

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

March 18, 2020

6:15pm

Scappoose Library

Scappoose, Oregon 97053

MINUTES

Meeting called to order at 6:15 pm.

Present: Ron Yann, Dan Johnson, Christine Nelson, Amanda Schehr, Mark Oakley; board members (quorum)
Dan Zimmerman, bookkeeper
JJ Olson, Hiland Water manager (remote by phone for Hiland report only)

Public Comment: There were no billing questions or other issues from customers.

Water Operator's Report from Hiland:

- a. Monthly overview. February monthly report reviewed; no questions from board. The two newly approved service connections have been more challenging than anticipated due to fire department requirements for hydrant flow testing. The new customers are aware that they are responsible for any additional costs that may be involved. Finding the water line under Highway 30 near Cornelius Pass Road to the dairy will be difficult; Hiland still working on this.
- b. Out-of-district master meters. These meters are relatively new (purchased in ~2005-2010). Since meters have a 20-year life, testing them for accuracy is not necessary at this time. Master meters are being read at the same time as the individual meters to allow for calculation of the loss factor and potential leak detection in those two out-of-district neighborhoods. JJ will provide a rough estimate of estimated losses in the next month.
- c. Accounts Receivable/Payable report from Hiland. Few accounts in arrears, no concerns at this time.

Bookkeeper/Office Manager's Report:

As part of his accounting strategy, Dan Z. is breaking out SDC charges from water sales. In this year's budget, tax revenue has been distributed equally across all 12 months but arrive more sporadically than that; for next year's budget, will build budget based on when taxes are anticipated to arrive. The 'Legal & Professional' budget line item will be further broken out in next year's budget to allow more accurate tracking of discrete expenditures.

Consent Agenda

- a. Monthly budget statement. Reviewed the monthly balance sheet and profit & loss statements. Of note, water sales continue to track lower than budgeted; new services are tracking higher than budgeted. Given the current economic situation, will follow what happens with interest rates on the LGIP account; can anticipate that they will fall.

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- b. Board approval to pay bills presented. Action: Dan J. moved that the board approve paying all bills as presented, Mark seconded, and the motion carried unanimously.
- c. Approval of February minutes. Action: Dan Z. distributed minutes from the February meeting. Christine reviewed changes made to the draft minutes distributed previously. Amanda moved and Mark seconded that the minutes be approved as presented. Motion carried unanimously.

Action Items:

- a. Consider next steps for resolving out-of-district issue. Ron distributed a draft letter written for out-of-district customers and explained the context for and content of the letter. Each board member is to review and provide any suggested edits to Ron; Ron will finalize the draft and send on to our attorney for legal review and preparation of a final version.
- b. Consider updated contract with Schroeder Law. Christine distributed a copy of the revised/updated contract and Ron reviewed the updated terms. Action: Ron proposed a motion to approve the revised contract for an hourly fee schedule, but not to execute an additional flat fee agreement for review of District meeting records; Christine seconded. Motion carried unanimously. Ron will sign and send a copy of the executed contract back to Schroeder Law.
- c. Consider OAWU rate study. Dan J. reported on his efforts to negotiate a 5-year agreement for the OAWU rate study. Unfortunately, the study rate projections will only be valid for 4 years; cost will be \$5,000. After discussion, the Board consensus was that a 4-year term would be sufficient. Action: Dan J. moved and Christine seconded a motion to have OAWU complete the 4-year rate study for the quoted price of \$5,000. Motion carried unanimously. With regard to the timing, it will not be possible to complete the rate study before the 20/21 budget is prepared. Dan J. will negotiate for the rate study to begin in July after the 20/21 budget is approved, with suggested rates to be initiated with the 21/22 fiscal year budget.
- d. Consider OAWU leak detection study. Dan J. verified that the cost of a leak detection study will be \$1,000/day; for a district our size it will take 2 days if all goes smoothly and 3 days if there is difficulty identifying locations. Given the nature of our location maps, likely need to budget \$3,000 for 3 days. Considering ongoing water loss percentages of 20% or more, seems imperative to identify and repair sources of loss. Action: Dan J. proposed and Mark seconded a motion to initiate the leak detection study at a cost of \$3,000. Motion carried unanimously. Dan J. will follow through with OAWU on both the rate and leak detection studies.

Administrative Reports

- a. FY 20-21 budget cycle
 - Review budget calendar. Christine reviewed email communications with TSCC, in which we were notified that our calendar did not meet the requirements for submission of our approved budget to TSCC by May 15 and 30 days prior to our budget adoption hearing. On behalf of BWD, Christine requested and was granted an extension for the May 15 deadline and an exemption for the hearing deadline. Summer Sears, CPA, who assisted with budget preparation in prior years, is now serving in a consultant capacity only and will no longer be assisting us more directly. TSCC is our resource for learning about statutory requirements.
 - Composition of budget committee – community volunteers? No one responded to our letter soliciting community volunteers for the budget committee.

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- Update on budget preparation process to date. Despite slow progress, will be able to complete proposed budget in time to meet the mandatory posting date of 4/10/15. Ron requested an allocation of \$10,000 for legal services in next year's budget. Will need to re-negotiate the terms of the fire suppression contract with PF&R and Laura Schroeder has agreed to help with this. Dan Z. provided a brief overview of the budget development process. Will need to include future capital improvements in planning the budget; Christine will investigate exactly what those projects are and advise the Board.
 - Next steps. Will continue to move forward with building the proposed budget to make it available by 4/10/20; Dan Z. will work with Mark going forward.
- b. Covid-19: Issues and Implications. Amanda has been investigating the implications of the COVID-19 pandemic on our public meetings. We are an essential service, but it is not clear what that means for continuing to include the public in our ongoing operations. If we are on lock-down, we have options for video-conferencing, but question is whether this is considered adequate or appropriate for the public. She has not yet had responses from authorities and will continue to follow-up. Also, Amanda will get our special district registered with the City of Portland so that our website will become more visible to search engines. With regard to the issue of deferring payment for customers effected by the economic downturn, we will have Hiland consider hardship situations on a case-by-case basis when requested by customers.
 - c. Status of Metro Right of Way vacate process? The previous BWD Board had completed review of, and agreement for, this vacate request and sent required documents to Metro, but there has been no further communication from them. Christine will locate the contact info for our right-of-way consultant and the officials at Metro, will forward those to Ron, and Ron will follow up.
 - d. Update on transfer of electronic records to Google Drive. A complete set of files have been obtained from Juli. Christine will continue to work on creating a complete set of electronic documents for transfer.

As necessary: Additional agenda items arising pursuant to bookkeeper's, manager's reports.

- a. Ron requested that we obtain hand-stamps for BWD that include our current PO Box for return addresses on individual mailings, in lieu of the Hiland name and Newberg address. It was also noted that the checks for our Bank of the West checking account are imprinted with an obsolete St. Helens PO Box number. Action: Dan J. moved and Amanda seconded that we authorize Dan Z. to purchase new checks and hand-stamps that have the updated Fairview PO Box. Motion carried unanimously. Dan Z. will follow up.

Adjournment: Christine proposed and Ron seconded a motion to adjourn the meeting. Motion carried unanimously and the meeting ended at 7:40 pm.

Next Board Meeting: April 15, 2020 at 6:15 pm

Location: Scappoose Library