

Tualatin Valley Water District



BOARD OF COMMISSIONERS
1850 SW 170th AVENUE
BOARD WORK SESSION
FEBRUARY 5, 2013
6 PM

Present: Commissioners: President Dick Schmidt, Richard Burke, Jim Doane, Jim Duggan, Marilyn McWilliams
Management Staff: Mark Knudson, Paul Matthews, Todd Heidgerken

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

CONSUMER CONFIDENCE REPORT (CCR) ELECTRONIC DISTRIBUTION (PowerPoint presentation attached)

Manager of the Office of Community and Intergovernmental Relations, Todd Heidgerken, provided an overview of the Consumer Confidence Report (CCR). He summarized the purpose, the background, the current distribution methods, the costs associated with creating the CCR and a new US Environmental Protection Agency (EPA) requirement that allows CCRs to be delivered electronically to customers beginning in 2014.

He explained that no changes are proposed for 2013 and that the cost of distribution of the CCR is included in the 2013-2015 budget. He noted that in 2013, paper copies will be mailed to all customers, including multi-family residents without billing accounts. He reported that the CCR is mailed to anyone requesting a copy and it is available on the TVWD website.

Mr. Heidgerken explained that TVWD will use electronic delivery starting in 2014 as noted on page 6 of the attached presentation. He reviewed current costs and proposed costs starting in 2014 as shown on page 6 and 7.

A general discussion took place between the Board and staff. The Board agreed with staff to proceed as proposed. Mr. Heidgerken summarized that a detailed CCR would be budgeted according to the proposed 2013 distribution with the understanding that this issue would be revisited with the Board in January and in the fall of 2014, with any necessary revisions made at that time.

INVESTMENTS IN UPCOMING JOINT WATER COMMISSION PROJECTS (PowerPoint presentation attached)

Chief Engineer, Mark Knudson, provided a review of investments in upcoming Joint Water Commission Projects. He reviewed the challenges associated with each of the three projects.

Mr. Knudson summarized three specific Joint Water Commission (JWC) projects and specific challenges associated with each project:

- Emergency Standby Power Generation
- Treatment Pilot Study and Plant Expansion
- Aquifer Storage and Recovery

Emergency Standby Power Generation

Mr. Knudson explained that the JWC water treatment plant lacks a back-up power supply. Planning for this project was included in the 2010 JWC Master Plan. He reported that the consultant initially identified the cost at \$3 million to have a capacity of 38 million gallons a day (mgd) of capacity. After the pre-design and analysis phase, the consultant noted that costs would be greater than planned and the cost would be \$6 million for 38 mgd of capacity.

Mr. Knudson reviewed the Standby Power Generation standard cost allocation methodology as shown on page 2. He indicated that two partners in the JWC are finding it challenging to fund the generator cost share amount. He stated a suggested alternative cost sharing allocation for 2013-14 was brought before the JWC as shown on page 3; the JWC partners are in general agreement with the non-standard allocation.

He noted that JWC is currently reviewing an alternate payment arrangement that makes the generator(s) part of Portland General Electric's (PGE) distributed power network ~ PGE would operate and maintain the generator(s) when not needed by the JWC; however, JWC would be able to use the generator(s) when needed.

Treatment Pilot Study and Plant Expansion

Mr. Knudson summarized the Treatment Pilot Study and Plant Expansion. He indicated that in 2010 a "Interim Supply Strategy" was created which included planning for a 10 mgd expansion of JWC Water Treatment Plant (WTP). He stated that TVWD funded the WTP evaluation and planning. The WTP evaluation work identified capacity of existing plant as 69 mgd, not 75 mgd. He noted that the pilot study would be delayed and not completed in 2013. He suggested that with all JWC partners benefiting collectively from this project, it was unreasonable for TVWD to invest in two-thirds of the cost of the pilot study. He stated it would be more equitable if all costs were allocated to all JWC partners by the standard formula. The JWC partners did not agree with this suggestion.

Mr. Knudson suggested to the Board that TVWD honor the commitment to pay the \$46,970 share to complete the work to get the plant back to 75 mgd.

There was a general discussion between the Board and staff.

It was consensus of the Board to support the suggestion made by Mr. Knudson.

Aquifer Storage and Recovery

Mr. Knudson summarized the JWC Aquifer Storage Recovery (ASR) as noted on page 5. He summarized changing of priorities related to the JWC ASR. He noted that two exploratory wells were drilled and funded jointly by Beaverton, Hillsboro and TVWD; each owning a third of the investment in the feasibility study. He explained that JWC obtained a Limited License for 2.1 billion gallons of storage, 14 wells and 40 mgd of installed capacity. He noted that based on the feasibility study, JWC went ahead with the final design. He stated that Beaverton did not need additional ASR capacity right now. Consequently, TVWD and Hillsboro became 50/50 partners in the funding of the design and construction of the first JWC ASR well. Property was purchased; a consultant was hired, and design is ongoing. The design of the well is finished and ready to go to bid, and the design of the pump station is about 30% complete. Mr. Knudson reported that Hillsboro is reviewing a strategy that would push these ASR projects out for a long period of time. Mr. Knudson explained that Hillsboro is not walking away from the limited license, or walking away from the concept of the ASR, they are slowing it down.

Mr. Knudson stated that TVWD has an interest in completing JWC ASR #1 since there is currently not a second supply to Cooper Mountain. He explained that there is one pump station that pumps part way up the hill, and another pump station that takes it from that point and pumps it the rest of the way to the top

of the hill. If that pipeline or those sequential pump stations were ever lost, TVWD would have trouble getting water to Cooper Mountain.

Mr. Knudson reiterated that the JWC ASR would give TVWD a couple million gallons a day of supply on top of Cooper Mountain.

Mr. Knudson summarized several options open to TVWD (see optional Revised Spending Plan on page 6).

Mr. Knudson recommended option Finish #1 - TVWD and spend \$3.4 million during FY 13-14 and another \$0.4 million during FY 14-15 (see page 6).

A general discussion was held between the Board and staff.

By consensus, the Board expressed support for the staff recommendation to finish the first JWC ASR without the support from Hillsboro (if Hillsboro agrees to that proposal).

ADJOURNMENT

Without objection, President Schmidt adjourned the meeting at 7:25 p.m.

BOARD OF COMMISSIONERS
TUALATIN VALLEY WATER DISTRICT

BY: _____
Dick Schmidt, President

BY: _____
James Doane, Secretary

Date Approved: March 20, 2013