they are not talking about a 5-minute duration Cascadia event you are just looking at minimum code. And a chief concern is the sloshing effect not only on the contents but on the roofing. Kyle stated that for resiliency he would look at adding a second tank within this pressure zone rather than demolishing the existing tank and building a new one in its place. You are limited on the sight for any additional capacity. Kyle stated that the thing to keep in mind here is that \$500,000 is the actual upgrades to the tank. The other million and a half is other improvements that are being done such as taking care of the landslide issue, and replacing the AC Main in-between the sites, and additional distribution upgrades. It is really easy to go to the bottom line and say that's what you are comparing to putting in a new tank but that is really not what you are comparing.

Larry asked why they were considering only a partial repainting the interior of the tank? Kyle stated that from their inspections both from what the divers did and their Engineers climb down into the tank when the level was down, they felt that the portion of the tank that is failing is the portion where the water goes up and down and the roof. Most of the other area of the interior is in good shape. Larry asked it is the original paint correct. Kyle stated yes. DJ stated yes and no. The original paint coating failed within a year of building then the District had the contractor back under warranty to redo the coating. Kyle stated that it is original paint but it still has good bonding and adhesion and providing good protection for the interior.

Chair DeVries asked about the pictures and top of the tank inside was that rust. Kyle explained how those areas are usually rough areas to get good coverage so yes, they need to be prepared back to the original surface and recoated. Most of everything below the water surface is in pretty good shape. Larry stated so it would be fair to say the paint is basically original and approaching 40 years of service. Kyle stated yes, the paint is original but that doesn't necessarily mean that it is not effective. From their perspective it is doing the job that was it was designed to do. Their recommendation was to put in a cathodic protection system in there that would be a system that would take any corrosion occurring in the tank. Larry stated that is an excellent recommendation. Kyle stated it is a common way to extend the life of the interior coating. Larry noted but when else are you going to have the opportunity while it is out of service.

Kyle stated that is correct but we are doing a lot of improvements that are intended to allow the District to take the tank out of service. Right now, you can't take the tank out of service and that needs to be corrected. We are having divers going down on a regular basis to clean them. They looked back over the past inspection reports a number of years. That was part of the evaluation of the coating. We are not seeing any evidence of change. He will admit that it is fairly recent that chlorine was added to the water and chlorine is fairly aggressive. Whether or not what you are seeing up there is from the chlorination or the age could not be determined. But their approach is to repair the coatings above the water service not the entire interior.

Commissioner Patterson asked what is the difference in cost in repainting just the top portion rather than just the top? Kyle stated that it would be \$200,000 to \$350,000. Larry felt that this is an opportunity to recoat and possibly get another 40 to 50 years.

Chair DeVries asked when we bid out the project could we put painting the entire interior as an optional part of the bid? Kyle stated yes.

Larry asked in prep of painting the interior what is necessary for painting? Kyle stated that it is taken it down to bare metal and then building the coating of paint back up. Discussion continued on the design of the soil nail wall. Slope of wall will remain the same. It would be cleared around 12 feet around the reservoir. DJ noted that in talking with our pump person he felt that the needed clearance around the tank to tow the generator around it would be 14 feet. Kyle will see if that's feasible.

Chair DeVries brought up the Contingency and if it is enough? Discussion continued and suggested to possibly increase the Contingency to 25% rather than 20%. Kyle stated that one of the other things that they do in bid documents is to put a bid item called minor changes say around \$50,000 that provides at staff level to make those minor changes without delaying the project.

Commissioner Roth inquired as to the amount of steel in this project. Kyle stated that there will be some in the foundation and bolts. She just inquired if it will affect costs with possible tariffs. Kyle wasn't sure but probably.

Larry asked if Kyle was budgeting for adding one more section and hold downs on the overflow spillway as what is there is not code. In a seismic event if it should buckle and break it could drain the tank. Kyle noted that it is best practice to support it every 10 feet and he will add that in the design.

Discussion on color of tank: Kyle will make suggestions but will leave the choice to the District. Recommendations will be green, white, or earth tones.

Kyle stated the geotechnical work that has been done so far has been mostly done to see what is below the foundation to answer the question is it more cost effective to retrofit the tank or replace it. No boring on the hillside yet until the decision on retrofitting or replacing. They will be doing those drilling and investigations on the back wall as part of the preliminary design.

DJ asked what the next step was? Kyle stated that it is to finish up on the current task list and contract and then they will proceed with a new contract and begin the design phase. Our surveyor and GRI will be getting a proposal in to them. As far as design they are intending to break it into a multiple phase project. They will start with the upgrade of the intertie at Centerwood, PRV upgrades in Childs Rd, replacement of AC pipe between the reservoirs, and the upgrades in the transfer station. This will be done ahead of the tank work in order to take the tank offline and the funding is there for that. The phasing will remain as proposed. They are expecting to do the slope stabilization and the distribution improvements for next summer and then do the tank rehabilitation in the Fall/Winter.

Commissioner Patterson asked about the fire flow requirements at Rivergrove School since there have been additional buildings added to the site. She was wondering if we should check to see if there is still enough fire flow there. DJ noted that they did install two additional fire hydrants and sprinklers not too long ago.

Chair DeVries asked if we would be getting another proposal and update at the next meeting? Kyle stated yes.

TAB 2: ISO Evaluation Report

DJ provided a copy of the report that ISO concluded that our District is listed as a 2 rating which is very good. Rivergrove met all flow requirements for the City.

Kyle and Larry exited the meeting at this time.

Water Service Ordinance Update procedure:

DJ discussed the procedure we started last time. Our Ordinance was updated in 2010 so there are some problem areas. The Board appointed Commissioner Johnson previously to meet with DJ to discuss the problem areas so that will continue.

Chair DeVries ask that we get updates done and reviewed prior to budget cycle starting. DJ will begin and get together with Commissioner Johnson prior to next meeting.

FINANCIAL REPORT

TAB 3- Financial Report-Deposits Reconciliations and Board Report Checklist

Eelia noted that there were no transfers this month.

Commissioner McDowell requested that in a month he wanted to have the financial report in his notebook prior to the meeting so that he has a couple of days to review it prior to the meeting.

Commissioner McDowell stated that he felt that due to Eelia being sick she was possibly contagious and that she needed to go home and get better rather than expose the entire staff.

DJ noted that she didn't understand in budget to actual why there is a negative amount there in actual spent. That should never happen.

Chair DeVries recommended that the financials be emailed out to the Board for what is missing the comparison of Quickbooks and CUSI amounts and that approval of the financial statements be tabled until next meeting. DJ noted that it also has to be from May 1st also as a prior reconciliation was not correct.

TAB 4- June 2018 Bank Statements and Reconciliations

Bank statements are reconciling.

TAB 5: Financial Report-Fiscal year 2018-2019 -Pay Bills

Commissioner McDowell suggested that Financial report approval be tabled until next meeting when all the information is included and presented to the Board on a timely basis (prior to the meeting and included in the notebook.)

Commissioner McDowell 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." Commissioner McDowell signed the check list the "Financial report check list" for this meeting.

NEW BUSINESS

TAB 6: District Report: DJ noted when she left our IT people had done the firmware upgrade on the switch and since then that Eelia had not been aborted from Quickbooks.

At this point we have not heard from our Auditor since we had sent them some information so we are not sure where that is at this time.

DJ stated that even though the aborting issue may be resolved we still need to have someone back to help Eelia get rid of all the warning signs that payments for taxes, etc. have been missed. She said she was not sure if we should try Dena again.

Chair DeVries questioned it seems like we were operating just fine for a long time. Then we had this lady come in and she meddled in places that she shouldn't have been in. Is that a contributing factor to the problems we are having? Or is it system problems or hardware issues or do we know?

DJ stated that she wasn't sure how we got off on payroll other than the abort issues that Eelia was having causing some of it. Eelia has done weekly tax payments. Eelia was off on tax payments when Dena came.

Commissioner McDowell stated that we didn't need Dena to come back. That we need another set of eyes on it. He suggested talking to the Accounting people in the strip mall behind us.

Commissioner Johnson stated in the soil and water conservation district they got rid of Quickbooks. DJ asked what they use now? Commissioner Johnson said he will get the Finance persons info to her so that they can talk about it.

Discussion continued about accounting software and researching cloud-based systems and maybe SDAO for answers. DJ and Eelia will research and bring it back to the Board.

TAB 7: Pump Reads

DJ noted that in looking at the pump reads none are running close to 24 hours a day.

TAB 8: Oregon Drinking Water Program proposed fee changes

DJ supplied the Board with the proposal that the new Drinking Water Administrator is trying to do with changing the Sanitary Survey Fee to a yearly service fee per connection for water systems in Oregon. With Rivergrove we would be paying \$400 more per year for our sanitary survey. Big systems like Portland will be paying a lot more so we are not sure if it will be approved. DJ explained the sanitary survey fees and the general fee situation at this time.

Commissioner Johnson stated he works for a State Agency that charges for a lot of license fees and it has always been the bigger you are the more you pay for ed on size because they put a lot more work into inspecting a dairy that has 5,000 cows than one that has 500 cows. That's just the way it is because there is a lot more work. Commissioner Patterson noted that there is also a lot more risk.

DJ said that she asked the entire audience there how many of them were at about the same amount of service meters that we are at and the entire crowd seemed to raise their hands. But the people writing the letters to the Governor are not talking for these members.

Commissioner Johnson stated you are right to ask those questions as the lobbyists and maybe those not representing the true feelings of the Boards of these organizations need to be reigned in if they are out there on their own.

Our Board consensus was that \$400 more per year to fund the State Drinking water program is good insurance to get the safe water coverage we want.

TAB 9: Southwood Park Water System Information

Commissioner McDowell asked where Southwood Park was. DJ stated it is up by the Mormon Temple. Commissioner McDowell stated since we were not adjacent he didn't feel we could annex them. DJ stated she supplied them with all the information that he gave her and the one thing that she noticed is that they had not made improvements since the last time we talked about 5 years ago and that their repair line item was just over \$50,000 this last year and she didn't think that we were half that amount last year. She also stated that she was also contacted by the Clackamas County Attorney and asked what ORS we were formed under and she is sure that this is connected to Southwood Park.

Board consensus was that the risk outweighs any benefit to our District and customers and that until they come up with some legal requirement that we would have to take them over we respectfully decline. Commissioner McDowell felt that any additional costs would have to be bore by the Southwood customers not Rivergrove. DJ will convey the message to Southwood District representative.

Commissioner and Staff Comments: Commissioner Johnson stated that he was very impressed with Kyle's work. Commissioner McDowell asked about the insurance claim paying for a customer's service line to be repaired. DJ stated the guys installation of the backflow/meter and new box is what caused the breaking of the irrigation connection. The customer had to call a plumber to fix it. That's what she billed us for. Chair DeVries stated that we need to be aware of small claims

that will raise our premium and that we should just pay small claims rather than have the insurance do it. DJ asked for an idea of how high we should go when paying claims rather than submitting them. Chair DeVries maybe we should have a Board discussion about how much we should pay for but he thought maybe around \$1,000.

DJ stated that she did send out a budget cycle meeting survey but up to now only 4 people responded. Some said it would be good to have another meeting, some felt meeting with DJ would be good, some felt it was unnecessary. We didn't receive a quorum of the Committee on the survey but she could share the results if the Board wanted.

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

Non-agenda items: None

Agenda Consensus for September 24th, 2018 Meeting

Ordinance review and update

Chair DeVries adjourned the regular Board meeting at 9:05 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.