

# BURLINGTON WATER DISTRICT

Manager: Hiland Water - P.O. Box 699 Newberg, OR 97132 Phone: 503-554-8333; 1-855-554-8333 (TF)  
Internet: BWD Website <https://burlingtonwater.specialdistrict.org/>

## Board of Commissioners Meeting

September 16, 2020

Due to the current health emergency resulting from the COVID-19 pandemic, this meeting held by GoToMeeting videoconference.

### MINUTES

**Meeting called to order** by Ron Yann, Chair, at 6:18 pm.

**Present:** Ron Yann, Christine Nelson, Amanda Schehr, Dan Johnson; board members (quorum)  
Dan Zimmerman, bookkeeper  
JJ Olson, Hiland Water manager  
Silas Olson, Hiland Water manager  
Tim Tice, OAWU

**Public Comment:** No public present.

#### **OAWU/Rate Study Update:**

Tim Tice from OAWU presented an updated report regarding our budget and rates. He reviewed our current costs per gallon for both purchased and delivered water, as well as our cost per unit (CCF) of delivered water. Given that our current base rates generate just 44% of our costs per unit and are lower than the ideal standard of 60-70% of costs per unit, an incremental increase adjustment in base rate would be warranted. One way this could be achieved is by implementing a rate structure that utilizes a meter multiplier representing the engineering cost for the meter size of each service connection. Further, consolidating our current tiered variable rate structure to fewer rate tiers that utilize a uniform price per unit would be helpful, as would continuing to work on decreasing water loss. The Portland Water Bureau guaranteed minimum purchase is very high and complicates our situation, would be ideal to re-negotiate this part of PWB contract in future. **ACTION:** Hiland will provide meter size for each customer; Tim will continue to assess our rate structure and come back with an updated proposal in October if at all possible or November at the latest.

#### **Water Operator's Report from Hiland, JJ Olson:**

- a. Monthly overview: August monthly report reviewed, bacterial samples have shown no coliform since 2018, federal source testing has been completed, two new connection requests are still pending. The 2-inch valve that was leaking near Highway 30 was repaired.
- b. Update on leak detection: Investigation of leak at Cornelius Pass Road revealed water containing chlorine residual (District water) coming out of the northern terminal end of a non-functional, buried culvert that likely goes under Cornelius Pass Road. Unable to find the buried southern initial end of culvert to determine where leaking water was coming from. Will need to return to site and spend time locating end of culvert to further isolate leak. Of note, standing water along Highway 30 between Cornelius Pass and Logie Trail has been

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- investigated and does not contain chlorine residual, thus is ground water rather than leaking District water. Other than two smaller leaks on the customer side of meters that are being investigated, there are no known leaks in the system besides Cornelius Pass.
- c. Update on leak repairs: In preparation for this meeting, Hiland calculated the current loss factor. Following repairs completed in August, loss factor has decreased from 35% for August to 22% so far in September. The Board reaffirmed their support of whatever efforts are necessary for Hiland to locate and repair leaks.
  - d. Estimate for meter on mainline serving Chestnut and Logie Trail: Installing a meter at the northern end of the District mainline would allow for more accurate determination of water usage and potential leaks on the northern out of district line serving Chestnut and Logie Trail. The mainline at that point is an 8" fire flow line. The cost for an appropriate 8" meter would be \$10,500, would also require an isolation valve costing \$900, a double check backflow valve costing \$4,400, and miscellaneous additional parts costing \$1-2,000. To make them accessible, all these components need to be inside an at least 12-foot long cement vault costing ~ \$20,000. In total, Hiland cost for parts alone would be ~ \$38,000. Due to the complexity of the work and the liability involved, the job would also need to be designed and engineered, entailing additional costs for the engineer and related state planning review. So, installing this meter would be a much bigger project than initially anticipated; with labor and engineering costs included could conceivably be as high as \$100,000. For the time being, Hiland will track costs separately for any leaks identified and repaired on the out of district portion of the system so those customers can be billed accordingly. In addition, the out of district customers will be encouraged to consider annexation into the District.
  - e. Pending billing adjustments (if any): None reported.
  - f. Pandemic-related customer issues? There is one customer who became unemployed in March as a result of the pandemic and has been accruing an unpaid bill since February; outstanding amount is now ~\$1,000. Hiland collections staff did not flag this account believing that there were to be no water shutoffs during the pandemic. The Board clarified that we must be *always* notified of unpaid accounts. Customers can negotiate with the Board regarding payment remedies but must communicate with the District to make arrangements; in the absence of communication, water will be shut off. Hiland left a door hanger asking customer to get in touch, will also send a letter giving customer 30-day notice of shut off if there is no communication outlining what relief is being sought prior to the October Board meeting.

## **Bookkeeper/Office Manager's Report:**

- a. Update on progress for 2020 audit: Dan Z. received the audit checklist late due to a miscommunication; materials had originally been due 8/31. All items not requiring a Board member's signature have now been submitted; those requiring a signature were sent to Christine today. She will sign and forward on when received. The only remaining item is an optional Management Discussion and Analysis (MD&A) section, a narrative summary of district activities, that is prepared by the Board. If completed, the MD&A is due in 2 weeks. Christine will revise and update last year's MD&A and submit on behalf of the Board.

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## Consent Agenda:

- a. Dan Z. reviewed the Accounts Receivable/Payable report from Hiland. The majority of Hiland's expenses this month are for previously authorized leak detection and repairs; Board had no concerns.
- b. Dan Z. reviewed the monthly budget statement, the FY 20-21 initial profit and loss statement, and presented this month's bills. Checks were mailed to Christine; she will get necessary signatures and submit when received.
- c. Board approval to pay bills presented. Dan Z. has not yet followed up with Streamline to arrange an annual payment schedule; will handle before next board meeting.  
**ACTION:** Dan J. moved that the board approve paying all bills as presented, Amanda seconded, and the motion carried unanimously.
- d. Dan Z. distributed minutes from the August Board of Commissioners meeting.  
**ACTION:** Amanda moved and Dan J. seconded that the minutes be approved as presented. Motion carried unanimously.

## Action Items:

- a. Rules and Regulations document/posting to website: Ron summarized a meeting he and Christine had with our attorney, who advised that, since we have passed Ordinances approving revised Rules and Regulations and Design Standards, we can create separate documents for each and make those documents available to the public. Christine revised and re-formatted the two documents and Amanda has investigated best strategies and locations for posting them to the website. Decision was to create a stand-alone rules and regulations page and post the two documents individually on that page, then reference this page under transparency and on the home page carousel/rotating screen.
- b. Portland Fire & Rescue (PF&R) multi-year Inter-Governmental Agreement (IGA):  
PF&R sent out a draft IGA for a proposed 10-year period to cover fire services to begin 7/1/20. The IGA contains a 'hold harmless' clause which is questionable. Ron asked our attorney for advice about how to proceed; she recommended that our insurance company review the contract and suggest appropriate wording, since they are the entity that would have to pay any claims. Ron forwarded the IGA to our insurance agent but has not yet heard back; he will continue to follow-up with them. May want to consider requesting an annual contract.
- c. Portland Water Bureau request: There are a few PWB customers who reside closer to BWD water lines than to PWB's, so PWB taps into the BWD system to deliver water to them and repays BWD for their water and use of the system. They are now requesting that BWD consider accepting a couple more customers. Ron is in the process of gathering more information about the number of customers for whom this arrangement has already been granted and the reimbursement rates the District is receiving; he will bring more information forward to the next meeting.

## Administrative Reports:

- a. Update on Riverview project LOI: Our Safe Drinking Water State Revolving Fund letter of intent for the Riverview Drive water line replacement project was approved. The engineering

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firm is preparing the formal application for funding, which could entail a grant for as much as half of the \$200,000-300,000 project. Ron is working with them to provide the necessary information for completing and submitting the application.

- b. Update on letter to out-of-district users: Based on the meeting with the attorney, Ron will revise a letter for out of district customers.
- c. Next steps regarding meter on mainline serving Chestnut and Logie Trail: Ron will consult with our engineer about this project and bring additional information back to next month's meeting.

**As necessary:** No additional agenda items arising pursuant to bookkeeper's, manager's reports.

**Adjournment:** Christine proposed and Amanda seconded a motion to adjourn the meeting. Motion carried unanimously and the meeting ended at 8:13 pm.

**Next Board Meeting:** October 21, 2020 at 6:15pm

**Location:** Due to the current health emergency resulting from the COVID-19 pandemic, meeting may be held by GoToMeeting videoconference.

**Please join the meeting from your computer, tablet or smartphone.**

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In the event that stay-at-home restrictions have been lifted, an in-person meeting may take place at the Scappoose Library, Scappoose, Oregon.

Christine Nelson  
Recording Secretary