

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
REGULAR MEETING MINUTES
FEBRUARY 15, 2012

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

Management

Staff: Greg DiLoreto, Todd Heidgerken, Patty Rupp, Mark Knudson, Brenda Lennox, Dale Fishback and Paul Matthews

Legal Counsel: Clark Balfour

Staff: Tod Burton

Public: Bill Osmunson, Charlie White, Kathleen Corkett, Peter Corkett

Note: Unless otherwise indicated the term "Motion carried" means the action of the Board of Commissioners was unanimous.

President Schmidt called the Regular Meeting to order at 7:00 p.m.

REPORTS BY CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

CEO, DiLoreto announced that for the fourth consecutive year the Tualatin Valley Water District (TVWD) has received the Government Finance Officers Association's Distinguished Budget Presentations Award.

CEO, DiLoreto provided an update on the Tualatin Basin Water Supply Project (TBWSP). He reported that the Bureau of Reclamation (BOR) continues to work on the Corrective Action Study (CAS). Before BOR can conclude their work they need to answer policy questions in terms of Seismic Standards for the Pacific Northwest Region, what other public infrastructures are owned by Federal agencies, and if Congress is willing to spend \$500 million for a small dam in Oregon. On September 30, the repayment contractors for the Scoggins Dam project (Cities of Beaverton, Hillsboro and Forest Grove) became responsible for 15% of the costs for the CAS at an estimated cost of \$1.3 million dollars. TVWD does not have a contract for the water from Hagg Lake therefore, TVWD is not responsible. Money from the repayment contractors is not due until construction is authorized, and contracts are approved. TBWSP activities for 2012-13 would be to continue working on legislative strategies and coordination with BOR. A delegation of the TBWSP partners is scheduled to go to Washington DC in March.

The American Society of Civil Engineers has developed a sustainable infrastructure rating- tool. The tool was released in January and can be used to rate civil engineering projects, such as water pipelines, pump stations, reservoirs, etc. The District is scheduled to test drive the tool by evaluating a District water pipeline project. The District will be one of the first public agencies (250 in the United States) to use the tool. The tool can grade public works projects. It is transparent, deals with life cycle costing, and takes into account sustainability. If the rating tool works on the pipeline project, TVWD will have the opportunity to use it for other projects.

CEO, DiLoreto reminded the Board of a Work Session scheduled for March 13 at 6 p.m.

Departmental Report:

Ms. Brenda Lennox, Customer and Support Services Manager, provided the department report focusing on District Safety practices.

REPORTS OF MEETINGS ATTENDED AND COMMISSIONER TOPICS

A report was given by each Board member of meetings they attended for the month.

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Charlie White – 11965 NW Kearney St., Portland, OR

Ms. White came before the Board to express her concerns regarding fluoridated water. She informed the Board that as a health advocate, she is asking them to take the responsibility of informing customers about fluoride.

Bill Osmunson, DDS MPH – 25977 Canyon Creek, Wilsonville, OR

Dr. Osmunson appeared before the Board to express his concerns with ingesting fluoridated water, especially formula fed and nursing infants.

Kathleen Corkett, 1217 NW Weybridge Way, Beaverton, OR

Ms. Corkett came before the Board to support the possibility of ending fluoridated water in Beaverton. She stated her goal is to gain an understanding of the process to eliminate fluoride from TVWD water, or to receive communication regarding steps to be taken to cause the cessation.

President Schmidt pointed out that the citizens voted for fluoridation and that they would need to vote to have it removed.

Commissioner Burke stated he has had numerous conversations with Ms. White and Mr. Osmunson regarding the procedural steps needed going forward and suggested that Ms. Corkett discuss her concerns with them. Commissioner Burke also suggested she contact him and he would be able to carry forward a dialogue with her, as he had done with Ms. White and Mr. Osmunson.

CONSENT AGENDA

It was moved by Commissioner Burke and seconded by Commissioner Doane to approve the consent agenda consisting of the Regular meeting minutes of January 18, 2012. The motion carried.

RESOLUTION 01-12 AUTHORIZING A SUPPLEMENTAL BUDGET FOR THE BIENNIAL PERIOD 2011-13, TRANSFERS APPROPRIATION WITHIN THE GENERAL FUND FOR DEBT SERVICE AND INCREASES APPROPRIATION AUTHORITY IN THE REVENUE BOND DEBT SERVICE FUND

Chief Financial Officer, Paul Matthews explained that Finance staff identified an opportunity to save the District approximately \$47,600 by retiring the Series 2002 Revenue Bonds by the end of March 2012. He explained that the Bonds normally would be paid off by June 1, 2015. The Series 2002 Bond Declaration provides the District the authority to repay the bonds early. The interest rate paid on the Bonds exceeds what we can earn through investments with the Local Government Investment Pool or other investments. Staff is recommending retirement of the Bonds. To accomplish the Bond retirement, Board authorization is needed to transfer \$370,000 from the General Fund Contingency to the Revenue Bond Debt Services Fund and Board authorization to appropriate that money to repay the bondholders. Following the covenants of the Series 2002 Bond Declaration, the bondholders will receive a 30-day notice. The proposed supplemental budget and appropriation transfers in Resolution 01-12 are permitted under Local Budget Law.

Hearing no discussion, President Schmidt then called for a vote. It was moved by Commissioner Burke and seconded by Commissioner McWilliams to adopt Resolution 01-12, Authorizing a Supplemental Budget for the Biennial Period 2011-13, Transfers Appropriation within the General Fund for Debt Service and Increases Appropriation Authority in the Revenue Bond Debt Service Fund. The motion carried.

IN THE MATTER OF APPROVING PURCHASE OF LOT 24 OF THE TUALATIN VIEW SITE NO. 2

Chief Engineer, Mark Knudson provided the staff report. Mr. Knudson reported that a proposal to purchase the Lutz property at 1730 SW 87th Avenue. The purpose of this proposed purchase is to allow TVWD to construct a new pump station. The pump station is to replace the existing Sunset Pump Station. Staff believes it is appropriate to replace the Sunset Pump Station based on the age, condition and seismic standards of the existing pump station and it is vulnerable and inefficient based on its construction and plumbing. The property is located adjacent to the Rosander Reservoir and would allow TVWD to combine those facilities into a pump station and reservoir allowing for a more efficient operation. This property is located in a subdivision called Tualatin View Sites #2 that has a set of Covenants, Conditions and Restrictions (CC&Rs) that currently restricts development in that subdivision of 14 properties to residential use only. TVWD staff has approached property owners within the subdivision to request an amendment to the CC&Rs to allow for the construction of a pump station rather than a residential structure. TVWD has received 13 property owners' signatures of agreement to amend the CC&Rs to allow construction of a pump station on that site. TVWD continues to work with the 14th property owner to reach an agreement on amending the CC&Rs. TVWD's goal is to build a pump station that looks like a house, is landscaped like a house thus allowing it to blend into the neighborhood.

Mr. Knudson requested Board approval to move forward with the purchase of this property.

Hearing no discussion, President Schmidt then called for a vote. It was moved by Commissioner Doane and seconded by Commissioner McWilliams to approve the purchase of lot 24 of the Tualatin View Sites No. 2.

Commissioner Burke stated that he is voting in favor of the purchase of Lot No. 24 with every confidence that all 14 homeowners voluntarily agree to allow TVWD to build the Pump Station.

Hearing no further discussion, President Schmidt then called for a vote. The motion carried.

RESOLUTION 05-12 ENDORSEMENT OF NORTH BETHANY SUBAREA ANNEXATION AS PROPOSED BY WASHINGTON COUNTY

Mr. Knudson provided the staff report. He explained that this item consists of TVWD's Board endorsement of the annexation of the entire North Bethany subarea and move it into the TVWD service area. Over the past several years, Washington County has worked with various stakeholders, including TVWD, to prepare a development plan for North Bethany area. Last October 2011, the Board of Commissioners of Washington County approved an ordinance that sets the stage and gives the green light for development in North Bethany, subject to a few additional refinements that Washington County is currently working. Washington County Land Use Planning staff proposed that TVWD adopt this general annexation endorsement for the North Bethany subarea in anticipation of future development.

Mr. Knudson explained there would be no change in water service to existing properties within the annexed area at this time and TVWD is currently not aware of specific requests for future development. Water service for future development below elevation 300 will be supplied from existing reservoirs and pipelines. Significant future development above elevation of 300 will require construction of a new North Bethany Reservoir on property currently owned by the District and the construction of associated transmission pipelines. Those improvements are included in TVWD's approved Capital Improvement Plan for approximately \$4 million. The total area of the North Bethany site is approximately 847 acres; 224 acres are already in the TVWD service area

Staff recommends approval of Resolution 05-12 Endorsement of North Bethany Subarea Annexation as Proposed by Washington County.

Hearing no discussion, President Schmidt then called for a vote. It was moved by Commissioner McWilliams and seconded by Commissioner Burke to adopt Resolution 05-12, Endorsement of North Bethany Subarea Annexation as Proposed by Washington County. The motion carried.

ADJOURNMENT

There being no further business, it was moved by Commissioner Burke and seconded by Commissioner Doane to adjourn the Regular Meeting at 7:45 p.m. The motion carried.

BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT

BY _____ BY _____
President, Dick Schmidt Secretary, James Duggan

Date Approved: _____