

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
BEAVERTON, OR 97006

JANUARY 4, 2011
WORK SESSION

Present: Commissioners: President Dick Schmidt, Richard Burke, Jim Doane, Marilyn McWilliams (Commissioner Duggan was absent due to illness)

Management

Staff: Greg DiLoreto, Todd Heidgerken, Mark Knudson, Clark Balfour, Patty Rupp

Citizens: None

President Schmidt called the Work Session to order at 6:02 p.m.

Chief Executive Officer, Greg DiLoreto, pointed out that each Board member was given an autographed book written by Cheryl Welch titled “The Green Utility”.

Each Board member received an invitation to the Tualatin Valley Water District’s Annual Awards Banquet on February 5, 2011 beginning at 6:00 p.m.

The final Comprehensive Annual Financial report was also available to each Board member.

CEO, DiLoreto mentioned that an agenda item would be presented to the Board at the January 19 Board meeting, to change the 2011 Regular meeting dates for the months of June, July, August and October. This is due to a conflict with the AWWA conference in June, and also Board member schedules in the summer months.

INTERIM WATER SUPPLY STRATEGY (PowerPoint Slides are attached for greater detail)

CEO, DiLoreto provided introductory comments on the topic. He pointed out that in December of 2007 the Board had formally adopted the Tualatin Basin Water Supply Project (TBWSP) as the primary supply for TVWD, as part of the District’s long-term water supply strategy. At that time, the goals of the strategy were to complete the TBWSP by July 2016, and shift most of TVWD’s water demand to the TBWSP/Joint Water Commission (JWC) supply. CEO, DiLoreto pointed out that since that time the project has experienced significant schedule delays. He explained that due to seismic concerns it is now evident that raising Scoggins Dam would not be completed by 2016. He stated that the first opportunity for the District to notify Portland with a five-year written notice, as included in the Wholesale Contract, would be June 30, 2011.

Chief Engineer, Mark Knudson, described the purpose of the presentation as *laying out the groundwork* of how and why these issues need to be addressed. He pointed out that staff was looking for the Board's input, in general term, regarding their thoughts on the proposed strategy.

Mr. Knudson explained that since the TBWSP is experiencing significant delays due to seismic concerns associated with Scoggins Dam, it is uncertain when the project will be completed. Costs have increase significantly. The latest estimate was ~ \$ 1.1 billion. TVWD's share would be around \$450,000. The Corrective Action Study of the dam by the Bureau of Reclamation (BOR) is underway.

Mr. Knudson described possible components of an interim water supply strategy which may include:

- Leasing of existing excess capacity from JWC partners
- Acceleration of additional aquifer storage and recovery (ASR) projects
- Near-term expansion of the existing JWC water treatment plant
- Renewal of the Portland supply contract with possible reduction in the existing minimum purchase commitment

A general discussion took place amongst the Board members and staff in terms of emergency water supply. CEO, DiLoreto and Mr. Knudson assured the Board that a plan is in place within the Water Conservation and Management Plan which has been adopted by the Board.

Mr. Knudson explained the next steps:

- Identify available JWC lease capacity
- Preliminary design of Water Treatment Plant expansion
- Continue implementing ASR projects
- Coordinate with JWC partners
- Feasibility analysis funded by TVWD (how much water and for how long and at what cost)
- Begin negotiation with Portland
- Refine details of TVWD's proposed Interim Water Supply Strategy
- Proceed with implementation

In Summary:

- An interim supply strategy becomes a roadmap until a long-term supply is on line
- Four key components (lease stored water, WTP expansion, ASR, and reduced purchase from Portland).
- Components are interdependent
- Interim plan could provide significant benefits to TVWD and the JWC

Mr. Knudson explained the meaning of deferred capital in terms of the JWC WTP clear well that should have been expanded as part of the last WTP expansion project.

Mr. Knudson explained that this information and strategy would be presented to the JWC Partners at their next meeting for their input and ideas.

ADJOURNMENT

Without objection, President Schmidt adjourned the meeting at 6:54 P.M.

BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT

BY: _____
Dick Schmidt, President

BY: _____
Jim Duggan, Secretary

Date Approved: February 16, 2011