

**Tualatin Valley Water District**



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

**DECEMBER 19, 2012**

**REGULAR MEETING - 7:00 PM**

**Listening devices are available upon request  
48 hours prior to the day of the meeting (503-642-1511)  
Streaming live at [www.tvwd.org](http://www.tvwd.org)  
Broadcast by TVCTV (at a later date)**

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1. CALL TO ORDER – REGULAR MEETING
2. REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF
3. COMMISSIONER COMMUNICATION
  - 3.1 -Reports of Meetings Attended
  - 3.2 -Topics to be raised by the Commissioners
4. PUBLIC COMMENT:

This time is set aside for persons wishing to address the Board **on items on the Consent agenda, and matters not on the Business agenda.** Additional public comment will be invited on agenda items as they are presented. Each participant is limited to five minutes, unless an extension is granted by the Board. Should three citizens testify on the same topic, each participant will be limited to three minutes.

CONSENT AGENDA: These items are considered to be routine and may be enacted in one motion without separate discussion. Any Board member may request that an item be removed by motion for discussion and separate action.

ITEMS REMOVED FOR SEPARATE DISCUSSION: Any items requested to be removed from the consent agenda for separate discussion will be considered immediately after the Board of Commissioners have approved those items which do not require discussion.

5. CONSENT AGENDA ITEMS
  - [5.1- Resolution 14-12 Establishing Regular Monthly Meeting Dates of the Board of Commissioners for the Calendar Year 2013, and the month of January 2014.....](#)
  - [5.2- Motion Declaring Certain Brass Materials as Surplus Property .....](#)
  - 5.3- Work Session Minutes of November 8, 2012 .....
  - 5.4- Regular Meeting Minutes of November 20, 2012.....

**BUSINESS AGENDA ITEMS:**

Time will be set aside for public comment for each business item. Each participant is limited to five minutes unless the Board grants an extension, or the agenda item is noted for a specific amount of time for public comment.

6. GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD OF EXCELLENCE IN FINANCIAL REPORTING FOR THE PREVIOUS YEAR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR); AND CAFR PRESENTATION FOR THE YEAR ENDED JUNE 30, 2012 (MOTION TO ACCEPT).....
  
7. APPOINTMENT OF TUALATIN VALLEY WATER DISTRICT REPRESENTATIVE TO JOINT WATER COMMISSION BOARD, AND WILLAMETTE RIVER WATER COALITION BOARD (MOTION TO APPOINT).....
  
8. ADOPTION OF DISTRICT DESIRED RESULTS AND KEY INITIATIVES FOR 2013-2015 (MOTION TO ADOPT).....
  
9. ADJOURNMENT

**TUALATIN VALLEY WATER DISTRICT  
REGULAR BOARD MEETING AGENDA ITEM**

**MEETING DATE: DECEMBER 19, 2012**

**TITLE: RESOLUTION 14-12 ESTABLISHING REGULAR MONTHLY MEETING DATES OF THE BOARD OF COMMISSIONERS FOR THE CALENDAR YEAR 2013; AND THE MONTH OF JANUARY 2014**

**ITEM:** In order to conduct regular business for the Tualatin Valley Water District, the Board of Commissioner must meet on a monthly basis. Resolution 14-12 clarifies the dates and time for the calendar year 2013, and January 2014.

**STAFF RECOMMENDATION:** Staff recommends that the Board move to approve Resolution 14-12, establishing Regular meeting dates of the Tualatin Valley Water District's Board of Commissioners to be held the third Wednesday of each month, at 7:00 p.m., at the Tualatin Valley Water District Headquarters, 1850 SW 170, Beaverton, Oregon. The Board of Commissioners has the ability to change meeting dates by consent.

**BUDGET IMPACT:** None

**ADDITIONAL INFORMATION:** Chief Engineer, Mark Knudson, 503-848-3027, [Markk@tvwd.org](mailto:Markk@tvwd.org) or Greg DiLoreto, Chief Executive Officer 503-848-3032, [greg@tvwd.org](mailto:greg@tvwd.org),

**ATTACHMENTS:** Resolution 14-12

APPROVING MANAGERS INITIALS

CHIEF EXECUTIVE OFFICER	_____	HUMAN RESOURCES	N/A
FIELD OPERATIONS	N/A	INTERGOV. RELATIONS	N/A
FINANCIAL SERVICES	N/A	CUSTOMER SERVICES	N/A
ENGINEERING SERV.	_____		

**BOARD ACTION:**

APPROVED \_\_\_\_\_  
DENIED \_\_\_\_\_

**Tualatin Valley Water District**



RESOLUTION 14-12

A RESOLUTION ESTABLISHING REGULAR MONTHLY MEETING DATES OF  
THE BOARD OF COMMISSIONERS FOR THE CALENDAR YEAR 2013; AND  
THE MONTH OF JANUARY 2014

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN  
VALLEY WATER DISTRICT THAT:

Section 1: That commencing with the month of January 2013, the Regular Meetings of the Board of Commissioners (Board) of the Tualatin Valley Water District shall be held on the third Wednesday of each month at 7:00 p.m. unless otherwise approved by consent of the the Board to change a specific monthly meeting to an alternate date.

Section 2: The Regular meeting for the month of January 2014 shall occur on January 15, 2014.

Section 3: The meetings are to be held at the Tualatin Valley Water District, Administrative Office located at 1850 SW 170th Avenue, Beaverton, Oregon.

Section 4: Meeting dates may be changed by a motion of the Board.

Section 5: In accordance with ORS 192.640, Public Notice Requirement, all meetings will be advertised as required.

INTRODUCED AND ADOPTED THIS 19th DAY OF DECEMBER 2012.

TUALATIN VALLEY WATER DISTRICT

BY \_\_\_\_\_ BY \_\_\_\_\_  
Dick Schmidt, President Jim Doane, Secretary

**TUALATIN VALLEY WATER DISTRICT  
REGULAR BOARD MEETING AGENDA ITEM**

**MEETING DATE: DECEMBER 19, 2012**

**TITLE: GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) AWARD OF EXCELLENCE IN FINANCIAL REPORTING FOR THE PREVIOUS YEAR'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR); AND CAFR PRESENTATION FOR THE YEAR ENDED JUNE 30, 2012**

**ITEM:** Julie Desimone, CPA & Partner and Keith Simovic, CPA, will present the District's CAFR to the Board, explain the highlights, and will be available for questions. Ms. Desimone and Mr. Simovic represent our auditing firm: Moss Adams LLP. This is our fourth year of a multi-year contract with this independent auditor. You might recall that the Board extended Moss Adams current contract for two additional years during its regular meeting on March 21, 2012.

We have received a "clean" opinion that the CAFR fairly represents the financial position of the District as of June 30, 2012 in all material respects, and in conformity with the generally accepted accounting principles. We have also complied with Oregon budget law and other statutory and contractual provisions.

We are pleased to report that the District has once again earned the GFOA Award of Excellence in Financial Reporting for the previous year's CAFR. This is the 22<sup>nd</sup> consecutive award. We plan to submit the current year CAFR for the award, as well.

**STAFF RECOMMENDATION:** Staff recommends the Board move to accept the Comprehensive Annual Financial Report for the Year Ended June 30, 2012. Separately, staff recommends the Board accept the GFOA Award of Excellence in Financial Reporting for the previous year's CAFR.

**BUDGET IMPACT:** None

**ADDITIONAL INFORMATION:** Paul Matthews, [paulm@tvwd.org](mailto:paulm@tvwd.org) (503) 848-3017, Bob Shields, [bob@tvwd.org](mailto:bob@tvwd.org) (503) 848-3070

**ATTACHMENTS:** The FY 2011-12 Comprehensive Annual Financial Report will be provided separately.

**APPROVING MANAGERS INITIAL:**

CHIEF EXECUTIVE OFFICER	_____	HUMAN RESOURCES	NA
FIELD OPERATIONS	NA	INTERGOV. RELATIONS	NA
FINANCIAL SERVICES	_____	CUSTOMER SERVICES	NA
ENGINEERING SERV.	NA		

**BOARD ACTION:**

APPROVED \_\_\_\_\_  
DENIED \_\_\_\_\_

**TUALATIN VALLEY WATER DISTRICT  
REGULAR MEETING AGENDA ITEM**

**MEETING DATE: DECEMBER 19, 2012**

**TITLE: APPOINTMENT OF TUALATIN VALLEY WATER DISTRICT (TVWD)  
REPRESENTATIVE TO THE JOINT WATER COMMISSION (JWC) BOARD AND  
WILLAMETTE RIVER WATER COALITION (WRWC) BOARD**

**ITEM:** The JWC Water Service Agreement of April 9, 2004 calls for each participating agency to appoint three people as its representatives to the JWC Board. Currently, TVWD's representatives to the JWC are Board President Schmidt, Commissioner Doane and Chief Executive Officer, Greg DiLoreto. Due to scheduling conflicts, Commissioner Doane is unable to attend the quarterly JWC Board meetings, and has requested that Board President Schmidt appoint a different representative. Board President Schmidt is recommending that Commissioner McWilliams be appointed to the JWC Board.

Commissioner McWilliams is the TVWD representative to the WRWC Board. The WRWC calls for one representative from each participating agency with an alternate. Board President Schmidt is also recommending that Commissioner Doane be appointed as the alternate to the WRWC Board. Commissioner Burke is the current alternate and has agreed to Commissioner Doane taking his place as the TVWD alternate to WRWC Board.

**STAFF RECOMMENDATION:** Board President Schmidt recommends that the Board move to approve the appointment of Commissioner McWilliams to the JWC as one of the three TVWD representatives and Commissioner Doane as the alternate to the WRWC.

**BUDGET IMPACT:** No impact

**ADDITIONAL INFORMATION:** Board President Dick Schmidt, (503) 642-1511, CEO Greg DiLoreto, 503-848-3032, [greg@tvwd.org](mailto:greg@tvwd.org).

**ATTACHMENTS:**

APPROVING MANAGERS INITIAL:

CHIEF EXECUTIVE OFFICER	_____	HUMAN RESOURCES	N/A
FIELD OPERATIONS	N/A	INTERGOV. RELATIONS	N/A
FINANCIAL SERVICES	N/A	CUSTOMER SERVICES	N/A
ENGINEERING SERV.	N/A		

**TUALATIN VALLEY WATER DISTRICT  
REGULAR BOARD MEETING AGENDA ITEM**

**MEETING DATE: DECEMBER 19, 2012**

**TITLE: ADOPTION OF DISTRICT DESIRED RESULTS AND KEY INITIATIVES FOR 2013-15**

**ITEM:** The attached document details the five major results desired by Tualatin Valley Water District (TVWD) at an organizational level. These Desired Results were identified by the District's Strategic Core Team, which includes two Commissioners, the Chief Executive Officer, the department managers and coordinators for the District's Information Technology, Safety, Strategic Planning and Risk Management programs. The Results stem from the Vision, Mission and Values and summarize what District staff, programs and policies seek to accomplish.

Within each Desired Result, staff has identified the key initiatives and projects that will likely be most significant in the next biennium. These initiatives are over and above the essential day-to-day work already being accomplished. If approved, this document will provide direction for District staff as Capital Improvement Planning and Budgeting processes for the next biennium take place.

At the December 4<sup>th</sup> Board Work Session, Commissioners reviewed these Desired Results and Key Initiatives as proposed by staff for the upcoming 2013-15 biennium. Minor wording changes were made as suggested and the revised document is attached.

**STAFF RECOMMENDATION:** Staff recommends adoption of the District Desired Results and Key Initiatives for 2013-15.

**BUDGET IMPACT:** Budget impact will be developed for each initiative through the regular 2013-15 budget development process.

**ADDITIONAL INFORMATION:** Todd Heidgerken, Manager, OCIR, [toddh@tvwd.org](mailto:toddh@tvwd.org) or (503) 848-3013, Cheryl Welch, Strategic Planning Coordinator, [cheryl@tvwd.org](mailto:cheryl@tvwd.org) or (503) 848-3012

**ATTACHMENTS:** District Desired Results and Key Initiatives for 2013-15.

**APPROVING MANAGERS INITIAL:**

CHIEF EXECUTIVE OFFICER	_____	HUMAN RESOURCES	N/A
FIELD OPERATIONS	N/A	INTERGOV. RELATIONS	_____
FINANCIAL SERVICES	N/A	CUSTOMER SERVICES	N/A
ENGINEERING SERV.	N/A		

**BOARD ACTION:**

APPROVED \_\_\_\_\_  
DENIED \_\_\_\_\_

## DISTRICT DESIRED RESULTS AND KEY INITIATIVES FOR 2013-15

This document identifies the five major results desired by Tualatin Valley Water District at an organizational level. These Desired Results stem from our Vision, Mission and Values and summarize what District staff, programs and policies seek to accomplish for our stakeholders. They were developed by the Strategic Planning Core Team, comprised of all seven managers, four additional key staff members and two commissioners.

Within each Desired Result, District staff has tentatively identified the initiatives and projects that will likely be most significant for the next biennium. Some initiatives relate to more than one result, of course, but we have listed them just once under the result they most closely support. Within each Desired Result, the initiatives, programs and projects are prioritized:

- a. Items we believe are top priorities and are essential to include in the 2013-15 biennium
- b. Additional items necessary to meet our current service levels
- c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed  
(Items in this category are then given a High, Medium or Low priority and listed in order of that priority.) Items to be included in and prioritized through the District's Capital Improvement Plan (CIP) are noted as such.

There is a lot happening in many areas of our organization right now and that results in a large number of initiatives and programs that are significant for the District. All have been identified as actions we would like to take, but we realize we may be unable to do everything we want to. Also note that these projects are over and above the essential day-to-day work already being accomplished.

The first three pages list each of the five major Desired Results, with the programs, projects and initiatives that support that Result. The last page lists all initiatives and projects in a matrix and indicates the lead department for each with an 'X'. Other departments with a major role are noted by a 'o' in the department column. Additional departments may be involved in a less intensive way. These projects and initiatives are where TVWD staff expects to focus the majority of its effort in the 2013-15 biennium.

Board input is now sought to confirm or modify these suggested directions for the 2013-15 biennium.

### 1. The water supply meets community needs and expectations

- a. Items we believe are essential to include in the 2013-15 biennium
  - i. **Water Supply Improvement Implementation.** Initiate implementation of Water Supply Improvements. Complete ongoing evaluation of supply options. Begin negotiation of IGA(s) needed with partners. Prepare pre-design of proposed system improvements. Identify and initiate acquisition of properties and rights-of-way. Develop and implement Communications Plan associated with District's next long-term water supply investment. Work may include implementation of additional ASR and JWC expansion projects, as needed and as identified in long-term water supply strategy. Develop financial plan.
- b. Items necessary to meet our current service levels
  - i. **Master Plan Update.** Update District Water System Master Plan.
  - ii. **Mains Replacement Program Implementation.** Addresses aging infrastructure, system reliability, seismic resiliency, and new standards. Complete pilot program, establish new standards, and continue planned replacements of failing mains. Includes various activities associated with condition assessment of our pipeline infrastructure. (CIP)



- iii. **IT Disaster Recovery.** Develop organization-wide plan for technology recovery. Implement appropriate recovery capability.
- c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed
  - i. **TVWD Seismic Resiliency Program.** Develop and implement Seismic Resiliency Program. Conduct system vulnerability assessment and identify implementation plan. Key objective is to identify and begin upgrades to create a seismically hardened “backbone” to meet critical water needs of community. Scope includes infrastructure, staffing and business systems for improved resiliency with most work to be implemented as part of other projects or improvements. Implement initial activities & upgrades. (HIGH - some improvements funded in CIP)
  - ii. **West Hills Improvement Program Implementation.** Addresses system reliability, redundancy, seismic resiliency, new standards, and critical customers. Program includes Ridgewood View Reservoir and Pump Station Project (1st), 820 Transmission Lines (2nd), Rosander Pump Station (3rd), and larger Sunset Reservoir (4th). (MEDIUM - CIP)
  - iii. **Cooper Mountain Improvement Program Initiation.** Addresses system reliability, redundancy, seismic resiliency, new standards, and source supply. Program includes new reservoir to replace Grabhorn Reservoir and new pump station and transmission lines to move water up to ASR and back down to system. (MEDIUM - CIP)
  - iv. **District Partnerships.** Use partnerships to achieve District initiatives. Be an active participant in regional organizations including encouraging Willamette River Water Coalition to replace current structure with a Lead Administrative Agency structure. (MEDIUM)
  - v. **Backflow Protection Program Enhancement.** Begin expanding gold & silver program to commercial accounts. Continue implementation of staffing plan to enhance performance and customer service. (LOW)

## 2. The community is confident in our water, service and employees

- a. Items we believe are essential to include in the 2013-15 biennium
  - i. **CEO Transition.** Successfully transition from current to new Chief Executive Officer.
- b. Items necessary to meet our current service levels
  - i. **Information Security Improvements.** Includes PCI compliance steps, security assessments, and SCADA security improvements.
- c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed
  - i. **Key Customer Program.** Develop key customer contact program to enhance two-way communication for water related issues and provide District customers with a primary point of contact at TVWD whom they can reach with any questions regarding their water service. (HIGH)
  - ii. **Customer Information Systems (CIS) Strategy.** Develop long-range CIS Strategy, including plans for custom applications, such as Utility Billing suite, phone system call center improvements and phone system integration. (HIGH)
  - iii. **New Communication Tools.** Identify topics where we can provide additional information about the services and activities of the District. Explore non-traditional ways to provide and receive information. Examples may include the development of *Demonstration Garden Guides* that include interactive exercises for younger school age visitors to the garden and the creation of educational videos. Expand on the District’s current efforts to provide information about District activities and projects. (MEDIUM)

- iv. **Web Site Modernization.** Develop a plan to redesign Web site, upgrade content management system, meet mobile needs, and evaluate third party payment options. Deploy solutions based on strategy. (MEDIUM)
- v. **Performance Measurement Development.** Complete first round of Performance Measurement development. Identify Key Performance Indicators (KPIs) for all crews and teams, and embed reporting of these KPIs into monthly processes. (LOW)

### 3. We are good stewards of our financial resources

- a. Items we believe are essential to include in the 2013-15 biennium
  - i. **Rate Phase-in.** Implement the Board's 3-year phase-in of rate study.
- b. Items necessary to meet our current service levels
  - i. **SDC Review.** Review/update SDCs to make sure growth pays its proportionate share.
- c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed
  - i. **New Bond Feasibility Analysis.** Analyze market conditions for calling current bonds and developing new bond indenture strategy. By July 2014, be prepared to issue new debt when appropriate. Engage bond counsel and Financial Advisor when needed. (HIGH)
  - ii. **Business Intelligence.** Implement system-wide data warehouse capability. Build solutions to provide reports, measures and data driven process improvement. (MEDIUM)
  - iii. **Rebate Program Review.** Determine whether the current types of rebates are still relevant and whether the amounts of the rebates are appropriate. (MEDIUM)
  - iv. **Indirect Cost Study.** Undertake Indirect Cost Study to make sure we are capturing all appropriate direct and indirect costs related to rates, fees and contracted services. (LOW)
  - v. **Service Agreements Review.** Review existing agreements that will be eligible for renewal and explore additional opportunities to provide assistance to others when it is of value to the District. (LOW)

### 4. We are good stewards of natural resources

- a. Items we believe are essential to include in the 2013-15 biennium
  - i. **Unaccounted For Water Investigation.** Identify amount and source of District's unaccounted for water.
- b. Items necessary to meet our current service levels
  - i. **Water Management/Conservation Plan Update.** Meet requirement to review and update the District's plan.
- c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed
  - i. **Energy Efficiency Monitoring & Data Capture.** Add energy monitoring to individual pumps to track energy use for each pump. Enhances distribution system efficiency, improves energy savings and reduces operating costs. (HIGH) (CIP)
  - ii. **Fuel Strategy.** The District's Fleet staff has constantly monitored alternative fuel evolution. Changes in the vehicle fuel environment may make certain "alternative" fuels more attractive (from cost, reliability, and environmental standpoints) than traditional petroleum-based fuels. Specific products seem to be gaining traction, particularly compressed natural gas and propane. Analysis is underway to assess the appropriateness of these particular fuels for District applications. Product evaluation and, if appropriate, pilot projects, will be implemented in FY 2013-14. If successful, a long term migration toward selected non-traditional fuel(s) would be initiated. (MEDIUM)
  - iii. **Implementation of Green IT Practices.** Track and manage computing power consumption, implement desktop power savings steps, utilize desktop and server virtualization to reduce power needs. (LOW)

5. **We are good stewards of our own assets and resources (people and physical assets)**
- a. Items we believe are essential to include in the 2013-15 biennium
    - i. **CMMS Implementation & Integration.** The successful implementation and integration of this tool should significantly increase understanding of the performance of District assets, facilitating better life cycle cost and reliability management. The project should also provide field users more timely information and accurate information while reducing paper. IT will take a lead role in integrating CMMS with Utility Billing, Logos, GIS, SCADA and Meter Sales.
    - ii. **Field Mobile Communications Platforms.** This project would determine the most feasible and effective voice and data communications platforms for District field applications. Where possible, we would seek to reduce the number of unique platforms to reduce cost, improve functionality, increase reliability, and avoid redundancy. The process will be driven by a combination of obsolescence of current equipment, changing mobile data requirements, changing service provider offerings, and enhanced technology capabilities. A master plan study is currently underway.
    - iv. **Enterprise GIS Implementation.** Ongoing implementation of existing GIS Master Plan.
  - b. Items necessary to meet our current service levels
    - i. **Workforce Planning.** Build our talent pipeline by developing a business strategy to dictate how the workforce planning program will continue to be delivered and the speed of the program.
    - ii. **Communication of TVWD Culture, Vision and Values.** Develop program to define and clearly communicate TVWD culture to new hires and current employees. Visibly support the District's values, and communicate with employees the importance of those values.
    - iii. **Process Improvements.** Implement automation solutions for Customer Service, HR, and Engineering. Provide end-user training mechanism that can be adapted for all technology based solutions.
    - iv. **Large Meter Replacement.** Replace balance of 2" compound meters. Approximately 50 remain. (CIP)
    - v. **IT Infrastructure and Systems Maintenance.** Server migration, backup & recovery improvements, upgrade of phone system to current supported release.
  - c. Items that enhance our ability to meet current service levels, but could be postponed or modified if needed
    - i. **IT Application Upgrades.** Server platform standardization, upgrade of custom applications software platform, phone system modernization, development of desktop virtualization plan. (HIGH)
    - ii. **Enterprise Content Management / Document Management Strategy.** Develop long-term strategy and plan for managing digital content and related work processes in compliance with records retention policies; include planning for electronic workflow automation throughout the District's operations. (HIGH)
    - iii. **AMR Replacement Program.** Continue program to replace standard meters with Automatic Meter Reading (AMR) meters. (HIGH - CIP)
    - iv. **HR Technology Enhancements.** Implement Logos Next Gen, applicant tracking and other HR improvements. (HIGH)

**TUALATIN VALLEY WATER DISTRICT  
REGULAR BOARD MEETING AGENDA ITEM**

**MEETING DATE: DECEMBER 19, 2012**

**TITLE: MOTION DECLARING CERTAIN BRASS MATERIALS AS SURPLUS  
PROPERTY.**

**ITEM:** The District currently owns approximately \$146,000 of inventory in various brass components including pipefittings, valves, meters and meter components. The District uses these brass materials to install water services, connect service lines to meters, and various other purposes. The brass pipefittings are typically for ¾-inch to 2-inch diameter pipes and brass water meters range in size from ¾-inch to 6-inch diameter.

Since 2001, the maximum allowable lead content of brass has been 1.5 percent lead (by weight) and the District has purchased brass components made from this “standard” (i.e., 1.5 percent lead) brass alloy. These standard-brass components have not been identified as a notable source of lead in water supplied by the District; however, effective January 3, 2014, a new rule by the US Environmental Protection Agency will restrict potable water systems from installing or selling standard-brass components. Rather, the District will be required to install and sell only “lead-free” or “no-lead” brass components, which contains less than 0.25 percent lead by weight. Therefore, after January 3, 2014, the District can no longer install components made with the standard brass alloy.

The District is currently transitioning between using the existing inventory of standard-brass components when practical and purchasing new no-lead brass components when the existing inventory is depleted. A work team of District staff has identified standard-brass components that are unlikely to exhaust existing inventory by January 3, 2014 and estimated the book value of these materials to be approximately \$53,000. Because these standard-brass components can be used for non-potable water purposes, they have a market value. Also, in some cases, these standard-brass components may be eligible for return to the original manufacturer for a credit (less an applicable restocking charges).

In light of the regulatory prohibition of using standard-brass components after January 3, 2014, and to maximize the market value of the unused inventory of these materials, staff proposes the unused standard-brass components be removed from the District’s inventory before mid-2013. As allowed by *District Policy 200-010, Sale of Surplus Property*, “the Public Contracting Officer (PCO) may declare an item as surplus if the value is under \$25,000. Otherwise, the Board shall make such declaration.”

**STAFF RECOMMENDATION:** Staff recommends that the Board of Commissioners approve the following motion by consent:

The standard-brass components identified in Attachment A are declared surplus and the Chief Executive Officer serving as PCO or his Designee is authorized to dispose of these components in accordance with District policies.

**BUDGET IMPACT:** Book value of the likely surplus standard-brass components is estimated to be about \$53,000. Resale price for these items is estimated to be about 25 percent to 75 percent of the original purchase price, resulting in a likely net budget impact of about \$13,000 to \$40,000. The

actual cost of declaring the standard-brass components as surplus will depend on the amount of use of these components through January 2013. Regardless of the estimates, the District has sufficient budget appropriations to cover the expense.

**ADDITIONAL INFORMATION:** Mark Knudson, 503-848-3027, [markk@tvwd.org](mailto:markk@tvwd.org), Paul Matthews, 503-848-3017, [paulm@tvwd.org](mailto:paulm@tvwd.org).

**ATTACHMENTS:** Attachment A - List of TVWD Standard Brass Materials.

**APPROVING MANAGERS INITIALS:**

CHIEF EXECUTIVE OFFICER_____	HUMAN RESOURCES	N/A
FIELD OPERATIONS _____	INTERGOV. RELATIONS	N/A
FINANCIAL SERVICES _____	SUPPORT SERVICES	N/A
ENGINEERING SERVICES _____		

**BOARD ACTION:**

APPROVED \_\_\_\_\_  
DENIED \_\_\_\_\_