

# Tualatin Valley Water District



BOARD OF COMMISSIONERS  
1850 SW 170th AVENUE  
REGULAR MEETING MINUTES  
MAY 16, 2012

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

## Management

Staff: Todd Heidgerken, Patty Rupp, Mark Knudson, Brenda Lennox, and Paul Matthews

Legal Counsel: Clark Balfour

Staff: Tod Burton

Public: Joe Healy – HDR, Charlie White, Bill Osmunson

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

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Vice-President McWilliams called the Regular Meeting to order at 7:16 p.m.

## REPORTS BY CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Todd Heidgerken, Manager of the Office of Community and Intergovernmental Relations, and acting in capacity for Chief Executive Officer (CEO), Greg DiLoreto provided the following updates.

During the recent American Water Works Association, Pacific NW Section conference, the Tualatin Valley Water District (TVWD) was presented an award for “Outstanding Leadership and Support of the Section by an Organization”. President Schmidt, on behalf of TVWD, accepted the award.

The next Work Session is scheduled for Tuesday, June 5. The Work Session in July is scheduled for July 10.

Mr. Heidgerken provided the department report for the Office of Community and Intergovernmental Relations.

## 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 provided comments regarding Edward Bernays whom had written a book in 1928 titled "Propaganda". She asked the Board if they could include an agenda item regarding infant formula warnings.

### Bill Osmunson - 25977 Canyon Creek, Wilsonville, OR

Mr. Osmunson asked the Board if he could provide a 20-minute presentation at a later date regarding fluoride in terms of nursing mothers.

Commissioner Burke point out, on behalf of the Board, that they had heard public comment regarding fluoride over the last ten years. The Board is still of the opinion that the decision to remove fluoride is that of the citizens.

## CONSENT AGENDA

It was moved by Commissioner Doane and seconded by Commissioner Burke approving the Board meeting minutes of April 18, 2012. The motion passed with three votes in favor. Vice-President McWilliams abstained, as she did not attend the meeting.

## COST-OF SERVICE WATER RATE STUDY – FINAL REPORT

Chief Financial Officer, Paul Matthews, explained that TVWD staff and HDR, the consultant hired to conduct the study, participated in two work sessions on December 6, 2011 and March 13, 2012. At the recent Board meeting of April 18, 2012, draft results were presented. The Final Report Cost-of-Service Water Rate Study is the culmination of work performed by the District and HDR staff, incorporating feedback from the Board.

Joe Healy, of HDR presented the final report.

It was moved by Commissioner Burke and seconded by Commissioner Doane to accept the Final Report Cost-of-Service Water Study Study, dated May 2012. The motion carried.

## RESOLUTION 07-12 ESTABLISHING AN APPROACH TO DETERMINING CERTAIN CREDITS FOR SYSTEM DEVELOPMENT CHARGES

Mr. Matthews explained a common practice in the water industry is to allow customers to upsize their water connections if their needs change. In addition to paying the cost of installing a larger meter, System Development Charges (SDCs) are normally assessed on the upsized capacity to offset the growth-related costs. Normally a credit is given to customers requesting a larger meter that takes into account the capacity they currently have in their existing service. As an example, a customer requesting an upsizing of a 2-inch meter to a 3-inch meter would only be charged the difference in the SDC between a 2-inch and 3-inch meter. In the process of responding to the request of the owner, staff found that the current SDC Resolution is silent on SDC credits for owner's upsizing or replacing existing water services. This resolution provides direction on establishing SDC credits, and provides specific direction for disposition of the requested SDC credit by the property owner. Mr. Matthews indicated that Staff is conducting a detailed review of the District's SDC process, and would bring an updated SDC Ordinance to the June Regular Board meeting.

Seeing no discussion of the Board, Vice President McWilliams then called for a motion. It was moved by Commissioner Doane and seconded by Commissioner Burke to adopt Resolution 07-12, establishing an approach to determining certain credits for System Development Charges. Commissioner Duggan declared a conflict of interest, and refrained from discussion and voting on the agenda topic. The motion passed with three votes in favor, and one abstention.

OPERATIONS AND MAINTENANCE CONTRACT, CITY OF WILSONVILLE,  
TUALATIN VALLEY WATER DISTRICT AND VEOLIA WATER NORTH AMERICA

Mr. Heidgerken explained that since 2001, the City of Wilsonville (Wilsonville) and Tualatin Valley Water District (TVWD) as co-owners of the Willamette River Water Treatment Plant (WRWTP) have had a contract with Veolia Water North America-West, LLC (Veolia) for the operations and maintenance of the facility. Mr. Heidgerken pointed out that Veolia was initially hired due to the complexity of the treatment plant and the lack of experience in running a water treatment plant for both Wilsonville and TVWD. The current contract expires on July 1, 2012. The contract includes a provision that allows for the continuation for another five years. All the parties agreed that they want to exercise that option and have been reviewing changes to the existing agreement. The majority of the original contract remains the same. Mr. Heidgerken referred the Board to Section 17.3 and explained that this has been updated to reflect the fact that the City of Sherwood is receiving 2.5 MGD of water from the WRWTP and anticipates receiving 5 MGD in the future.

While TVWD is not taking any water from the WRWTP, as an owner we are required to agree and enter into this operation and maintenance contract. Staff participated in these negotiations with Wilsonville and conferred with the City of Sherwood. Staff recommends that the Board move to approve the Operations and Maintenance Contract between Wilsonville, TVWD and Veolia Water North America.

There is no budget impact to the District. The District's intergovernmental agreement with the City of Wilsonville explicitly states that operations and maintenance charges will only occur when a party is taking water from the WRWTP

It was moved by Commissioner Burke and seconded by Commissioner Duggan to approve the the Operations and Maintenance Contract between the City of Wilsonville, TVWD and Veolia Water North America. The motion carried.

ADJOURNMENT

There being no further business, it was moved by Commissioner Duggan and seconded by Commissioner Doane to adjourn the Regular Meeting at 8:10 p.m. The motion carried.

BOARD OF COMMISSIONERS  
TUALATIN VALLEY WATER DISTRICT

BY \_\_\_\_\_ BY \_\_\_\_\_  
President, Dick Schmidt Secretary, James Duggan

Date Approved: June 20, 2012