

HILLSBORO/FOREST GROVE/BEAVERTON
TUALATIN VALLEY WATER DISTRICT
JOINT WATER COMMISSION (JWC)

MINUTES

City of Hillsboro
Civic Center Room 113B
150 East Main St.

January 10, 2014
12:30 p.m.
Regular Meeting

Commissioners Present:

Hillsboro:	John Rosenberger and Dave Judah
Forest Grove:	Victoria Lowe and Rod Fuiten
Beaverton:	Denny Doyle, Marc San Soucie and Mark Fagin
Tualatin Valley Water District:	Dick Schmidt and Marilyn McWilliams

Staff Present:

Hillsboro:	Mayor Jerry Willey, Rob Dixon, Kevin Hanway, Chuck Kingston, Niki Iverson, Bernie Monahan, Michelle Wareing, Mellisa Franklin, Jon Grover and Susan Howard
Beaverton:	David Winship
Forest Grove:	Rob Foster and Derek Robbins
TVWD:	Mark Knudson

Others Present:

Clark Balfour – Attorney

The Commission lunches at 12:00 p.m. Call to order at 12:53 p.m.

CALL TO ORDER

Introductions.

1. **CONSENT AGENDA** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)

- A. Approve regular meeting minutes from Friday, October 11, 2013.

Motion by San Soucie, seconded by Lowe, to approve the Consent Agenda as presented. Motion carried unanimously with Commissioners Rosenberger, Judah, Fuiten, Lowe, Doyle, San Soucie Fagin, Schmidt and McWilliams all voting in favor.

2. **COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. None scheduled.

3. UNFINISHED BUSINESS

A. None scheduled.

4. NEW BUSINESS

A. Consider 2014 Elections. *(Under the rotation system that has traditionally been followed, it is the City of Forest Grove's turn to serve as Chair.)*

1. Election of Officers

Motion by Schmidt and seconded by Lowe to nominate McWilliams for Chairman. Motion carried unanimously, with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

2. Designation of Vice Chairs and Alternates

Vice Chairs and alternates were designated as follows:

Forest Grove: Lowe, Vice Chair
Fuiten, Alternate

Beaverton: Doyle, Vice Chair
San Soucie, Alternate

Hillsboro: Godsey, Vice Chair
Judah, Alternate

TVWD: Schmidt, Alternate

Motion by Schmidt and seconded by Lowe to appoint the designated Commissioners as Vice Chairs and their respective alternates for the Joint Water Commission for 2014. Motion carried unanimously with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

3. Designation of Managing Agency

Motion by San Soucie and seconded by Doyle, to designate the City of Hillsboro as the managing agency of the Joint Water Commission for 2014. Motion carried unanimously with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

After the vote, newly elected Chairman McWilliams presided over the remainder of the meeting.

B. Consider Approval of FY 2014 Supplemental Budget Amendment. *Staff Report – Mellisa Franklin*

Hanway stated the lease to Tualatin Valley Water District for Water Treatment Plant capacity along with a transfer of ASR assets, emergency costs associated with the North Transmission Line and additional insurance costs were not anticipated in the budget that was adopted for the current fiscal year. He stated this resulted in a \$1,254,943 increase in the budget requirements. Rosenberger inquired why insurance is approximately 20% of the estimate. Hanway stated insurance companies are continually reassessing their costs on insurance coverage and have raised their premiums this year; premiums are announced in June, and the final rate was higher than had been estimated. He stated a study is currently being conducted by the broker to assess what the appropriate level of seismic coverage should be which may result in reduced premiums next year.

Motion by Schmidt and seconded by McWilliams to approve the staff recommendation to the proposed FY 2014 Supplemental Budget Amendment and Summary of Estimated Additional Revenues and Expenditures by Partner. Motion carried unanimously with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

C. Consider Adoption of Revision to IGA Exhibit D: Transmission System and Exhibit N: Notices. *Staff Report – Niki Iverson*

Iverson described the revisions that are proposed to the ownership shares described in the current Exhibit D on transmission system shares. She stated there have been changes made to the Resolution and Exhibit D since the preliminary packet had been sent to the Commission. Only one date change has been made to the Resolution, reflecting the current year 2014. Formatting changes were made to Exhibit D along with a correction to Beaverton's buy-in to the North Transmission Line. The year of the facilities cost for the Forest Grove/Hillsboro line was also added. She stated Exhibit N reflects a correction to Mark Knudson's title, Chief Executive Officer.

Motion by McWilliams and seconded by Schmidt to approve the staff recommendation that the Commission adopt Resolution 123-J revising and replacing the current Exhibit D and Exhibit N. Motion carried unanimously with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

D. Consider Approval of WTP Immediate Electrical Items Replacement Project – Phase 2, Change Order #2. *Staff Report – Tyler Wubbena*

Monahan reviewed a drawing of the areas which are currently under construction for Phase 2 of the Immediate Electrical Items replacement project. He explained in detail what is taking place at each location and reviewed work completed prior to January. He also reviewed the remaining work to be done including installation of new conductors, new secondary conductors and new switchgear. He reviewed the need for the proposed change order. The original contract scope had included replacement of aluminum conductors on three of the pumps; the proposed change order adds the replacement of aluminum conductors on the other two pumps. He stated the project should be completed by March 13, 2014. Judah inquired why these upgrades were not recommended at the time the project was developed. Hanway responded these items were of some concern at that time, but were not considered an immediate concern until one of the pumps blew out.

Motion by Knudson and seconded by Rosenberger to approve the staff recommendation that the Commission approve Change Order #2 to the contract with Tice Electric Company for the WTP Immediate Electrical Items, Phase 2, including extension of the completion date to March 31, 2014, and authorize the General Manager to sign the change order. Motion carried unanimously with Commissioners Rosenberger, Judah, Lowe, Fuiten, Doyle, San Soucie, Schmidt and McWilliams all voting in favor.

5. **DISCUSSION ITEMS** (These items may result in action by the Commission.)

A. Presentation and Review of Audit Report. *Staff Report – Mellisa Franklin*

Franklin stated it is the fiduciary responsibility of the Commissioners to review and understand the audit report. She reported an unqualified opinion was received from the auditors along with no recommended changes or material misstatements.

B. Presentation of Financial Report. *Staff Report – Mellisa Franklin*

Franklin reviewed the adopted budgeted revenue for FY 2014 along with budgeted revenue as of December 31, 2013. She stated that actual revenues and expenditures are consistent with budgeted levels.

C. Stored Water Status. *Staff Report – Niki Iverson*

Iverson stated that Scoggins Dam is filling at a rate that matches almost exactly the rule curve for this facility. She stated there will be an update on reservoir levels in April. Currently Scoggins is approximately 62% full. San Soucie inquired who is currently running the dam. Iverson stated John Goans has been running the dam for the past year since Wally Otto's retirement.

D. General Manager's Report. *Staff Report – Kevin Hanway*

Hanway stated Tice Electric is doing a great job in the planning of all connects and disconnects involved in the Electrical Items Replacement Project to ensure the Plant stayed in operation throughout the entire process. He also complimented the treatment plant staff for their extra efforts to keep the plant operating efficiently while accommodating plant shutdowns for electrical repairs and the loss of one of the finished water pumps.

Hanway announced staff is waiting for approval from the State on the Filter Loading Rate Study report conducted by Carrolo. This study was to determine the rate at which water could be forced through the filters. He stated it was shown during the Pilot Study last year the Plant could produce at a higher rate and still meet the required standards. The report has been delivered to the State for sign-off on the Treatment Plant capacity change.

He announced the Operations Committee getting ready to begin planning for the 10-year capital improvement program. A request for a consultant contract will be presented to the Commission in April. The major subjects being looked at will be the expansion of the Treatment Plant and seismic upgrades.

Hanway announced the Commission's insurance broker is working on analyzing buried equipment on the Treatment Plant site and the transmission lines to conduct modeling that ties to seismic risks identified for this region. This analysis will enable the broker to present a recommendation to either change the valuation on assets or make other modifications that would allow a reduction in premiums.

Hanway announced work is moving ahead on the City of Hillsboro's planning and design of approximately 1,000 acres recently brought into the Urban Growth Boundary in the area known as South Hillsboro. The City, developers and the County have worked together to acquire a permit from the Railroad for crossing the railroad line, to extend Cornelius Pass Road into this new area. Construction, planned to begin this fall, will affect the location of the South Transmission Line. He stated there will be some costs involved for the Commission for the relocation of the transmission line but it is unclear at this stage exactly how costs will be split between the developer and the local government partners. Most of the costs will be incurred by developers of properties in the South Hillsboro area. However, there will be some costs incurred by the Commission due to the relocation of the Transmission Line.

Hanway announced the Bureau of Reclamation recently held public workshops in Forest Grove and Hillsboro to inform people of seismic risks of Scoggins Dam, how the Bureau plans to improve those risks, and how to respond in the event of an earthquake.

6. ADVICE/INFORMATION ITEMS

- A. The next JWC and BRJOC meetings are scheduled on Friday, April 11, 2014, at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

There being no further business to come before the Commission, the meeting adjourned at 1:55 p.m.

Chairman _____
Hillsboro/Forest Grove/ Beaverton/
TVWD Joint Water Commission

ATTEST: _____
Secretary