

Tualatin Valley Water District



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

**FEBRUARY 20, 2013
EXECUTIVE SESSION - 6:00 PM
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
Broadcast by TVCTV (at a later date)**

An Executive Session is scheduled before the Regular Meeting at 6:00 PM, called under ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions, and ORS 192.660 (2) (f) and ORS 192.502 (9) to consider information or records that are exempt by law from public inspection.

- 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 - Work Session Minutes of January 8, 2013
 - 5.2 - Regular Meeting Minutes of January 16, 2013
 - 5.3 - Motion to Approve Amended Schedule for the April 2013 Regular Meeting of the Board of Commissioners
 - 5.4 - Motion to Appoint the District Budget Officer

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. **CROSS CONNECTION CONTROL PROGRAM REGULATIONS FOR AUXILIARY WATER SUPPLIES; TVWD RESOLUTION 04-11 (MOTION OF REAFFIRM)**
- 7. **RESOLUTION 02-13, AMENDING THE SYSTEM DEVELOPMENT CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT AND DECLARING AN EFFECTIVE DATE (MOTION TO ADOPT).....**
- 8. **ADJOURNMENT**

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

MEETING DATE: FEBRUARY 20, 2013

TITLE: MOTION TO APPROVE AMENDED SCHEDULE FOR THE APRIL 2013 REGULAR MEETING OF THE BOARD OF COMMISSIONERS

ITEM: TVWD’s Resolution 14-12, approved by the TVWD Board of Commissioners on December 19, 2012, established the schedule of regular meeting dates for the Board for the year 2013. Resolution 14-12, Section 2, further specifies that “Meeting dates may be changed by a motion of the Board of Commissioners.”

Due to conflicts with other meetings, and to better accommodate schedules, the Board has expressed interest in changing the schedule for the April 17 Regular meeting to April 24, 2013.

The scheduled meeting time of 7:00 p.m. and scheduled location of the TVWD Administrative Office would remain unchanged.

STAFF RECOMMENDATION: It is recommended that the Board move to amend the schedule of Regular meetings for the TVWD Board of Commissioners such that the April 17 meeting will be held on April 24, 2013.

BUDGET IMPACT: None.

ADDITIONAL INFORMATION: Mark Knudson (503-848-3027) markk@tvwd.org, Patty Rupp, (503-848-3014) patty@tvwd.org

ATTACHMENTS: Resolution 14-12

APPROVING MANAGERS INITIALS

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

BOARD ACTION:

APPROVED _____
DENIED _____

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

MEETING DATE: FEBRUARY 20, 2013

TITLE: MOTION TO APPOINT THE DISTRICT BUDGET OFFICER

ITEM: Oregon Local Budget Law (ORS 294.331) requires the District to appoint a Budget Officer that, under the supervision of the Chief Executive Officer, is charged with preparing the budget for the District. Mr. Tod Burton has served as the Budget Officer for the District since the 2009-11 Biennial Budget cycle (Board motion February, 18, 2009). In addition to serving as Budget Officer, Mr. Burton is the District's Financial Planning and Debt Project Manager.

STAFF RECOMMENDATION: Staff recommends the Board move to approve the appointment of Tod Burton as the District's Budget Officer.

BUDGET IMPACT: No fiscal impact

ATTACHMENTS: None

ADDITIONAL INFORMATION: Paul Matthews, paulm@tvwd.org, (503) 848-3017, Tod Burton, todb@tvwd.org, (503) 848-3040

APPROVING MANAGERS INITIALS

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

BOARD ACTION:

APPROVED	_____
DENIED	_____

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

MEETING DATE: FEBRUARY 20, 2013

TITLE: CROSS CONNECTION CONTROL PROGRAM REQUIREMENTS FOR AUXILIARY WATER SUPPLIES; TVWD RESOLUTION 04-11

ITEM: In April 2011, the TVWD Board of Commissioners adopted Resolution 04-11, which established TVWD Cross Connection Control Program Requirements. Resolution 04-11 was based on Oregon Administrative Rule (OAR) 333-061-0070, which requires all public water systems to have an active cross connection control program to protect against contamination from actual and potential cross connections. TVWD has consistently maintained a program pursuant to all aspects of this OAR.

Paragraph 5.d. ii of Resolution 04-11 includes the following specific requirement for a service to a property that has an auxiliary water supply, such as a private well, which potentially could be connected to the TVWD water system:

“The minimum level of protection for such a service connection shall be an approved double-check valve assembly, regardless of the degree of separation between the water system and the auxiliary water supply.”

This requirement is based on OAR 333-061-0070, Table 48, which identifies auxiliary water supplies as a “high hazard” thereby requiring a higher degree of protection than other cross connection risks. Further, Item 19 of Table 48 specifically requires the highest level of protection for “premises with pipe under pressure for conveying liquids other than potable water and the piping is installed in proximity to potable water piping.”

There are numerous documented cross connection incidents associated with irrigation supplies to private homes. Most recently, as reported in the *Idaho Statesman*, as many as 80 residents of a west Boise, Idaho neighborhood were sickened by contaminated water over Memorial Day in 2012. A vacant house had a backflow preventer that failed to keep irrigation water out of the domestic system. According to a representative of the water purveyor, “It had the wrong device, and it hadn’t been inspected.”

In light of the requirements of Resolution 04-11, District staff began a review of available records to identify private wells located on properties served by the District. To date, 62 wells have been identified in the District’s service area for further on-site evaluation. Based on District staff investigations, the following notable cases have been identified:

1. An active well, when in operation, was causing backflow into TVWD's system in 2011 (Mayway incident). This was discovered by field staff when the water meter recorded negative usage, indicating that the well supply was flowing backwards through TVWD’s meter and into the District’s distribution system.
2. A large well being used by a church for irrigation.
3. A homeowner who has a well serving approximately 2 acres in Cedar Hills.

All of these sites are now protected with an approved backflow prevention assembly or are in the process of completing compliance.

In early September 2011, as part of a backflow protection survey and investigation of private wells in the District, the Arranmore development was identified as having a central irrigation well. This well provides

non-potable irrigation water under pressure throughout the neighborhood, with an irrigation service to each of about 136 properties, which have private irrigation systems that are maintained by the individual homeowners. At that time, no backflow prevention assemblies were installed on individual water services in the development.

The Arranmore irrigation system was originally installed with a direct connection to the TVWD domestic system with a 3” service to provide a backup supply to the non-potable irrigation system. This 3” domestic service was originally equipped with a double-check valve assembly. Since this 3” domestic service is a direct connection between the domestic and irrigation systems, the double-check assembly does not provide sufficient protection in this installation. Therefore, the service has been valved off. In lieu of requiring the Arranmore Home Owners Association to install an approved reduced pressure principle (RP) backflow prevention assembly, as required by Resolution 04-11, the 3” domestic service will be disconnected from the TVWD system by a District crew in early-March 2013.

Each home in Arranmore with an irrigation service was notified in March 2012 that the domestic water service to the property must be equipped with an approved double-check valve backflow prevention assembly. This was based on the requirement of TVWD Resolution 04-11, Section 5.d.ii., due to the complex nature of the private irrigation systems and the risks posed by potential cross connection between the non-potable irrigation system and TVWD’s domestic supply system. These homeowners were given one year to comply with the District’s backflow prevention requirements.

Since notification to homeowners, TVWD staff have attended an Arranmore HOA meeting and provided quarterly reminder letters to the homeowners. To date, approximately 80 homes in the Arranmore development have been inspected by TVWD staff. These inspection efforts have included coordination with the homeowners’ plumbers and identification of alternative installation locations to minimize the costs to homeowners while complying with the requirements of TVWD Resolution 04-11. To date, 24 of the 136 homes have complied with the District’s requirements.

In light of concerns expressed by some homeowners, in May 2012 TVWD staff consulted with the Oregon Health Authority (OHA). At that time, Michael Perry, OHA’s Cross Connection / Backflow Prevention Coordinator provided a letter to TVWD stating, in part: “I agree with the course Tualatin Valley Water District is taking in the case with the Arranmore HOA.”

Recently, the Arranmore Backflow Action Committee (ABAC) obtained legal counsel and submitted a letter challenging the District’s decision to require a backflow prevention assembly on each domestic service to properties that have an irrigation service. ABAC’s objection is based on the contention that TVWD’s backflow policy exceeds the requirements of Oregon law and “TVWD is being far too aggressive in the application of Part 19” (of OAR Table 48). ABAC’s attorney recommends TVWD needs to determine that the non-potable piping is “close enough in proximity to TVWD’s potable line that it creates a hazard to public health.”

This agenda item will include an overview of the District’s backflow prevention policies and a summary of the issues associated with the Arranmore development. The TVWD Board will have the opportunity to reaffirm TVWD Resolution 04-11 or propose revisions to the existing requirements. In addition, the Board’s guidance is requested on an appropriate schedule for compliance by the Arranmore homeowners who have yet to comply with the District’s backflow protection requirements.

It is anticipated that representatives of the ABAC, including their attorney, may attend the Board meeting and provide public comment.

BUDGET IMPACT: None

STAFF RECOMMENDATION: Staff recommends the following:

- A. By motion, the TVWD Board reaffirm the requirement of Resolution 04-11, paragraph 5.d. ii, which requires that a property with an auxiliary water supply shall be required to have an approved double-check valve assembly, regardless of the degree of separation between the water system and the auxiliary water supply.
- B. By consensus, the Board provide guidance to staff on establishing an updated date for Arranmore homeowners to comply with the District’s backflow prevention requirements. Staff recommends an updated compliance date of July 2013 since these homeowners were originally notified of the District’s requirements in March 2012 and, at the time, were given one year to comply. It is also highly desirable that the required backflow protection to be in place prior to the 2013 irrigation season.

ATTACHMENTS: TVWD Resolution 04-11

ADDITIONAL INFORMATION: Mark Knudson; markk@tvwd.org; 503-848-3027

APPROVING MANAGERS INITIAL:

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

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

MEETING DATE: FEBRUARY 20, 2013

TITLE: RESOLUTION 02-13, AMENDING THE SYSTEM DEVELOPMENT CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT AND DECLARING AN EFFECTIVE DATE

ITEM: Section 9 B. of the District's System Development Charge (SDC) Ordinance (Ordinance 01-12) requires annual review of the District's SDCs in relation to the Engineering News Record (ENR) Seattle Construction Cost Index (CCI). This is the first review since the Board adopted Ordinance 01-12 on July 18, 2012. Resolution 02-13 amends the Districts SDCs consistent with the findings from this annual review.

Staff presented the draft of Resolution 02-13 to the Board at the Board's January 16, 2013 regular meeting. Since that presentation, staff has sent letters to active developers informing them of the proposed changes to the SDCs.

The December 2011 to December 2012 ENR CCI (the index adopted in the SDC Ordinance) increased by 3.9 percent. Consistent with Section 9 B. of Ordinance 01-12, staff prepared Resolution 02-13 to reflect this 3.9 percent change in the cost index.

In addition to addressing the change in the CCI, staff also evaluated a potential update to the administrative fee associated with the SDC. This fee recovers the cost of administering the SDCs rather than the cost of providing additional infrastructure for growth. The administrative fee is authorized under Oregon law.

The District last adjusted its administrative fee by \$4 on September 1, 2009 as a first step toward recovering the merchant fees associated with accepting credit cards for SDCs. A more recent analysis indicates the cost for merchant fees requires an increase of approximately \$87 per equivalent residential unit (ERU) in the administrative fee. Adding this increase to the administrative fee increases the fee from \$12 per ERU to \$99 per ERU.

Taken together, these changes increase the SDC on a 5/8 x 3/4-inch meter by \$310 to \$6,052. In keeping with the District's practice of notifying customers, staff contacted the representative of the Home Builders Association of Metropolitan Portland (HBA) prior to the January regular board meeting to apprise them of the proposed changes. Consistent with that notification, Resolution 02-13 includes an effective date of March 1, 2013 for the new schedule of SDC charges.

STAFF RECOMMENDATION: Recommend that the Board adopt Resolution 02-13.

BUDGET IMPACT: The SDC per ERU would increase from \$5,742 to \$6,052 or \$310. However, given the current slow economy and lower level of actual SDC collections as compared to the District's budget projection, the District is unlikely to meet its budget expectations. Assuming current growth rates continue through the remaining portion of the biennium, the increase in the SDC is likely to generate approximately \$100,000 in additional revenue through June 30, 2013.

Tualatin Valley Water District



RESOLUTION 02-13

A RESOLUTION AMENDING SYSTEM DEVELOPMENT CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT AND DECLARING AN EFFECTIVE DATE

WHEREAS, on July 18, 2012, the Board of Commissioners adopted Ordinance 01-12 “System Development Charge Ordinance” to impose system development charges (SDCs) and other related procedures to comply with ORS 223.297 to ORS 223.314, inclusive, to provide revenues necessary for capital improvements constructed and to be constructed; and

WHEREAS, in accordance with the methodology identified in Section 4 of Ordinance 01-12, the administrative staff of the District calculated the amount of the SDC to be imposed by the Board of Commissioners to collect the statutorily authorized, necessary revenues, and

WHEREAS, the Board of Commissioners has adopted various Resolutions since Resolution 01-91 amending the methodology and/or adjusting SDCs with updated cost information from District Master Plans, adopted Capital Improvement Plans, and construction cost indexes, including Resolutions 7-96, 10-02, 05-03, 02-04, 02-05, 03-06, 03-07; 03-08, 06-09; 03-10; 02-11; 02-12; 07-12 and;

WHEREAS, Section 9 B of Ordinance 01-12 requires the District to review its SDCs annually in relation to the Engineering News Record (ENR) Construction Cost Index (CCI) (Seattle); and,

WHEREAS, the construction costs have increased 3.9% between December 2011 and December 2012 as evidenced by the ENR CCI (Seattle); and,

WHEREAS, pursuant to Section 9 of Ordinance 01-12, the Board of Commissioners by this Resolution amends the SDC for the District as set forth below; and being fully advised,

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

Section 1: Resolution 02-12 is hereby repealed and superseded by this resolution effective at 7:00 A.M., Pacific Standard Time on March 1, 2013.

Section 2: Prior to making a connection of non-District water facilities to the District’s water system, the applicant for such a connection shall pay in full the SDC to the District, except that there shall be no SDC for a dedicated fireline.

Section 3. In cases where a District residential customer is required to install a 1-inch water meter strictly to accommodate a residential multi-purpose fire sprinkler system, the customer is eligible for a partial credit on the SDC reflecting the fact that domestic use for these dual-purpose services would not reach the full capacity demand of a 1-inch meter.

Section 4. Further, the Board directs staff, for any calendar year, during which the Board has not adjusted SDCs based on a revised capital improvements or facilities plan, to adjust SDCs March 1st for each the ensuing year thereafter, as calculated by staff based on the change, from December of the prior year to December of the current year, in the Engineering News Record (ENR) Construction Cost Index (CCI) (Seattle).

Section 5 (a): Pursuant to Section 4 above, the SDC is calculated for a 5/8 x 3/4-inch meter by a weighting factor. The weighting factors adopted by the Board are the American Water Works Association safe operating capacities for displacement type meters.

The SDC for meter sizes up to 1-1/2 inches is:

Reimbursement Fee	\$ 1,060/ERU
Improvement Fee	4,893/ERU
Administration	99/ERU
Total SDC	\$ 6,052/ERU

<u>Meter Size</u>	<u>Weighting Factors (ERUs)</u>	<u>Charge</u>
5/8 x 3/4"	1.0	\$ 6,052
3/4 x 3/4	1.5	9,079
1"	2.5	15,131
1-1/2"	5.0	30,265

Section 5 (b): Pursuant to Sections 4 and 5, above, for meters over 1-1/2", the SDC shall be determined based on the customer's anticipated water usage. Anticipated peak day water usage will be divided by the peak day system design flow of 844 gallons per day per equivalent residential unit (ERU) to determine peak day ERU's. Anticipated average daily water usage will be divided by 358 gallons per day per ERU to determine average day ERU's (storage ERU's).

Peak day SDC cost is:

Reimbursement Fee	\$ 696 per peak day ERU
Improvement Fee	<u>4,281</u> per peak day ERU
Peak day SDC cost	\$4,977 per peak day ERU

Storage SDC cost is:

Reimbursement Fee	\$ 463 per storage ERU
Improvement Fee	<u>612</u> per storage ERU
Storage SDC cost	\$1,075 per storage ERU

The system development charge shall be the sum of the peak day SDC cost per ERU multiplied by the peak day ERU's and the storage SDC cost per ERU multiplied by the storage ERU's.

Section 5 (c): The SDC paid for meters larger than 1-1/2 inches as of the effective date of this resolution may be adjusted upward based on actual usage pursuant to an SDC agreement to be executed with the District. If usage is greater than 110% of anticipated volume during a 12- month period of time, but in no event longer than sixty (60) months from the date of the agreement, an additional SDC may be charged, using the same techniques for calculating peak day and storage ERU's and multiplying the peak day SDC cost per ERU and the storage cost per ERU then in effect.

Section 5 (d): The SDC paid for a residential ¾-inch or 1-inch water meter, in the circumstance where a larger meter is required only for the purpose of meeting a residential multi-purpose fire sprinkler system requirement, will consist of the SDC for the appropriate size meter that would be required without the multi-purpose fire sprinkler system plus 18% of the difference between the price of the SDC for the meter size meeting the domestic water requirements and the SDC for the meter size meeting the fire sprinkler requirement. The 18% factor represents the approximate storage cost component of the SDC. Should the customer regularly use the capacity of the ¾-inch or 1-inch meter to meet their domestic needs they will be required to pay the remainder of the SDC at the current rate in effect.

Section 5 (e): If the customer has been charged by the District for an illegal connection and requests a contract for payment of the SDC, the District may withhold the option of providing a contract for said payment of SDC.

Section 5 (f): If the system development charge is financed as permitted by ORS 223.208, the financing charge established by the District is 9.0% as authorized in ORS 82.010 Legal Rate of Interest.

INTRODUCED AND ADOPTED THIS 20th DAY OF February, 2013

TUALATIN VALLEY WATER DISTRICT

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