



American Water Works Association Pacific Northwest Section

Trustee Meeting Minutes

Pacific Northwest Section – American Water Works Association

Campbell's Resort –Chelan, Washington

Thursday, October 2, 2014 – Friday, October 3, 2014

Trustees Present: Chair Jason Canady, Chair-Elect Randy Black; Treasurer Marshall Thompson, AWWA Director Brenda Lennox, Trustees Todd Heidgerken; Lacy Goeres-Priest; Brad Taylor; John Roth; and Dan Kegley. Absent, excused: Trustees Jacki Masters, Past Chair Chuck Kingston.

Staff present: Executive Director Kyle Kihs

Call to Order

The Fall meeting of the Pacific Northwest Section- American Water Works Association was convened by Chair Jason Canady at 9:05 a.m. on Thursday, October 2, 2014, in the Park conference room at Campbell's Resort, Chelan, Washington.

Chair's Report

Chair Canady noted the Board has worked hard to create a balanced budget. The Section has great changes coming forward including a new look for AWWA and exciting new opportunities for income generation including off-cycle short schools.

Association Director's Report

Ms. Lennox reported that in the last three years, AWWA has adopted several strategies, including the 2013 Strategic Plan, and the AWWA 2020 Report, which addresses issues including communication, branding, and membership. She noted that Sections have aligned their strategic plans as well. Webinars to share these plans and reports with the membership are ongoing.

More webinars are planned relating to philanthropic issues. AWWA has never before had a formal philanthropic effort and creating this fund will have an impact on Sections. Sections will be reviewing means of keeping current local philanthropic efforts intact.

She also shared that she will be the visiting dignitary at both the North Dakota and Nebraska Section Conferences. Ms. Lennox stated she is interested in pursuing the AWWA Presidency and would need to declare her candidacy in June 2015 at the ACE meeting. The vote will be taken at the Board meeting in 2016.

She reminded members that they can register at hotels prior to registering for the ACE conference.

Executive Director's Report

Kyle Kihs noted he is currently working on designing the 2015 ballots which will be in mailboxes on November 1. He noted this is the members' opportunity to vote for the future leadership of the Section. He is also looking at locations for the Section meet and greet at the ACE Conference June 7 in Anaheim and that information will be sent out in the e-newsletter soon.

Actions

Motion: Dan Kegley moved for approval of the Spring Meeting Minutes. Second by Randy Black. Motion was approved unanimously, 9-0, by voice vote.

Motion: Todd Heidgerken moved for approval of the Candidates for Office Special Meeting Minutes. Second by Randy Black. Motion was approved unanimously, 9-0, by voice vote.

At the Board's request, there was a brief Treasurer's report to explain the proposal to roll the Reserve account into the Section Mutual Fund. It was noted that the rollover of the \$36,000 in the Reserve Account to the mutual fund would result in significantly higher earned interest.

Motion: Randy Black moved to roll Reserve Account funds into the Section Mutual Fund. Second by Brenda Lennox. Motion carried unanimously, 9-0, by voice vote.

New Section Logo

It was noted that AAWW has made it a priority to have a consistent look and feel of logos through the Sections. As such our Section was given two logos from the association and asked to approve one for future use. One example was all text and one example contained artwork of our three states. As our Section consists of only part of Idaho we asked and received approval from the Intermountain Section to use the entire state of Idaho in our logo.

Motion: Dan Kegley moved to adopt the preferred logo with three state images and text as recommended. John Roth seconded. Motion carried unanimously, 9-0, by voice vote.

Executive Director Kihs discussed the roll out of the logo. He will continue to communicate the change and determine how it will affect the 12 subsections.

Treasurer's Report

Treasurer Marshall Thompson noted that the balance sheet is healthy overall, not showing a lot of growth but staying fairly constant. He reviewed fund balances and income, noting the need for cash on hand to account for variances in the income stream. All budget requests over the next two days will be reviewed for consistency with the Section's strategic goals.

The Treasury ad hoc committee met to address a long-term downward trend and recommended: simplifying financial statements, and possible adoption of a calendarized budget approach to predict when funds will be expended during the month or quarter. The committee also recommended more Quickbooks training for subsections and controlling expenses by timing training in coordination with the budget. He reviewed the income on CDs versus mutual funds, noting that mutual funds have no withdrawal penalties. Given the small return on CD's it makes sense to have assets more liquid and for the reserve fund to have a higher return rate. The committee has recommended rolling one CD into the mutual fund when it comes due.

In keeping with the strategic objectives of the organization which were a byproduct of a Board retreat, the committee proposes also that funds be allocated for board members to get together for one day in the summer in a workshop setting.

Motion: Randy Black moved to take the next maturing CD (between \$120,000 and \$140,000) and move the funds to a mutual fund. Dan Kegley seconded. Motion carried unanimously, 9-0, by voice vote.

There was consensus to direct staff and the treasurer to work with the Bylaws Committee to create rules of procedure language around the reserve fund balance and operating cash reserves.

Staff was also directed to look into expenses for a one-day board retreat.

Budget Overview

Jeff Lundt reported that a \$70,000 net profit is projected for 2014.

The 2015 projected budget was provided to the Board and will be reviewed at this session.

COMMITTEE REPORTS

2014 Eugene Conference

Jill Hoyenga reported that the Eugene conference was very successful and thanked those involved. She reviewed the post-conference survey which had a 23% response rate. She noted that the e-newsletter is the most popular method of communication and the most important conference content is technical. Pre-conference seminars remain important and more than half of responders would like the length of the conference to remain the same. High importance was placed on networking opportunities, and tourist attractions did not appear to generate much interest. The Board congratulated Ms Hoyenga and her committee for running such a great conference. The Eugene Conference net income was \$130,000 a new record for the Section.

Manufacturers, Suppliers and Consultants

Kristin Young reported excellent vendor space in Bellevue, with room to pull in the competitions and Water For People auction into the same venue as vendors. Moving the tapping competition to the vendor space at lunch on Friday will save the expense of an evening event. Committee proposes raising vendor booth costs up to \$900 across the board. "Beer and Brats" sponsorship and hospitality suites have been eliminated for 2015. The committee budget request included \$570 for travel. Budget request is an overall reduction from 2014. It was noted that the vendor fee increase would be the first in several years. In response to a question, she noted that the \$900 fee includes a contribution to the E&T fund.

Water for People

Cindy Foss stated that \$145,000 was donated to Water for People in 2014, which is \$20,000 more than last year and a new record. She recapped events and noted that more silent auction items, particularly of the "event" variety are needed for 2015 conference.

2015 Bellevue Conference

Mr. Kihs noted that Alex Gancheva could not attend but that he would provide an update on the Bellevue conference. Based on feedback from the last post-conference survey, the opening ceremony will be shortened and a keynote speaker added. The committee has an excellent speaker who falls well within budget and will speak for 30 minutes at the opening session on efforts to preserve the Mississippi River. Also, given the overall cost of the conference, the tapping competition will move to lunch on Friday and meter madness will move to lunch on Thursday along with the Best Tasting Water contest. Fun night will take place Wednesday from 5-8 p.m. Numbers show that there is still a shortage of approximately \$8,000 in net revenue for the conference. Bellevue is a more expensive venue than Eugene (\$130,000 profit) or Boise where the next conference will be held. The committee suggests Board discussion about a price adjustment for the Bellevue conference. There was brief discussion regarding costs per attendee.

Motion: Dan Kegley moved to increase registration cost for the Bellevue conference \$25 (to \$350 AWWA Member price). Randy Black seconded.

The motion was clarified by mover and amender to note that the raise in price would be proportionate for non-members, new members, and one day registration fees as well. Mr. Lundt stated that would increase the net conference income from \$52,000 to \$64,000.

Vote: motion carried unanimously, 9-0, by voice vote.

Recess: Chair Canady declared recess at 10:29 a.m. for the purpose of a break.

Reconvene: The meeting was reconvened at 10:50 a.m.

Education and Training Fund

Bob Willis reported the E and T Fund is in good shape, with a current value of over \$660,000 and that on advice of the financial advisor, transferred funds to miss the drop in the bond market. He stated that the biggest issue for the committee currently is the AWWA philanthropic program and the potential competition with section efforts.

Membership Committee

Pat Van Duser and Andreu Ferraro reviewed the Committee report. They noted the biggest accomplishment is that the database is up and running for all members – a multi-year project. The committee will also continue to update the website. Budget items were reviewed and it was noted that \$3500 budgeted was not spent in 2014, as apparently funds were double budgeted to Membership and LAC. This will be addressed in the 2015 budget.

Distribution Committee

Doug Schlepp and Bill Reynolds were present to review the Committee report. The committee has produced a session for the Bellevue conference and continues to share expertise with members. Incoming Chair Reynolds stated the goal of continuing to maintain good diversity within the membership and is hoping to recruit more Idaho members. No revenue is received since the committee coordinates through the subsections to provide training experiences.

Water Resources Committee

Justin Iverson and John Lambie stated that committee goals include bringing timely and relevant information to the tri-state area, and to continue to reach beyond metro Portland. Web meetings have been held, with encouragement to a Seattle group to call in together. It was noted that travel funding for a conference speaker would be transferred to the LAC budget.

Information Technology and Website Committee

Rob Barrett noted this is a two-person committee providing account updates, help desk support for websites and providing training and assistance to committees and subsections. They are working on succession planning and hoping to add members. For 2015, \$3,000 income is anticipated, with \$4200 in expenses; however in 2015 it is expected that the committee will be making money.

Small Systems Committee

Don Popoff noted the committee has grown to three people, with the addition of an Idaho member. They are trying to identify how many members are in small versus large systems and how to define “small” systems so are still looking identify their target audience. The first formal meeting is planned for the spring conference. It was noted that 10,000 customers is the EPA definition for a small system.

Water Conservation Committee

Jeff Peterson reported that there has been interest in partnering or working jointly with the Water Resources Committee. Primary interest is in irrigation technologies, water conservation rates and

commercial rates. These will be the focus for future meetings and trainings. He reported no anticipated income or expenses and no planned trainings as members are not required to earn CEU's.

Personal Leadership

Kristel Fesler stated this is a relatively new committee and has focused on women's leadership events. The two held this year both made money. General leadership training is planned for next year and may be an every other year event. Just over \$9,000 was collected for the two events in 2014.

Water Quality Committee

Anna Zakilkowski stated the Committee's only expenses were related to the Best Tasting Water Awards. For next year, allocations are requested for supplies for the competition, workshop supplies, printing, etc. She asked the Board to consider financial support for competition winners to attend the national conference. This year is the second consecutive year our Section took home the People's Choice Award and the winning team from Kalama could not attend. Discussion ensued regarding whether this should be more appropriately budgeted to SAC. The committee was encouraged to keep training in motion to help defray costs. The logistical challenge of getting conference hotel rooms at the last minute (after winners are announced) was also noted with suggestion that some rooms could be booked ahead to save costs. As a conference-related activity it might be appropriate to charge to LAC. Agreement that the cost should be more in line with others at \$850 and charged to SAC.

The meeting was adjourned for a lunch break at 11:55 a.m.

The meeting was reconvened at 1:18 p.m.

Historian

Todd Heidgerken reported that Katherine Howells has been reviewing a large quantity of documents and records and provided copies of a list of items for Board members to review. The organization needs a game plan for retention and this will be taken up at the Portland meeting. Mr. Heidgerken stated this is non-traditional committee of one, with request for \$400 for funding to chip away at scanning and archiving the backlog of documents. The historian is looking for help from the Board on direction as to what should be kept and what should be purged. It is suggested a third party with experience in this area could be considered. Other questions included whether a historical display should be part of the annual conference budget and whether reimbursement for travel should be from the conference or committee budget as in 2014. The historian will participate in two presentations at this year's conference. Recommendation was to have a presentation for the winter trustees meeting and try to have the historian present.

Customer Service Committee

Tonya Reiss and Daneka Keith reported serious momentum within the committee. A full schedule of trainings is planned for next year. In 2014, the committee projects \$9,000 income vs. \$4,500 in expenses with a potential gross of over \$10,000 depending on training attendance. In 2015, would like to expand conference presence and have ideas for pre-conference tracks in the future. There has been much interest in developing more trainers, but the program operates within certain guidelines. Ms. Lennox noted the curriculum was developed six years ago and has not been updated because of emphasis on technical and operator courses. She has applied for a \$25,000 grant for a curriculum update and is working to encourage AWWA to repackage the curriculum and offer more "train the trainer" classes. The Committee is setting up the 2015-16 schedule, working on partnerships and developing a succession plan for officers. They have requested \$500 for shirts for trainers.

Subsection Advisory Committee

Cory Peterson reviewed the Committee report. Discussion was initiated on whether the YP scholarships should be moved to that committee now that they have a separate budget. After brief Board discussion, no change in that process was recommended. Discussion was also initiated regarding whether to increase the \$850 stipend to the first place content winners for attending the conference. It was noted that it was increased fairly recently and it is hoped that subsections will help subsidize the cost and the award was not designed to pay the entire cost. It was also noted that there has not been a women's team entry in the tapping competition. Board consensus was that funds for awards would not be allocated until it is confirmed there will be a team in the competition. Mr. Peterson has agreed to stay on for another year if needed depending upon the outcome of the upcoming election as the current SAC Vice Chair Max Woody is running for Oregon/Idaho Trustee.

Program Committee

Chris Young and Cheryl Capron reported they are hard at work developing the conference. Four full tracks of pre-conference sessions are planned including a tour of the Tacoma Water Treatment Plant. The program will be finalized the first of November. There have been efforts to streamline the process, provide a smartphone app and build a website with source material for committee chairs. Kevin Boggs is shadowing Cheryl and will be vice chair for the 2016 conference. A question was posed about developing a wastewater track; suggestion was not to compete but find a way to promote the wastewater organization's classes. This will be reviewed prior to the Boise conference. Budget request of \$1,250 is for materials and speaker gifts.

Research Committee

Lynn Williams reported that a tech session on climate change is being planned. One of the planned trainings will not be held until January so that income (projected at \$1,500) will be realized in 2015 rather than 2014. The committee could use more people; although it has 35 members, only a few are active.

Oregon Water Utility Council

Kari Duncan reported on various legal issues the Council is tracking and supporting. In order to control legal costs, the Council is currently evaluating RFPs for legal counsel with a draft contract pending. In reviewing the budget it was noted that the Willamette agreement makes the numbers look higher but is a net neutral pass through.

Washington Water Utility Council

Chris Peterschmidt reported the Council is keeping tabs on legal and regulatory issues. There is an active membership and budget for Amicus briefs but not many have been necessary this year. The bulk of expenditures for legal support has been through contracted legal service. He listed current issues of concern in Washington.

Water Treatment

Pierre Kwan provided the board with his report in hard copy. He noted that the committee is collaborating with the Tacoma subsection on pre-conference and conference tracks which will include a field trip to the Green River Treatment Plan. The annual forum may be delayed as many utilities are tapped out on training budgets. Time frame currently targeted is February. The Operators Network Exchange has a budget of \$2,000 and sponsorships in the amount of \$2,000. He stated it is difficult getting operators from small utilities to participate and it has been hard to recruit mentor/trainers to match up with requestor in the right area.

Engineering Committee

Erika Murphy reported the committee is focusing on tech sessions and pre-cons for the conference. She also reported on a pump training session and activities related to Engineers Week. The Committee has several new members, has teamed with the YP Committee, and added a secretary position. A three year succession plan is in place.

Utility Management

Dan Sleeth reported that another technical track has been finalized for the conference. He asked for guidance on whether the committee should offer training or act as training facilitators to get people to existing trainings. There was discussion about the importance of training specific to the region and industry. He added that there is a need for leadership training and a desire to tap the experience of those who are in their last years of the profession. There is support for an education program that targets mid-managers who will move up. Ms. Lennox suggested partnering with Cal Nevada as they need customer service training and have developed some leadership programs. A collaboration could be lucrative to both Sections. Board members questioned the \$2,860 budgeted for travel which was not specified in the committee report. This should be clarified before budget approval.

Recess: Chair Canady adjourned the meeting at 2:37 p.m. for the purpose of a break.

Reconvene: The meeting was reconvened at 3:04 p.m.

Public Officials Committee Len Englund reported that the subject matter for the Bellevue Conference have been selected and he feels strongly about them. No funding is requested for 2015. He noted that all utilities face succession planning challenges, and said that the committee may work with the Utility Management Committee. He stated he would also like to work with Utility Management Committee and try to offer CEUs again for the Public Officials sessions.

Young Professionals Committee

Julie Smitherman, Meredith Noble and Natasha O'Brien-Legg presented an enthusiastic report on the work of the YP's. They asked that scholarships for students remain in the SAC budget as an investment in the organization. Networking is essential and lead to one job placement last year. Committee membership has increased and with more members they hope to assign leadership roles in specific areas such as communications, fundraising, and scavenger hunt. Regarding income, it was noted that the funds raised as a result of committee efforts go into the conference budget but the committee is looking at subsections to generate separate direct fundraising activities.

Board members agreed that YPC is not a fundraising group but an outreach group and that is in line with the organization's goals. Funding for scholarships and attendance for two representatives at the YP summit were supported. Regarding events, fall and early winter events have been planned. More emphasis on student (vs. young professional) involvement is planned. This year showed the highest sponsorship rate and highest attendance for the scavenger hunt.

WAWARN

Dave Brown stated that although he has not had success getting regional meetings together, there are 12 new members for the year, partly due to Department of Health employees. The \$500 budgeted in 2014 was not spent but the committee has asked for that amount to remain in the budget. In 2015, goals are to establish officers and a progression plan. There was Board discussion regarding need for a WARN for each state (liability rules differ) and why separate budgets and officers are needed when the goal is to have a tri-state WARN. In discussion, it was suggested that a PNWS WARN Committee could be established in the future with subsection leaders and a single coordinating body.

ORWARN

Ken Schlegel and Chris Warner reported on the tri-state meeting at the Eugene conference and noted that discussion is ongoing about coordinating efforts across state lines. Participation in the exercises is an issue. WARN 101 presentations have been developed and the committee is looking at other ways of providing training and education, current working with Office of Emergency Management in Oregon. There is focus on getting members to host local exercises and develop emergency management compacts. They offer their expertise to other committees and will present WARN 101 on request. It was suggested that county emergency management staff be allowed membership. There was also agreement about potential for a less formal tri-state association.

RECESS : Chair Canady declared the meeting adjourned for the day at 4:03 p.m.

RECONVENE: The meeting was reconvened at 9 a.m. on Friday, October 3.

Trustees Present: Chair Jason Canady, Chair-Elect Randy Black; AWWA Director Brenda Lennox, Trustees Todd Heidgerken; Lacy Goeres-Priest; Brad Taylor; John Roth; and Dan Kegley. Absent, excused: Trustee Jacki Masters, Past Chair Chuck Kingston and Treasurer Marshall Thompson. Staff present: Executive Director Kyle Kihs

Public Information Committee

Todd Heidgerken reported on behalf of Tacy Steele. He stated that committee has proposed a public information technical session, teaming with the Water Quality Committee, for the conference. The Committee wants to encourage participation by small utilities and also suggests providing more notice for the communication awards which might encourage more entries. Budget expenses are estimated slightly higher than income due to the expense of subsidizing awards. Mr. Kihs noted that the Committee should be notified of the logo change which will affect plaques and awards.

Scholarship Committee

Dave Leland reported that E&T is putting an extra \$2,000 into the scholarship fund. Tuition is going up and the goal is to try and give larger (rather than more) scholarships. Question was posed as to whether the E&T fund was meant to be capped at a certain amount. There should be a discussion with E&T about what funding level to maintain so they can consistently fund scholarships.

Training Coordination Committee

Dan Kegley reported in Lisa Snowden's absence. The Committee meets monthly and its current focus is a basic waterworks course. Math for operators is planned as a web based training and a chemistry for operator's course is pending. Twelve instructors have been trained in Portland for basic waterworks and CEU'S have been applied for in all three states. Committee is working on annual training calendar and asks other committees to populate for training needs. A budget net profit of \$1200 is projected.

Budget Recap and Finalization

Chair Canady stated that the only flux in the budget appears to be whether to increase SAC scholarship budget and reduce some travel. At this point the 2015 budget has a projected \$5,892 net profit. Mr. Kihs stated about \$3500 will be needed for new stickers for awards (reflecting new logo). The \$2800 travel and training item from Utilities Management Committee is still in question. After discussion, recommendation was to remove from the budget and appropriate later if necessary.

Further discussion related to impact of raising vendor fees for Bellevue conference and directing about \$6,000 from operating funds to scholarship fund. A question was raised whether the \$5500 difference

in scholarship budget requested will come from the Board or from E&T fund. It was suggested that because of the higher than usual expenses occurred for Bellevue conference the E&T be responsible for funding.

Other reports outstanding:

Safety Committee

Todd Heidgerken said this is an “in and out” budget, with expenditures and revenues generated from training.

Idaho WUC

Ms. Lennox reported there is a nominal budget amount. The group is not as active as the other two states, with not as many issues in Idaho. There is a succession plan and a new chair has been identified. Mr. Canady noted they have a designated fund which will roll over. They have graduating out of general operating fund support after two years, rather than the projected five years.

Recess: Chair Canady declared a recess at 9:38 a.m. for the purpose of a break and to give Mr. Lundt time to add budget figures.

Reconvene: The meeting was reconvened at 10:14 a.m.

Mr. Canady asked for consideration of a contribution from the Board the Scholarship Fund of \$2500 in a compromise to bolster the ending fund reserve.

Motion: Randy Black moved to contribute \$3060 from the general fund to the scholarship fund. John Roth seconded. Motion carried, 6-2, with Brad Taylor and Dan Kegley dissenting.

It was noted that the LAC will net \$66,000 based on new vendor rates.

Motion: Randy Black moved to include a new trustee meeting line item of \$3,000 for a one-day board retreat in a convenient location in July or August. Dan Kegley seconded. Motion carried unanimously, 8-0, by voice vote.

Past Chair Kari Duncan requested that the Board add funds to the budget to support Brenda Lennox’s campaign for chair of AWWA, in the amount of \$3,000. Ms. Lennox expressed her gratitude and said that she believes \$2,000 would be an adequate amount to subsidize travel costs.

Motion: Lacey Goeres-Priest moved to add a line item for \$2,000 for travel expenses for Brenda Lennox in connection with her candidacy for president of the AWWA. Second by John Roth. Motion carried, 7-0, by voice vote, Lennox abstaining.

Mr. Lundt presented the final budget showing a net income of \$3,177.16.

Motion: Randy Black moved to approve the salary increase for the Executive Director based on the Portland CPI-U for 2015 (2015 budget) and to add a \$1300 bonus from the 2014 budget. Dan Kegley seconded. The motion carried unanimously, 8-0, by voice vote.

Motion: Todd Heidgerken moved to approve the 2015 budget as amended during the meeting. Brenda Lennox seconded. Motion carried unanimously, 8-0, by voice vote.

Chair Canady thanked all for their efforts to adopt a balanced budget and continue to build a reserve and Todd Heidgerken thanked Mr. Canady for his work this year.

TRUSTEE WORK TEAM REPORTS

The following remaining items were reported by the Trustees.

Randy Black said the Committee Officer Training on Wednesday provided great information on different ways for our committees to connect and communicate. He also noted that there was one Ad Hoc committee – Ad Hoc Finance. Regarding strategic planning he believes the retreat will help new board members understand strategic goals. Other team committees were present to report earlier.

Mr. Canady noted that for the 2016 LAC budget, funds would be allocated to help with Mr. Black's travel expenses to Boise (as Chair).

Brenda Lennox stated the National Association Awards and Review Committee is in the process of cleaning up the ROPs. Other team committee reports have been shared.

Dan Kegley stated there is a succession plan for chair of the Training Coordination group, the conference program is set and he has been in contact with the Conference Local Arrangements group which is doing a good job trying to control costs in Bellevue.

Brad Taylor noted all his work team committees were present to report.

Todd Heidgerken stated all work team committee reports have been heard.

John Roth stated all his work team committees have reported.

Lacey Goeres-Priest reported that Stephanie Raddatz is now secretary for Water for People and Corianne Hart has assumed chair of the Publications Committee.

ISSUES FROM THE BOARD

There were no further issues brought forward for discussion.

ADJOURN

Motion: Randy Black moved to adjourn the meeting. Todd Heidgerken seconded. Motion carried unanimously, 8-0, by voice vote.

There being no further business the meeting was adjourned at 10:45 a.m.

Minutes submitted by Pam Kolacy MMC