

# 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/>

BURLINGTON WATER DISTRICT (BWD)  
Board of Commissioners Meeting  
**October 16, 2019**

Scappoose Library  
Scappoose, Oregon 97053

## MINUTES

**Meeting called to order at:** 6:51 pm

**Present:** Ron Yann, Dan Johnson, Christine Nelson, Mark Oakley; board members (quorum)  
Juli Valeske, ex officio board member  
Dan Zimmerman, bookkeeper  
JJ Olson, Hiland Water manager

### Customer/Public Requests:

- 1) Billing questions/issues from customers:
  - a. Christine reported that at Hiland's request, she authorized a late fee waiver for a newly occupied home with a large outstanding bill from the previous owner. A check for full payment arrived 3 days after an additional late fee of \$13.95 was posted. Given the timing/circumstances, a waiver of the late fee seemed warranted. No objections.

### Board Review and/or Approval:

- 1) Dan Z. distributed minutes from the September meeting. Dan J. moved and Ron seconded that the minutes be approved. Motion carried unanimously.
- 2) Dan Z. presented the Bookkeeper's/Office Managers report:
  - a. The accounts receivable/payable report from Hiland was reviewed.
    - i. Noted that the water loss percentage was 21.42%, up from 19.45% last month. Concerns regarding upward trend were discussed; ideal to keep loss to ~10% - 15%. May need to consider system-wide leak detection, could potentially be done by outside contractor (Oregon Association of Water Utilities) at lower cost than Hiland, which charges time/materials. For now, board recommended that JJ closely monitor water loss and consider having Hiland complete leak detection in most likely trouble spot (Cornelius Pass Road, dairy section). Will decide further action at next board meeting depending on trend.
  - b. The monthly budget statement was reviewed, with the following discussion:
    - i. Address for bank statements changed, but not all signing permissions are in place yet. Christine and Mark still need to visit Bank of West to complete signature cards, and signers for Pool & LGIP accounts are also still in progress. As discussed at last meeting, when all current board members are signers on the Pool account,

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- the bulk of funds will be transferred from the checking account to the Pool account. A trial fund transfer of \$10,000 will be undertaken in the upcoming month to ensure everything is functional before the full transfer is completed.
- ii. Procedure for circulating and approving bills discussed. Decision was to circulate the check register summary in advance of monthly board meeting, then review and approve checks at the meeting.
  - iii. Going forward, the Hiland address (700 N College, Newberg, OR 97132) will be reported as the physical address for BWD.
  - iv. Automatic payments are being made on all accounts for which that is possible, including Portland Water Bureau, SDAO, and others.
  - v. A question arose about the legal services being provided by Schroeder Law Offices. The history of need for retaining an attorney service for umbrella protection was reviewed. Decision was that ongoing legal review of district agendas and minutes is no longer needed. Dan J. volunteered to contact them and advise that we will discontinue monthly reviews but would like continue to retain them as our legal counsel on an as-needed basis going forward.
  - vi. Annexation of Chestnut Lane customers is one issue that will require legal assistance should it be revisited in the future. An overview of the status of Chestnut Lane services was discussed. JJ will investigate the number of out-of-district customers, locations of meters, and billing arrangements for out-of-district accounts and report back at the next meeting.
- c. Dan J. moved that the board approve paying all bills as presented, Ron seconded, and the motion carried unanimously.
  - d. Portland Water Bureau (PWB) update. Dan Z. provided a handout of updated cost projections for constructing the Bull Run water filtration plant, the Washington Park underground storage tanks, the Willamette River underground crossing pipes, and corrosion control. Costs “trickle downstream” such that water districts such as ours at the end of PWB lines are levied accumulated rates for improvements throughout the PWB system that end up being much higher than locations closer to the original water source. Construction costs will be significantly higher than original estimates, up from \$500 million to as much as \$1.2 billion. Implication for our district is the possibility of up to a tenfold increase in wholesale water rates. BWD will need to consider new cost projections in setting future district rates. JJ/Hiland will attend future PWB meetings; a representative from the board should also attend to stay abreast of developments. Of note, the 5-year notice of continuance of our contract with PWB will be coming soon.

## Manager’s Report:

- 1) JJ presented the monthly operator’s report from Hiland:
  - a. With regard to past due accounts, Hiland was able to identify the home of the landlord with multiple rentals in arrears. When his home was threatened with disconnection, he paid all the outstanding bills. Now there are only a few overdue accounts.

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- b. New connection request, Newberry Road. System development charges, installation, parts, and labor are all paid by the new customer. Board needs to review and approve all new customers. Dan J. moved and Christine seconded that the Art Waggoner new customer request be approved; unanimously approved.
- c. JJ provided an overview of how Hiland implements the BWD past due policy and notification for water shut-offs. Due to the timing of billing statements, their protocol provides some leeway and water isn't disconnected until 60 days of non-payment rather than 45 days. There was no objection to how they are carrying out the policy.
- d. Sampling stations. As outlined at the last meeting, system sampling must be done from district lines. The new sampling station on Chestnut Lane is out of district and mounted on water lines that are not the property of BWD. JJ stated he was unaware of the issues with Chestnut Lane and did not realize it was located outside district boundaries. Silas at Hiland contended that since the board was provided the locations and approved them for installation, costs related to moving the sampling station are the district's responsibility. However, no one who attended the meeting at which the installations were discussed recalled having been provided with specific addresses and locations for the installations. Location information was instead generally described as 'the beginning, middle, and end of the district.' Further investigation will be undertaken before corrective action is taken. The specialized part for the final sampling station will be delivered in a week; its installation will be scheduled then.
- e. The water rate increase approved in May was not implemented until September. Next year it will be implemented the month after approval.
- f. JJ has not yet contacted a maintenance firm of specialized divers for quotes on inspection of the reservoir; he will bring information to next month's meeting.
- g. Based on 2018 data, reservoir level controls are now set with a buffer large enough to avoid PWB peaking factor rates. At the board's request, JJ will update the reservoir level spreadsheet to include 2019 data, compare with 2018, and further adjust reservoir levels if necessary.
- h. As a result of a large amount of work and hassle, accurate structure counts for all the moorages have now been obtained. Dan J. moved and Christine seconded that the moorage counts now be updated for billing purposes. Approved unanimously.
- i. Backflow testing will no longer be done by Olson LLC. Hiland can test backflows if requested for \$30 each; these costs are paid by the customer.
- j. The transducer in the reservoir is failing and in urgent need of replacement. Rather than replace the existing transducer, which would be very costly, Hiland can install a transducer on the reservoir drain line that will be far less costly and more efficient, using a "saddle tap" technique. Dan J. moved and Mark seconded approving the new transducer installation, assuming cost does not exceed \$1,500. Passed unanimously.
- k. Water rate proposal from Hiland. Because of frustrations involved with the BWD rate structure, especially getting current accurate counts for moorages, Hiland would like BWD to consider restructuring rates to be based on meter size and water usage, rather than per unit 'structure' monthly connection fee (\$45/unit) plus water usage coupled

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with multiple rate codes. JJ presented a sample framework for restructuring rates that would simplify billing and still allow total cash flow to remain the same. The board agreed to further consider this proposal going forward.

## Administrator's Report:

- 1) Board member resignation; recruitment of replacement board member: Alan Park resigned his board position by email on 9/19/19. Subsequently, a brief recruitment letter was sent to the three people who had received write-in votes in last spring's election inviting them to consider an appointment; none responded. Discussed strategies for finding replacement candidates. Decision was for each of us to spend a month doing informal recruitment; if that effort is unsuccessful, Dan J. will draft a letter to be sent to all customers, using template materials provided by SDAO and previous BWD letters. The board will review his draft and formulate a final recruitment plan at the next meeting.
- 2) BWD storage shipping container: Contents include a large number of supplies and equipment for maintenance and repair of water systems that are being held in reserve as potential parts should repair of older components of the BWD systems be needed. Contents also include 8 plastic storage bins of archived BWD records, as well as 4 storage bins of usable office supplies and small office equipment. Decision was to delegate donation/disposal of office materials to Christine and retain remaining water district equipment and records.
- 3) Records/files location and access: There are 3 storage bins of records at Hiland that were pulled for the audit, as well as a computer and printer. Going forward, BWD records are all being digitized and stored electronically; older paper records are unlikely to be needed unless there is an unusual request. Christine will take usable office supplies to Hiland, pick up the remaining records and equipment there, deliver the records to Dan Z., and store or dispose of office equipment. Dan Z. will review the bins of records, create digital copies of essential documents, and return them to the storage container when the audit is complete.
- 4) Status of audit: Dan Z. will meet with the auditor on 11/6 and will arrange for presentation of the audit at the November board meeting if completed in time. He will ask that the sample of records to be audited be provided in advance of the 11/6 meeting so he can have documents ready for the tests that the auditor will require (i.e., matching invoices to payments).
- 5) Status of the vacate process: Still awaiting a response from Metro.
- 6) Status of Fire Suppression contract with Portland Fire & Rescue: For PF&R to complete our fire suppression contract, BWD had to provide proof of insurance. BWD insurance is issued by SDIS, policy has been provided to PF&R, but they have not yet responded with final contract. Juli will send an email to her PF&R contact with copies to Mark and Dan Z. Going forward, as he manages the BWD email, Dan Z. will track status of board contracts, insurance due dates, etc., in conjunction with a designated point person on the board.
- 7) The SDIS Insurance filing is still in progress, as the policy needs to be corrected. Per Juli:
  - a. BWD no longer affiliated with previous office manager so insurance coverage on her office space needs to be deleted;
  - b. The square mileage of the district needs to be updated;

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c. Fire coverage may not be included; need to verify and if not, it will need to be added. Further review is warranted before our next policy is issued. Our insurance agency is Parkside Insurance. Juli has forwarded this year's policy; Dan Z. will follow up with our agent.

- 8) Online record storage: After investigation of options, Ron recommends that we use Google Drive as our cloud storage service for district digital records. The service would be accessible via the general BWD Gmail account. Juli and Christine will meet, finalize the transfer of documents to a thumb drive, and then Christine will work with Ron to upload them to the BWD Google Drive.

## **Division of Labor for new Board members:**

- 1) Dan J. circulated a revised list of responsibilities created for a bookkeeper/office administrator and 4 (rather than 5) board members. Assignment of roles and duties was discussed in detail and leadership positions were negotiated.
- 2) Election of Officers: Christine presented and Dan J. seconded a motion to approve the following slate of officers; unanimously approved:
  - Ron Yann, Chair
  - Dan Johnson, Vice Chair
  - Christine Nelson, Secretary
  - Treasurer/Budget Officer, Mark Oakley
- 3) Discussion regarding standing meeting time resulted in decision to hold meetings 30 minutes earlier, at 6:15 pm rather than 6:45 pm, on the third Wednesday of each month. Christine will change reservation time with library and post new time on website.

The next board meeting will be held November 20, 2019, at 6:15 pm at the Scappoose Library.

Christine moved and Mark seconded that the meeting be adjourned. Motion carried and the meeting ended at 9:55 pm.

Christine Nelson  
Board Member  
Recording Secretary