

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
January 15, 2020

Scappoose Library
Scappoose, Oregon 97053

MINUTES

Meeting called to order at: 6:31 pm

Present: Ron Yann, Dan Johnson, Christine Nelson; board members (quorum)
Dan Zimmerman, bookkeeper
JJ Olson, Hiland Water manager
Amanda Schehr, prospective board member

Customer/Public Requests:

- 1) There were no billing questions or other issues from customers.

Board Review and/or Approval:

- 1) Dan Z. distributed minutes from the December meeting. Dan J. moved and Christine seconded that the minutes be approved as presented. Motion carried unanimously.
- 2) Consideration of candidate for open BWD position: after introductions, provided Amanda Schehr with a brief orientation to the district, a brief history of recent board activities, and overview of board functions.
- 3) Dan Z. presented the Bookkeeper's/Office Managers report:
 - a. The accounts receivable/payable report from Hiland was circulated and reviewed.
 - i. A question arose regarding system development charges (SDC) pertaining to the new installation for Matthew Driggers. New hook-ups must pay SDC costs, which are set annually in the budget ordinance, in addition to the actual cost of the installation. Since SDC costs are restricted, important to be accurate in recording them.
 - ii. In response to another question, JJ clarified that because he represents three water districts including Burlington at the Portland Water Bureau meetings, BWD only pays 1/3 of the cost of his attendance at those meetings.
 - b. The monthly budget statement was reviewed and the following topics were discussed:
 - i. Water revenues are being closely tracked and are higher this month than last. Overall, water sales are trending lower than budgeted, which may be due to the methodology used in creating the budget. Next year's budget can be developed using past year's history of water sales for projections.
 - ii. Discussion of payment to Portland & Western railroad; this is an annual fee for easements allowing water lines to run underneath the tracks on railroad property.
 - c. Christine moved that the board approve paying all bills as presented, Dan J. seconded, and the motion carried unanimously.

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- 4) Christine investigated moving the BWD checking account to US Bank Peninsula branch in St. Johns. Their branch manager indicated US Bank would be happy to provide our banking services, so Christine forwarded the application form to Dan Z, who is working on completing it. The new account will need to be set up, linked to the LGIP account, and checks obtained before we transfer the balance from the Bank of the West account to the LGIP account, then on to the US Bank account. There was discussion about whether the Scappoose branch would be easier to access than St Johns, as check signers have to visit whatever branch we choose each time the official signatories on the account change; Christine will explore both locations. Christine proposed and Dan J. seconded a motion to proceed with changing our checking account to US Bank. Motion passed unanimously. Christine will handle next steps.
- 5) Dan J. successfully submitted an application for Oregon Association of Water Utilities (OAWU) membership. Since the membership fee was slightly lower than the amount of check that was submitted, the overage will be applied toward the cost of a rate study, which will be conducted to establish justifiable rates for future water sales. Dan J. will complete the application for an OAWU rate consultation and gather information from Hiland, Portland Water Bureau, and Dan Z. as needed to finalize and submit the rate study application. Final cost of the rate study will be determined after the application is accepted and reviewed.
- 6) Ron will be consulting next week with the Schroeder Law Offices about efforts to date with the Chestnut Lane out-of-district customers and what needs to be done to move forward; he will bring an update to the next board meeting. There was discussion about whether to retain this law firm on an ongoing basis for review of district and board activities. Ron will discuss with the attorney when they meet.

Manager's Report:

- 1) Status of customer accounts. Hiland suggests that the board may not need to track customer account status closely, as the standing board meeting date does not match well with their billing and shut off notification calendar. Hiland will use standard operating guidelines for dealing with past due accounts and will notify the board if intervention is needed. JJ clarified that Hiland does continue to monitor meters that have been shut off. If board members have questions about Hiland accounting reports, Devin is the accounting manager to answer them.
- 2) JJ presented the monthly operator's report from Hiland.
 - a. Water loss pattern/leak detection. Silas created a spreadsheet of BWD water losses, which for the past year have averaged ~5 gallons/minute. This is considered an acceptable loss for water systems, but does reflect about 20% of the water being purchased from PWB. Of note, the high 46% loss last month was likely due to a faulty pump which has since been repaired. Some of the 'loss' may in the Hiland reports may represent water that has yet to be distributed due to levels being held in the reservoir and main lines. Given the increasing cost of water from PWB, continued vigilance for leak detection and repair is warranted. Discussed plans for using a qualified vendor, such as OAWU or American Leak Detection for finding and repairing leaks. There is a possibility that some of the expense could be recovered through a grant from Energy Trust.
 - b. Leak detection efforts at the Cornelius Pass/dairy line were not successful. Excavation in the location where the main line crossing was supposed to be revealed an installation of

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stub out water lines to support a future fire hydrant rather than a main line crossing. The next step will involve tracing and mapping to determine exactly where that crossing is. There is also uncertainty about why this spot is considered a source of leaks.

- c. JJ recommends that BWD undertake a systematic leak detection assessment, contracting with experts like those from OAWU who have specialized equipment for just that purpose. OAWU will do a 1 to 2-day assessment of an entire system and identify 'hot spots.' One leak detection day would cost approximately \$1,000. Hiland could then repair identified leaks. Hiring a leak detection expert would require decent mapping. Hiland has a GIS/GPS map which they're updating as they service our system; they would be happy to share their map as needed. Dan J. will retrieve map files from Christine.
- d. The reservoir transducer replacement has been completed and was put on line 1/15/20.
- e. Reservoir inspection. JJ has been in touch with Liquivision, a vendor willing to take on the inspection. However, they need a considerable amount of detailed engineering information about the reservoir, which will take JJ significant time to compile and will require an onsite examination. Gathering these data will be postponed until the weather improves. Christine will check with Juli about what company installed the reservoir and where we might locate plans and specs.
- f. Automatic meter cost? Hiland recommends radio meters, still working on cost estimate.
- g. Matthew Driggers new installation is completed with temporary meters; appropriately sized meters are on order and will be installed when received. Re-paving will be completed when weather permits.
- h. Discussion of the format and content of the Water Operator's report. For future meetings, the Hiland manager's report will be provided to Dan Z. for inclusion in the meeting packet. It will summarize activities undertaken in the prior month and include updates regarding items still being addressed from the previous month's meeting, as well as any new issues that have arisen in the past month. The order of the agenda will be revised so this report is presented at the beginning of the meeting, after which JJ will be able to leave.

Administrator's Report:

- 1) Initiation of FY 20-21 budget cycle. Christine prepared and distributed a draft budget calendar based on the document that was prepared for last year's budget cycle. Per the prior board chair, there is a very prescriptive set of requirements for budget preparation for public entities; this calendar presumably includes all that must be done.
 - a. Engage CPA to assist with budget preparation. The prior board chair strongly recommended that the district contract with Summer Sears, CPA, to assist with project management and help with the budgeting process. In addition, she advised utilizing the services of Craig Gibbons from the Tax Supervising and Conservation Commission (TSCC) to make sure we're doing everything required on the correct timelines. The board concurred with these recommendations, with the understanding that the consultants would facilitate the work but not attend meetings. Dan J. proposed and Christine seconded a motion to formally contract with both Summer and Craig for their assistance with the budget process; motion passed unanimously. Dan J. will contact Summer ASAP to let her know we'd like to engage her services.

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- b. Appoint budget officer and finalize budget calendar. Per Dan Z., a budget officer's responsibility is to primarily to run the budget committee meetings. Although he was absent tonight due to illness, Mark expressed willingness to serve as a budget officer. A budget committee consists of board members and customers; the committee can nominate the budget officer from among the committee members. The function of the committee is to make a recommendation for the budget to the board; the board then reviews and approves the budget that the committee presented. Typically, budget committee meetings are held on the same day and immediately prior to board meetings.
 - c. Next steps. Prior to an initial budget committee meeting, Dan Z. would like to work with Mark individually and make some revisions to the budget, especially making line items more specific and breaking out costs differently. The board strongly supports this plan.
 - d. Board training re: property taxes and budgets. Craig Gibbons invited Dan J. and Mark to scheduled trainings provided by TSCC for board members in late January. Mark is planning on attending. Craig is also willing to provide individual training as needed; will defer decision about accepting this offer until further into the budget process.
- 2) Update on transfer of electronic records from Juli/Google Drive. Still no update; Christine will continue to work with Juli and attempt to complete file transfer before next meeting.
 - 3) Transfer of archived files to secure containers. Will continue to defer this project until weather is better.
 - 4) Portland Water Bureau (PWB) contract. Ron attended a meeting regarding the PWB contract, which is a 20-year contract running from 7/2006-7/2026. To opt out, a district must give notice by 7/2021 (five years before the current contract ends). PWB may provide some partial contract options and will be doing away with a guaranteed minimum purchase. Given the anticipated escalating costs of water from PWB, exploration of alternative sources of water to supplement water from PWB might be an option, so long as a decision is made by 7/21.
 - 5) Recruitment of replacement board member. Amanda expressed interest in filling the vacant spot of commissioner, position #2. The term would run from date of appointment through June, 2021, at which point an election will be held. Christine presented a motion to appoint Amanda Schehr to fill the vacancy of Commissioner, Position # 2; seconded by Dan J. and approved unanimously.

The next board meeting will be held Wednesday, February 19, 2020, at 6:15 pm at the Scappoose Library.

Christine moved and Dan J. seconded that the meeting be adjourned. Motion carried and the meeting ended at 8:30 pm.

Christine Nelson
Board Member
Recording Secretary