

Joint Water Commission



**General Manager**

Kevin Hanway  
150 E. Main Street  
Hillsboro, OR 97123  
503-615-6585

**Board of Commissioners**

*City of Hillsboro*

John Godsey  
John Rosenberger  
David Judah

*City of Forest Grove*

Rod Fuiten  
Carl Heisler  
Victoria Lowe

*City of Beaverton*

Denny Doyle  
Marc San Soucie  
Mark Fagin

*Tualatin Valley Water District*

Dick Schmidt  
Marilyn McWilliams  
Mark Knudson

**BARNEY RESERVOIR  
JOINT OWNERSHIP COMMISSION (BRJOC)  
PRELIMINARY AGENDA**

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

**April 11, 2014**  
**12:30 p.m.**  
Regular Meeting

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Assistive Listening Devices (ALD) and sign language interpreters are available, at no cost, and can be scheduled for this meeting. Please provide at least 72 hours notice prior to the meeting. To obtain these services, call (503) 681-6100 or TTY (503) 681-6284.

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**(Please Note:** In order to insure proper approval of agenda items requiring action, each agency should plan to have only one Commissioner, primary or alternate, participate in making or seconding any motions.)

**ALL TESTIMONY IS ELECTRONICALLY RECORDED.**

**Call to order at 12:30 p.m., Room 113B**

**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, January 10, 2014.

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

A. None scheduled.

3. **UNFINISHED BUSINESS**

A. None scheduled.

4. **NEW BUSINESS**

A. Consider Approval of the Proposed 2014-15 Budget. *Staff Report – Mellisa Franklin*



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

A. Stored Water Status. *Staff Report – Kristel Fesler*

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

6. **ADVICE/INFORMATION ITEMS**

A. The next JWC and BRJOC meetings are scheduled on Friday, July 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.

BARNEY RESERVOIR JOINT OWNERSHIP COMMISSION (BRJOC)

MINUTES

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

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

\*\*\*\*\*

**Commissioners Present:**

Hillsboro: David Judah  
Forest Grove: Victoria Lowe  
Beaverton: Mayor Denny Doyle  
TVWD: Marilyn McWilliams  
Clean Water Services: Bruce Roll

**Other Commissioners:**

Hillsboro: John Rosenberger  
Beaverton: Marc San Soucie and Mark Fagin  
TVWD: Mark Knudson and Dick Schmidt  
Forest Grove: Rod Fuiten

**Staff Present:**

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

**Others:** Clark Balfour, Attorney

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*(Please Note: In order to insure proper approval of agenda items requiring action, each agency should plan to have only one Commissioner, primary or alternate, participate in making or seconding any motions.)*

**ALL TESTIMONY IS ELECTRONICALLY RECORDED.**

Call to order at 12:36 p.m.

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, July 12, 2013.

Motion by Schmidt and seconded by Rosenberger to approve the consent agenda as presented. The motion carried unanimously, with Commissioners Judah, Lowe, Doyle, McWilliams and Roll 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.)*

a. Designation of Chair

Motion by Fuiten and seconded by Schmidt to nominate Lowe for Chairman. The motion carried unanimously, with Commissioners Judah, Lowe, Doyle, McWilliams and Roll all voting in favor. After the vote, Chairman Lowe took over duties of the Chair.

b. Designation of Vice Chairs and Alternates

Vice Chairs and Alternates were designated as follows:

Clean Water Services: Roll, Vice Chair; VanderPlaat, Alternate

Forest Grove: Lowe, Vice Chair; Fuiten, Alternate

Beaverton: Doyle, Vice Chair; San Soucie, Alternate

Hillsboro: Godsey, Vice Chair; Judah, Alternate

TVWD: McWilliams, Vice Chair; Schmidt, Alternate

Motion by Schmidt and seconded by Lowe to appoint the designated Commissioners as Vice Chairs for the Barney Reservoir Joint Ownership Commission for 2014. Motion carried unanimously with Commissioners Judah, Lowe, Doyle, McWilliams and Roll all voting in favor.

c. Designation of Managing Agency.

Motion by Roll and seconded by Judah to designate the City of Hillsboro as Managing Agency of the Barney Reservoir Joint Ownership Commission for 2014, as presented. The motion carried unanimously, with Commissioners Judah, Lowe, Doyle, McWilliams and Roll all voting in favor.

5. **DISCUSSION ITEMS** (These items may result in actions 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 normally budgeted revenue would be at 50% but because the partners have not been invoiced yet it is currently at 41.67%. She also reviewed revenue as of December 31, 2013 stating revenue is slightly higher due to insurance being invoiced at the beginning of the year. She stated maintenance reimbursements are at \$247,649 and interest is at \$489 of budgeted revenue. Franklin also reviewed budgeted requirements for FY 2014. She reviewed 50% of budget requirements including special payments, materials and services and personnel services. She stated as of December 31, 2013 special payments show \$50,526, materials and services show \$57,493 and personnel services show \$152,214.

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

Iverson reported storage is on a slow and steady pace this year. Barney Reservoir is currently 81% full and if the current weather trend continues the reservoir will have a fill date in May.

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

Hanway had no announcements.

6. **ADVICE/INFORMATION ITEMS**

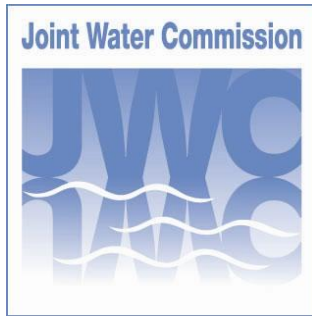
- A. The next JWC and BRJOC meetings are scheduled on Friday, April 11, 2014, at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

There being no further business, the meeting was adjourned at 12:50 p.m.

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Chairman, Barney Reservoir Joint Ownership Commission

ATTEST: \_\_\_\_\_  
Secretary



## STAFF REPORT

To: Barney Reservoir Joint Ownership Commission

From: Mellisa Franklin, Management Analyst  
Kevin Hanway, General Manager

Date: March 31, 2014

Re: Agenda Item 4A – Fiscal Year 2014-2015 Barney Proposed Budget

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### Staff Recommendation

**Staff recommends approval of the proposed FY 14/15 budget as presented, subject to final modifications not to exceed 5% of Personnel Service and Special Payments costs as determined by the City of Hillsboro.**

The Proposed Budget FY 2014-15 has been reviewed with representatives of the partners' management, finance and operations staffs. All recommend approval of the proposed budget, which includes the following:

- **Proposed Budget:** The overall proposed budget total expenditures are \$970,161, which is a 3% increase from fiscal year 2013-2014. This figure includes the capital reserve of \$335,248. BRJOC partners are charged only for actual expenditures. The proposed expenditures without the reserve are \$614,913, an increase of 4.5% from the prior year level of \$588,503.
- **Personnel Services:** The proposed budget includes a 5% overall increase in total personnel services to include: (1) estimated increases in Medical and Dental costs for half the year; (2) Hillsboro's estimated Cost of Living Adjustments (COLA) (final figures not yet proposed); and (3) possible changes in employee compensation due to the upcoming results of the comprehensive Classification and Compensation Study being performed by Hillsboro.

- Materials and Services: The proposed budget has an increase of 5% (approximately \$9,000) in Materials and Services. Most of this increase (\$5,000) is proposed for purchase of an excavator for moving boulders and debris.
- Special Payments: The proposed budget includes an 8% (approximately \$7,300) increase in Special Payments. The increase includes a 5% estimated increase in Personnel Services costs related to Special Payments charges, and another 2% for increased insurance charges. Special Payments includes Managing Agency charges for facilities depreciation, support services charges, equipment depreciation, facilities charges, insurance, and payments to other governments. The Special Payments allocation is subject to change at year-end once the cost allocation for the City of Hillsboro has been completed.
- Capital Projects: No capital projects are budgeted for fiscal year 2014-2015.

Barney Reservoir Joint Ownership Commission (BRJOC) - PROPOSED BUDGET FY14-15

	11/12 Actual	12/13 Actual	13/14 Budget	13/14 YTD	13/14 PYE	14/15 Proposed Budget	Change in FY 14 Budget to Proposed \$	Change in FY 14 Budget to Proposed %																																				
<b>Revenues</b>																																												
<b>Beginning Working Capital</b>	<b>\$356,358</b>	<b>\$355,248</b>	<b>356,356</b>	<b>\$0</b>	<b>355,248</b>	<b>355,248</b>	<b>1,108</b>	<b>100%</b>																																				
<b>Maint Reimbursement</b>																																												
Hillsboro - Maint Reim.	190,066	121,920	181,816	103,812	166,017	190,096	8,280	4.6%																																				
Forest Grove - Maint Reim.	15,328	9,832	14,663	8,725	13,388	15,330	667	4.6%																																				
Beaverton - Maint Reim.	131,820	84,557	126,098	75,037	115,141	131,841	5,743	4.6%																																				
TVWD - Maint Reim.	131,820	137,652	205,276	122,154	187,439	214,624	9,348	4.6%																																				
CWS - Maint Reim.	61,312	39,329	58,650	34,901	53,554	61,321	2,671	4.6%																																				
<b>Total Maint Reimbursement</b>	<b>530,345</b>	<b>393,290</b>	<b>586,503</b>	<b>344,629</b>	<b>535,539</b>	<b>613,213</b>	<b>26,710</b>	<b>4.6%</b>																																				
<b>Interest</b>																																												
Interest Earned	2,387	1,403	2,000	869	2,085	1,700	(300)	-15.0%																																				
<b>Total Interest</b>	<b>2,387</b>	<b>1,403</b>	<b>2,000</b>	<b>869</b>	<b>2,085</b>	<b>1,700</b>	<b>(300)</b>	<b>-15.0%</b>																																				
<b>Total Current Revenues</b>	<b>532,732</b>	<b>394,693</b>	<b>588,503</b>	<b>345,498</b>	<b>537,624</b>	<b>614,913</b>	<b>26,410</b>	<b>4%</b>																																				
<b>Total Resources</b>																																												
<b>Total Resources</b>	<b>889,090</b>	<b>749,942</b>	<b>944,859</b>	<b>345,498</b>	<b>892,872</b>	<b>970,161</b>	<b>25,302</b>	<b>3%</b>																																				
<b>Expenditures [1]</b>																																												
<b>Operating Costs</b>																																												
Personnel Services [2]	246,015	232,449	308,438	205,885	294,522	318,661	10,223	3.3%																																				
Materials and Services [3]	235,084	80,461	189,300	78,288	150,578	198,200	8,900	4.7%																																				
Non-Project Capital Outlay	-	-	-	-	-	-	-	0.0%																																				
Special Payments [5]	88,181	438,138	90,765	63,791	92,524	98,052	7,287	8.0%																																				
<b>Total Operating Costs</b>	<b>569,281</b>	<b>751,050</b>	<b>588,503</b>	<b>347,965</b>	<b>537,624</b>	<b>614,913</b>	<b>26,410</b>	<b>4.5%</b>																																				
<b>Other Expenditures</b>																																												
Projects Capital Outlay [4]	-	-	-	-	-	-	-	0.0%																																				
Contingency	-	-	356,356	-	-	355,248	(1,108)	-0.3%																																				
<b>Total Other Expenditures</b>	<b>-</b>	<b>-</b>	<b>356,356</b>	<b>-</b>	<b>-</b>	<b>355,248</b>	<b>(1,108)</b>	<b>-0.3%</b>																																				
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<b>Ending Working Capital</b>	<b>319,809</b>	<b>(1,108)</b>	<b>-</b>	<b>(2,467)</b>	<b>355,248</b>	<b>-</b>	<b>-</b>	<b>-</b>																																				
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**Notes:**

1. Expenditures are allocated back to each partner based on ownership percentage

**2. Personnel Services:**

**Projected to Year-End (PYE) FY 13/14:**

Personnel Services are projected to be in-line with projected estimates

**The 2014/15 budget for Personnel Services is preliminary and will change** See the following assumptions:

- Budgeted a 5% increase of total compensation for the possible Cost of Living Adjustment (COLA), medical and dental insurance increases, and the class & compensation study that the City of Hillsboro is performing. Actual numbers for the items above will not be known till late April
- The City is keeping the high PERS rate 15.61% & OPSRP Rate increase of 10.82% depending on employee hire date
- There are no budgeted additional FTE to Barney
- Proposed Personnel Services budget is based on percentage allocation to BRJOC of individual Personnel Services expenses. However, during FY14-15 partners will be charged for actual hours worked for water Distribution and Water Treatment Plant employees. Charges to partners for Water Administration, Engineering, and Resources employees will continue to be based on allocations

**3. Materials and Services:**

**Projected to Year-End (PYE) FY 13/14:**

The projected to year end shows under spending in the category of Materials and Services by \$39k. The under spending is primarily due to contractual services not utilizing the full budgeted value of the Portland Engineering retainer contract of \$25k. Another \$5k of the decrease, is due to no additional services to be performed to any Barney vehicle

**Proposed Budget FY 14/15:**

The 2014/15 budget for Materials and Services and Non-Project Capital Outlay items have increased by about \$9k. About \$5k of the increase is due to a request for a excavator to help move boulders and debris

4. There were no Capital Projects budgeted for FY 13/14 or 14/15

5. Special Payments line items include the following: facilities depreciation, support services, equipment depreciation, facilities charges, insurance, fleet service charges, and payments to other governments.

**Projected to Year-End (PYE) FY 13/14:**

The **Special Payments** budget is preliminary and will change