

**Tualatin Valley Water District**



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

**WEDNESDAY  
May 15, 2013**

**EXECUTIVE SESSION 4:00 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](http://www.tvwd.org)  
Broadcast by TVCTV (at a later date)**

**An Executive Session is scheduled before the Regular Meeting, at 4:00 PM, called under 192.660 (2) (i) to Review and Evaluate the Employment-Related Performance of the Chief Executive Officer, Employee, or Staff Member who does not Request an Open Hearing.  
(If necessary this meeting may reconvene following the adjournment of the Regular meeting).**

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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 - Regular Meeting Minutes of March 20, 2013 .....
  - 5.2 - Work Session Minutes of April 2, 2013 .....
  - 5.3 - Regular Meeting Minutes of April 24, 2013 .....

**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. FIRST READING OF ORDINANCE 01-13, ESTABLISHING POLICIES AND DIRECTION IN ADDING THE MID-WILLAMETTE SUPPLY OPTION TO THE DISTRICT'S PORTFOLIO OF WATER SUPPLIES (TO BE READ BY TITLE).....**
- 7. RESOLUTION 05-13, ENDORSING SEISMIC UPGRADES OF SCOGGINS DAM AS PART OF REGIONAL WATER SUPPLY STRATEGY (MOTION TO ADOPT).....**
- 8. NOTIFICATION TO THE WILLAMETTE RIVER WATER COALITION (WRWC) OF PROPOSED PROJECTS RELATED TO THE WILLAMETTE WATER SUPPLY (MOTION TO APPROVE) .....**
- 9. RESOLUTION 04-13, DECLARING THE FUND FOR BOND CONSTRUCTION ACTIVITY TO BE UNNECESSARY AND DIRECTING THE DISPOSITION OF THE FUND BALANCE, AND AUTHORIZATION OF SUPPLEMENTAL BUDGET FOR THE BIENNIAL PERIOD 2011-13, INCREASE OF TRANSFER APPROPRIATION WITHIN THE GENERAL FUND FOR ADDITIONAL CONSTRUCTION FUND RESOURCES (MOTION TO ADOPT) .....**
- 10. TVWD CROSS CONNECTION CONTROL PROGRAM UPDATE.....**
- 11. ADJOURNMENT**

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

**MEETING DATE: MAY 15, 2013**

**TITLE: ORDINANCE 01-13 ESTABLISHING POLICIES AND DIRECTION IN ADDING THE MID-WILLAMETTE SUPPLY OPTION TO DISTRICT'S PORTFOLIO OF WATER SUPPLIES**

**ITEM:** At the TVWD Board meeting on April 24, 2013, the TVWD Board of Commissioners adopted the mid-Willamette supply option as the District's preferred future water supply option. During this meeting, the Board directed staff to develop and present a plan for the Board's consideration, which would allow for the implementation of the Board's April 24, 2013 decision.

In a subsequent Board work session, the TVWD staff presented information which identified various projects, studies, agreements, and policies that the Board would need to address in order move forward with their April 24, 2013 decision. More specifically, it was noted that the Board direction would be required for:

1. Determining if the District will commit to Washington County in participating in the 124<sup>th</sup> Avenue Project.
2. Conducting additional studies for the evaluation of pipeline alignment options and the development of a Willamette supply system preliminary design.
3. Addressing existing policies designating the Tualatin Basin Water Supply Project as the preferred water supply option (2007) and the establishment of a policy requiring a vote on using the Willamette River for drinking water purposes (2001).
4. Directing staff to begin negotiating funding agreements with potential project partners.

The adoption of an ordinance by the Board provides a mechanism to address all of the tasks mention above and would provide direction on the implementation of the Board's decision to add the mid-Willamette water supply option to the District's portfolio of water supplies.

**STAFF RECOMMENDATION:** Move to have legal counsel conduct the first reading of Ordinance 01-13.

**BUDGET IMPACT:** The cost of implementation work during the next two fiscal years will be approximately \$3.9 million and funding for this expense is included in the District's proposed capital improvement plan and biennium budget. TVWD's share of the estimate total capital cost is approximately \$408 million (in 2012 dollars) – this cost is included in the District's long-term financial planning.

**ADDITIONAL INFORMATION:** Gregory DiLoreto, Greg@tvwd.org, 503-848-3032; Todd Heidgerken, ToddH@tvwd.org, 503-848-3013; or Mark Knudson, MarkK@tvwd.org, 503-848-3027

**ATTACHMENTS:** Ordinance 01-13

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.

\_\_\_\_\_

BOARD ACTION:

APPROVED

\_\_\_\_\_

DENIED

\_\_\_\_\_

# **Tualatin Valley Water District**



## **ORDINANCE 01-13**

### **AN ORDINANCE ESTABLISHING POLICIES AND DIRECTION IN ADDING THE MID-WILLAMETTE SUPPLY OPTION TO THE DISTRICT'S PORTFOLIO OF WATER SUPPLIES**

WHEREAS, pursuant to policies adopted and discussed by the Board of Commissioners over multiple decades, Tualatin Valley Water District (TVWD) currently relies on multiple sources of water—a water supply portfolio—that includes water purchased from the City of Portland and the District's ownership in the Joint Water Commission; and

WHEREAS, on April 24, 2013, the TVWD Board of Commissioners (Board) adopted as their preferred alternative the "Mid-Willamette Supply Option" as an additional future water source for the District to be included in the water supply portfolio; and

WHEREAS, the Mid-Willamette supply has been a potential source of water for TVWD since 1973, when Wolf Creek Highway Water District (TVWD's predecessor agency) applied for and was granted a water right permit on the Willamette River. This water right has been maintained from 1973 to the present; and

WHEREAS, the Board finds that TVWD customers can benefit when TVWD pursues opportunities for cost-saving partnerships with municipal water providers and other agencies; and

WHEREAS, TVWD has been a member of the Willamette River Water Coalition (WRWC) and its predecessor, the Willamette Water Supply Agency, since 1997, through an intergovernmental agreement; and

WHEREAS, in June, 2001, the Board adopted Ordinance 1-01 establishing a policy that voter approval would be obtained prior to the TVWD providing Willamette River as a drinking water source to its customers even though there is no statutory requirement to conduct a vote and TVWD has not conducted votes prior to water supply decisions; and

WHEREAS, in 2002, the Willamette River Water Treatment Plant (Plant) in Wilsonville was completed through an Intergovernmental Agreement partnership between TVWD and the City of Wilsonville, and the Plant has been in operation for over eleven years providing a reliable supply of water with no water quality violations or service interruptions; and

WHEREAS, in 2007, the TVWD Board adopted Resolution 11-07 establishing the Tualatin Basin Water Supply Project (TBWSP) as TVWD's preferred water supply option to meet water demands through 2050 in reliance upon the local multi-jurisdictional effort to acquire ownership of Scoggins Dam from the Federal Government and double the capacity of Henry Hagg Lake; and

WHEREAS, because of necessary seismic improvements and other factors regarding Scoggins Dam, it is apparent that the ability to expand Henry Hagg Lake to accommodate the future demands of TVWD and other local government users is doubtful; and

WHEREAS, as a result of the uncertainty regarding the TBWSP, the TVWD Board conducted numerous public meetings related to water supply options during the last eleven months, including an extensive public outreach process; and

WHEREAS, the Board finds that public input received during the District's outreach efforts indicates that continued outreach and engagement of TVWD customers and the public during implementation of the Mid-Willamette Supply Option is the most effective method to address any remaining questions about the District's future supply options including the Willamette River; and

WHEREAS, the Board finds that public debate and discussion has occurred and being fully advised

**NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF TUALATIN VALLEY WATER DISTRICT:**

**Section 1.** TVWD remains committed and shall continue to make use of multiple sources of supply to reliably meet TVWD's water demands.

**Section 2.** The Mid-Willamette Supply Option is adopted as the preferred additional future water source for the District with the goal of placing this new supply in service to meet the District's water demands by June 30, 2026.

**Section 3.** TVWD Resolution 11-07 adopting the Tualatin Basin Water Supply Plan as the District's preferred water supply strategy is hereby repealed and replaced by this Ordinance.

**Section 4.** The TVWD Board of Commissioners has determined and concludes that, based on the eleven years of operating experience of the Willamette River Water Treatment Plant and the public dialogue received as part of the TVWD's water supply outreach program, satisfactory public debate and discussion has occurred to meet the purpose and intent of Ordinance 1-01. Said ordinance is no longer essential to the implementation of the Mid-Willamette Supply Option and is hereby repealed and replaced by this Ordinance as of the effective date hereof.

**Section 5.** TVWD, either alone or in partnership with other local government water providers, shall;

- (a) conduct planning studies;
- (b) acquire properties, rights of way and easements;
- (c) proceed with design and construction of improvements needed to implement the Mid-Willamette supply option;
- (d) negotiate intergovernmental agreements, as needed, with agencies to form partnerships that will serve to expediently and cost-effectively implement the needed studies and improvements and maximize benefits of the improvements as a regional water supply resources; and
- (e) take such other actions necessary to place the Mid-Willamette Supply Option in operation by June 30, 2026.

**Section 6.** TVWD shall continue to conduct public outreach and provide information to inform its customers and the community regarding its future water supply sources including the suitability of the Mid-Willamette Supply Option as a quality, reliable water supply.

**Section 7.** This Ordinance is on file at the District's Administrative Offices where it may be examined.

**Section 8.** This Ordinance has been included in the published agenda of the adopting meeting. The published agenda did state the time, date, and place of the meeting and gave a brief description of the Ordinance to be considered at the meeting and that copies of the Ordinance are available

at the office of the District. The Presiding Officer caused the agenda to be published not more than ten days or less than four days before the meeting in a newspaper of general circulation.

**Section 9.** Pursuant to Oregon Revised Statutes Chapter 198, the Ordinance was read at two regular meetings of the District Board of Commissioners on two different days, at least six days apart, prior to the adoption thereof, to wit: the 15<sup>th</sup> day of May, 2013, and the 19<sup>th</sup> day of June, 2013.

**Section 10.** This Ordinance was adopted following a second reading by at least the affirmative vote of a majority of the members of the District Board at its regular meeting on the 19<sup>th</sup> day of June, 2013, and was signed by the Presiding Officer and attested to by the Secretary. The Secretary of the District is instructed to cause this Ordinance to be filed in the Records of the District and file a certified copy of this Ordinance with the County Clerk.

**Section 11.** This Ordinance 01-13 shall take effect on July 19, 2013 at 12:01 a.m., being at least 30 days from the date of its adoption. Ordinance 01-01 and Resolution 11-07 shall be repealed at 12:00 a.m. on July 19, 2013.

TUALATIN VALLEY WATER DISTRICT

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

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

**MEETING DATE: MAY 15, 2013**

**TITLE: RESOLUTION 05-13 ENDORSING SEISMIC UPGRADES OF SCOGGINS DAM AS PART OF A REGIONAL WATER SUPPLY STRATEGY (RESOLUTION)**

**ITEM:** At the TVWD Board meeting on April 24, 2013, the TVWD Board of Commissioners directed staff to draft a resolution endorsing seismic upgrades to Scoggins Dam. Staff will present the attached Resolution 06-13 for consideration by the TVWD Board.

This action is advised at this time given that:

- Scoggins Dam has been identified as being at risk of catastrophic failure during a large earthquake,
- Research over the last several years has identified there is a significant probability of a Cascadia Subduction Zone Earthquake within the next 50 years,
- Scoggins Dam and the associated Hagg Lake provide an essential water source to help sustain the economy of Washington County,
- TVWD has an opportunity to work with other regional partners to develop and maintain multiple sources of supply, as part of a regional water supply strategy, to reliability meet current and future water demands of Washington County.

**STAFF RECOMMENDATION:** Move to adopt Resolution 05-13

**BUDGET IMPACT:** None

**ADDITIONAL INFORMATION:** Mark Knudson, MarkK@tvwd.org, 503-848-3027

**ATTACHMENTS:** Resolution 05-13

**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.	_____		

**BOARD ACTION:**

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

# Tualatin Valley Water District



## BOARD OF COMMISSIONERS

### RESOLUTION 05-13

#### **RESOLUTION ENDORSING SEISMIC UPGRADES TO SCOGGINS DAM AS PART OF A REGIONAL WATER SUPPLY STRATEGY**

WHEREAS, the Scoggins Dam and Hagg Lake have provided water supply to Washington County for 40 years; and

WHEREAS, the US Bureau of Reclamation, as owner of the Scoggins Dam, has identified deficiencies in the design of Scoggins Dam which may result in failure of the dam during a large earthquake; and

WHEREAS, recent research by the US Bureau of Reclamation, the US Geologic Survey, the Oregon Department of Geology and Mineral Industries, Oregon State University and other federal and state agencies has identified there is a significant potential of a Cascadia Subduction Zone Earthquake within the next 50 years; and

WHEREAS, a safe, secure and reliable water supply is an essential commodity to sustain the economic vitality of Washington County and, in doing so, provide economic stability for the customers of the Tualatin Valley Water District; and

WHEREAS, as a member of the Joint Water Commission, the Tualatin Valley Water District has made an investment in the JWC Treatment Plant which is served by Scoggins Dam; and

WHEREAS, multiple sources of water supply – including Scoggins Dam and the mid-Willamette supply option – are essential to help assure long-term reliability of water supply and meet Washington County's future water demands and for the basis of a regional water supply strategy; and

WHEREAS, the Tualatin Valley Water District is not an owner nor repayment contractor for Scoggins Dam, is not financially obligated to future improvements to Scoggins Dam, and has identified the mid-Willamette source as the District's preferred future supply option as part of a portfolio of water supply sources.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF TUALATIN VALLEY WATER DISTRICT RESOLVES AS FOLLOWS:

**Section 1.** Tualatin Valley Water District supports and encourages efforts by Washington County, Clean Water Services and other water providers to advocate with the US Bureau of Reclamation, as the owner of Scoggins Dam, to complete seismic upgrades to Scoggins Dam at the earliest opportunity.

**Section 2.** The Tualatin Valley Water District supports and encourages regional cooperation and partnerships between water providers in the region to encourage development and maintenance of multiple sources of water supply as the foundation of a regional water supply strategy to help assure long-term reliability of water supply and meet Washington County's future water demands.

**Section 3.** The effective date of this Resolution is 12:01 a.m. PDT on May 16, 2013.

IN WITNESS WHEREOF, the foregoing Resolution was duly adopted at the Board's regular meeting on the 15th day of May 2013.

TUALATIN VALLEY WATER DISTRICT

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

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

**MEETING DATE: MAY 15, 2013**

**TITLE: NOTIFICATION TO THE WILLAMETTE RIVER WATER COALITION (WRWC) OF PROPOSED PROJECTS RELATED TO THE WILLAMETTE WATER SUPPLY**

**ITEM:** The WRWC intergovernmental agreement provides a process whereby any WRWC member can propose projects involving the Willamette River Water Supply System. The process allows for coordination with other WRWC members and provides an opportunity for other WRWC members to indicate if they are interested in participating in a proposed project. WRWC members are provided with a brief project proposal and are then given up to 90 days to respond. TVWD staff is recommending that two projects be proposed to the WRWC members.

The first proposal is to design a water transmission pipeline that will be included as part of Washington County's 124<sup>th</sup> Avenue project. The pipeline design work will include preparing the final design of a segment of the water transmission pipeline that will eventually become part of the Willamette River Water Supply System. Washington County has indicated that 60% complete design documents for this pipeline segment are needed by January 2014 in order for the pipeline work to be incorporated into the county's road project.

The second proposal is to develop a Willamette Supply System Preliminary Design. The proposed project will include preparation of a preliminary design of the Willamette water supply system from the Willamette River Water Treatment Plant to the supply points into the water distribution systems of the participating utilities. This work will include establishing design guidelines for the supply system, refining system hydraulics, establishing criteria for a terminal reservoir, identifying permitting requirements and preparing the overall schedule and cost estimates for the required improvements.

Upon the Board's approval, the proposals will be sent to the WRWC members for their consideration.

**STAFF RECOMMENDATION:** Staff recommends that the Board move to approve the project proposals and direct staff to forward the proposals to the WRWC members.

**BUDGET IMPACT:** There is no cost for proposing projects to the WRWC members.

**ADDITIONAL INFORMATION:** Todd Heidgerken, ToddH@tvwd.org, 503-848-3013; Mark Knudson, MarkK@tvwd.org, 503-848-3027; or Mike Britch, MikeB@tvwd.org, 503-848-3045

**ATTACHMENTS:**

- 1) Proposal to design transmission pipeline as part of Wash. County's 124<sup>th</sup> Avenue Project.
- 2) Proposal to develop Willamette Supply System Preliminary Design

**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.	_____		

**BOARD ACTION:**

APPROVED	_____
DENIED	_____

**NOTIFICATION TO THE WILLAMETTE RIVER WATER COALITION  
BY THE TUALATIN VALLEY WATER DISTRICT**

**A PROPOSAL TO DEVELOP A  
WILLAMETTE SUPPLY SYSTEM PRELIMINARY DESIGN**

Distributed to WRWC membership on May 16, 2013

Response by WRWC members due no later than August 14, 2013

The Tualatin Valley Water District (TVWD) offers, for consideration by the Willamette River Water Coalition (WRWC) membership, this proposal to develop a Willamette Supply System Preliminary Design. The goal of this proposal is to coordinate with the WRWC members to gauge interest and extend an offer to partners who might be interested in the development of a design that will begin to identify the design of the Willamette water supply system from the Willamette River Water Treatment Plant to a terminal reservoir site.

The proposed project will result in the preparation of a preliminary design of a Willamette supply system that would include the following components:

1. Establishment of transmission system design guidelines
2. Evaluation of transmission system hydraulics including refinement of system hydraulics, pipe size, reservoir elevation, and supply points;
3. Evaluation of transmission line alignment options;
4. Evaluation of terminal storage sites;
5. Identification and coordination with key stakeholders along the transmission system alignment;
6. Identify permitting requirements; and
7. Establish overall schedule, cost and cash flow needed to connect to the Willamette River Water Treatment Plant.

The Willamette supply system preliminary design will provide information that will allow for the identification of corridors that will facilitate the development of easements, rights of way and property acquisition useful to a future project. Modifications or expansion of the existing Willamette River Water Treatment Plant are not included as part of this project. This work will be beneficial to the 124<sup>th</sup> Avenue Pipeline Project also proposed by TVWD that has also been submitted to the WRWC members for their consideration.

The proposed project would include:

1. Development of an agreement with project partners;
2. Development and distribution of a request for proposal for a Willamette supply system preliminary design;
3. Selection of a firm to complete the Willamette supply system preliminary design; and
4. Development and delivery by a firm of the Willamette supply system preliminary design.

The final scope, schedule, and budget for the project will be provided as part of the development of the request for proposal.

It is anticipated that TVWD will be the lead agency, responsible for the coordination of the Project. A project agreement will be negotiated between Project participants. Unless, otherwise agreed to by the parties participating in the Project, the participants will own the project results.

Although this project doesn't result in the construction, expansion or modification of the Willamette Water Supply System, Section 5.1 of the WRWC Agreement does provide a useful process whereby a WRWC member can propose projects and the remaining WRWC members can notify the proposer of their acceptance or rejection of the proposal by no later than 90 days following receipt of the notice. It is TVWD's intent to use this process for the Willamette supply preliminary design project. Acceptance of this proposal by a member will be considered acceptance of participation in the project by that member. Rejection of this proposal by a member or failure of a member to respond within 90 days will be considered a rejection of participation in the project by that member. Final notice of acceptance or rejection by WRWC members in less than 90 days would be especially welcome.

Given the location of the scope of the project area, TVWD anticipates that there might be WRWC members who are not interested in being a partner in the preliminary design project yet would like to be included as a technical resource. An indication from WRWC members if they are interested in serving in this capacity as opposed to being a financial partner in the project would also be appreciated.

The City of Hillsboro, who is not a WRWC member, has indicated an interest in participating in the Willamette supply preliminary design project. It is anticipated that they would be included as a participant in a project agreement. Other participants outside of the WRWC members may also be identified.

A project agreement between participants in the project will be adopted following the conclusion of the notice period. The project agreement will establish participation and cost shares associated with the proposed project.

**NOTIFICATION TO THE WILLAMETTE RIVER WATER COALITION  
BY THE TUALATIN VALLEY WATER DISTRICT**

**A PROPOSAL TO DESIGN A WATER TRANSMISSION PIPELINE AS PART OF  
WASHINGTON COUNTY'S 124<sup>TH</sup> AVENUE PROJECT**

Distributed to WRWC membership on May 16, 2013

Response by WRWC members due no later than August 14, 2013

The Tualatin Valley Water District (TVWD) offers, for consideration by the Willamette River Water Coalition (WRWC) membership, this proposal to design a water transmission pipeline. The goal of this proposal is to coordinate with the WRWC members to gauge interest and extend an offer to partner on the design of a water transmission pipeline to be included as part of Washington County's 124<sup>th</sup> Avenue Project.

The County's proposed project would consist of a new road generally along the alignment of SW 124<sup>th</sup> from the southern portion of the City of Tualatin to SW Tonquin Road near the northern city limits of the City of Wilsonville. The project would include approximately 2.2 miles of water transmission pipeline that would eventually be connected to the Willamette River Water Supply System. Invitations to participate in an analysis of the inclusion of a water transmission pipeline within the 124<sup>th</sup> Avenue Project were provided to the WRWC members. The results of the analysis demonstrated the County's proposed alignment was as a preferred location to route a portion of the water supply transmission pipeline from the Willamette River Water Treatment Plant to the TVWD service area. The analysis also demonstrated that the inclusion of a water transmission pipeline as part of the road project will result in significant project savings.

Washington County has indicated the need for a response from TVWD regarding the District's participation by July 2013 and will need preliminary designs for the pipeline by January 2014. TVWD is prepared to proceed with giving Washington County notice of the intent to participate in the project yet realized that the design of the pipeline will be dependent on the participation of other partners. An IGA with the County will also need to be completed by July 2013.

The proposed project would include:

1. Development of an agreement with the project partners;
2. Development and distribution of a request for proposal for pipeline design;
3. Selection of a firm to complete the pipeline design; and
4. Provide draft design to Washington County by January 2014
5. Complete final design following right-of-way acquisition and permitting by Washington County.

The final scope, schedule, and budget for the project will be provided as part of the development of the request for proposal.

It is anticipated that TVWD will be the lead agency, responsible for the coordination of the Project. A project agreement will be negotiated between Project participants. Unless, otherwise agreed to by the parties participating in the Project, the participants will own the proposed improvements.

Section 5.1 of the WRWC Agreement provides a process whereby a WRWC member can propose projects and the remaining WRWC members can notify the proposer of their acceptance or rejection of the proposal by no later than 90 days following receipt of the notice. Acceptance of this proposal by a member will be considered acceptance of participation in the project by that member. Rejection of this proposal by a member or failure of a member to respond within 90 days will be considered a rejection of participation in the project by that member. Final notice of acceptance or rejection by WRWC members in less than 90 days would be especially welcome given that time is of the essence in completing the proposed project.

Given the location of the water transmission pipeline, TVWD anticipates that there might be WRWC members who are not interested in capacity in the pipeline yet would like to be included as a technical resource. An indication from WRWC members if they are interested in serving in this capacity as opposed to being a financial partner in the project would also be appreciated.

The City of Hillsboro, who is not a WRWC member, has indicated an interest in participating in the water transmission design project. It is anticipated that they would be included as a participant in a project agreement. Other participants outside of the WRWC members may also be identified.

A project agreement between participants in the Project will be adopted following the conclusion of the notice period. The project agreement will establish participation and cost shares associated with the proposed project.

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

**MEETING DATE: MAY 15, 2013**

**TITLE: RESOLUTION 04-13, DECLARING THE FUND FOR BOND CONSTRUCTION ACTIVITY TO BE UNNECESSARY AND DIRECTING THE DISPOSITION OF THE FUND BALANCE, AND AUTHORIZATION OF A SUPPLEMENTAL BUDGET FOR THE BIENNIAL PERIOD 2011-2013, INCREASE OF TRANSFER APPROPRIATION WITHIN THE GENERAL FUND FOR ADDITIONAL CONSTRUCTION FUND RESOURCES**

**ITEM:** As we approach the end of the 2011-13 biennium budget, there are a few technical adjustments we propose to make to the District’s 2011-13 budget. The first adjustment is to increase the appropriations for transfers from the General Fund to the Construction Fund. This increase in appropriations does not increase the authorized expenditures by the District. Rather, it allows us to transfer System Development Charge (SDC) proceeds from the General Fund where the revenue is received from customers to the Construction Fund where the revenue will eventually be appropriated in the 2013-15 biennium budget and spent for growth-related capital projects.

The second technical adjustment includes closing the District’s Bond Construction Fund. This fund was created as a mechanism to separate bond proceeds from other District resources so we could ensure all bond proceeds were spent on capital projects. Over the years, approximately \$1,500 has been left in the Bond Construction Fund (including interest earnings on the fund balance) to maintain the fund to receive future bond proceeds. This approach could result in the District comingling bond proceeds from more than one bond issue—something the District would like to avoid as we prepare to fund the long-term water supply strategy.

Under Oregon law, the Board can declare a fund unnecessary and the balance is then transferred to the District’s General Fund. We have added a requirement that the balance then be transferred to the Construction Fund to ensure these bond proceeds are spent on capital projects.

**STAFF RECOMMENDATION:** Staff recommends the Board move adoption of Resolution 04-13.

**BUDGET IMPACT:** This Resolution will increase the appropriations level for transfers from the General Fund by \$2.0 million and reduce General Operating Contingency by \$2,000,000 with no impact on current 2011-13 biennium expenditures.

**ATTACHMENTS:** Resolution 04-13

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

**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 \_\_\_\_\_



BOARD OF COMMISSIONERS

RESOLUTION 04-13

A RESOLUTION DECLARING THE FUND FOR BOND CONSTRUCTION ACTIVITY TO BE UNNECESSARY AND DIRECTING THE DISPOSITION OF THE FUND BALANCE, AND AUTHORIZATION OF A SUPPLEMENTAL BUDGET FOR THE BIENNIAL PERIOD 2011-2013, INCREASE OF TRANSFER APPROPRIATION WITHIN THE GENERAL FUND FOR ADDITIONAL CONSTRUCTION FUND RESOURCES

WHEREAS, The Board of Commissioners finds that the Bond Construction Fund is unnecessary for current operations; and,

WHEREAS, Oregon Revised Statutes (ORS) 294.353 provides a mechanism for the District to declare a fund unnecessary and transfer the balance to the District's General Fund; and,

WHEREAS, New bond construction fund(s) may be established by the Board of Commissioners to coincide with future debt issuance, to be established in accordance with the District's debt management governing indenture(s); and,

WHEREAS, The Board of Commissioners finds that it is necessary to increase transfer appropriations from the General Fund to the Construction Fund for additional system development charge resources in the biennial period 2011-13; and to comply with Oregon Local Budget Law; and,

WHEREAS, The Board of Commissioners desires the balance of the Bond Construction Fund be used for capital projects; and being fully advised,

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

Pursuant to the provisions of Oregon Local Budget Law in ORS 294, the Board of Commissioners of the Tualatin Valley Water District approves the actions on the Budget for the Biennial Budget Period 2011-13 as follows:

**Section 1.** In accordance with ORS 294.353, the Board of Commissioners declares the Bond Construction Fund (Fund 21) to be unnecessary and directs the Fund be closed.

**Section 2.** The balance remaining as of May 31, 2013 in the Bond Construction Fund shall be transferred to the District's General Fund. This transfer shall include any and all residual bond proceeds and interest earnings accrued since 1998, the total of which is estimated to be about \$1,500.

**Section 3.** The amount transferred from the Bond Construction Fund to the District's General Fund as a result of this resolution shall be transferred from the District's General Fund to the District's Construction Fund.

**Section 4.** Pursuant to the provisions of ORS 294.463(1) and ORS 294.471, the following appropriation be and is hereby transferred from the General Fund Operating Contingency to Transfer to Other Funds for the 2011-2013 biennium.

GENERAL FUND

Appropriation transferred from:

General Operating Contingency	\$2,000,000
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GENERAL FUND

Appropriation transferred to:

Transfer to Other Funds	\$2,000,000
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INTRODUCED AND ADOPTED THIS 15<sup>TH</sup> DAY OF MAY, 2013

TUALATIN VALLEY WATER DISTRICT

BY: \_\_\_\_\_  
Dick Schmidt, President

BY: \_\_\_\_\_  
James Doane, Secretary

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

**MEETING DATE: MAY 15, 2013**

**TITLE: TVWD CROSS CONNECTION CONTROL PROGRAM UPDATE**

**ITEM:** At the TVWD Board meeting on April 24, 2013, Ms. Danielle Morehouse presented public comments questioning the justification and scope of the District’s requirements for backflow prevention for properties served by private wells and specifically the homes in the Arranmore development. Ms. Morehouse’s comments were in response to the TVWD Board’s action on February 20, 2013 to reaffirm TVWD Resolution 4-11.

This agenda item will consist of a brief recap of the concerns identified by Ms. Morehouse and the District staff’s response to these concerns.

**STAFF RECOMMENDATION:** This item is presented for information only; no action is required.

**BUDGET IMPACT:** None.

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

**ATTACHMENTS:** Memo to the TVWD Board from the TVWD Chief Engineer providing responses to public comments concerning TVWD backflow prevention requirements.

**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.	_____		

**BOARD ACTION:**

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

# Tualatin Valley Water District



## Memorandum

**To:** TVWD Board of Commissioners

**From:** Mark Knudson, P.E., Chief Engineer  
Joel Cary, Water Quality Technician

**Date:** May 14, 2013

**Subject:** TVWD Cross Connection Control Program Update

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At the TVWD Board meeting on April 24, 2013, Ms. Danielle Morehouse from the Arranmore neighborhood provided public comments questioning the justification and scope of the District's requirements for backflow prevention for properties served by private wells. Ms. Morehouse's comments were in response to the TVWD Board's action on February 20, 2013 to reaffirm TVWD Resolution 4-11.

This memo includes a brief summary of the concerns identified by Ms. Morehouse and the District staff's response to each concern.

1. Ms. Morehouse commented: the District: **“exceeds their discretionary rights as a water provider and is discriminatory to all owners and users of non-connected wells...”**

Response: TVWD's cross connection control requirements do not exceed the District's authority as a water provider nor are they discriminatory. As presented by staff and TVWD's attorney at the February 20, 2013 board meeting, the requirements established in Resolution 4-11 are within the rights and responsibilities of TVWD and all public water providers in Oregon. Specifically, Oregon Administrative Rule 333-071-0070 (3) establishes the “the minimum requirements set forth in these rules” and does not preclude the discretionary authority of a water provider to establish more stringent requirements. In addition, TVWD consistently applies the requirements of Resolution 04-11 for all District customers as evidenced by the fact that there are over 19,000 backflow prevention assemblies currently installed in the District's service area.

2. Ms. Morehouse commented: “the reality is that there is a nearly non-existent risk to the public water supply with a **non-connected** irrigation well. **Oregon law recognizes this lack of risk and does not require backflow devices for non-connected wells.**”

Response: OAR 333-061-0070 requires “water suppliers shall implement a cross connection control program” that “authorizes discontinuing water service to premises” for “Failure to remove or eliminate an existing unprotected or **potential** cross connection” (emphasis added). This requirement to protect against potential cross connections reflects the possibility of inadvertent or intentional modifications to private plumbing systems, which are beyond a water purveyor's control, resulting in elimination of the separation between potable and non-potable systems. This is why OAR 333-061-0070, Table 48, explicitly requires backflow protection for “Premises with piping

under pressure for conveying liquids other than potable water and the piping is installed in proximity to potable water piping.”

The risks associated with a “non-connected irrigation well” were presented in detail in the staff presentation at the February 20, 2013 board meeting. One example described at the board meeting included a home in the TVWD service area, which began registering negative usage on the water meter serving the home. This meter had not previously indicated abnormal consumption. Upon further investigation by TVWD staff, it was found that piping associated with a private irrigation well on the property had been modified such that it was connected to the home’s potable piping system. This situation in the TVWD service area clearly demonstrates how a “non-connected irrigation well” can be inadvertently or intentional connected to potable plumbing systems, resulting in a backflow condition and associated public health risks.

This risk is further reflected in OAR 333-061-0070, Table 48, which identifies “Premises with an auxiliary water supply that is connected to a potable water supply auxiliary water supplies” as a “Health Hazard.” This classification of auxiliary water supplies reflects the risk that may be present if the auxiliary water supply (i.e., irrigation well) becomes connected to the potable water system.

3. Ms. Morehouse commented: “An excellent example ... is the West Slope Water District and their customer, Jesuit High School. West Slope provide potable water to the high school, while a separate private well, owned by the school, supplies the school grounds irrigation system. ... West Slope knows that there is **no risk** ... by not requiring a backflow device o the completely separate potable water line. West Slope also knows they are **completely in compliance with Oregon law** by **not** requiring such a device.

Response: To investigate this comment, TVWD contacted the West Slope Water District (WSWD) staff which provided the following information: Jesuit High School has a private irrigation well; however, the well is generally not used due to high saline (salt) levels. In addition, WSWD requires a reduced pressure (RP) assembly on the irrigation service for Jesuit, even though the well and domestic irrigation *are not* connected to anyone’s knowledge, and despite the low level of usage. WSWD staff commented that the RP assembly is required by WSWD because of “the potential for cross-connection of the two systems.” Further, the other domestic services to the high school are protected with double check (DC) assemblies, the same minimum level required by TVWD for services within the Arranmore development.

4. Ms. Morehouse commented: “In OAR 333-061-0025 water suppliers are admonished to take ‘all **reasonable precautions** to assure that water delivered to water users does not exceed maximum contaminant levels’.” Ms. Morehouse further notes: “Resolution 4-11 is **not reasonable**, it is also **highly burdensome-due to the costs involved to the affected customers- and it is discriminatory** against a specific group of TVWD customers.”

Response: OAR 333-061-0025 outlines the responsibilities of all water suppliers. Specifically, OAR 333-061-0025(9) requires that water suppliers are responsible for “Conducting an active program for systematically identifying and controlling cross connections”. Resolution 04-11 is, in fact, TVWD’s means of satisfying the requirements of OAR 333-061-0025.

Concerning the claim of the requirement being “highly burdensome-due to the costs involved” TVWD has sought numerous ways to reduce expenses to the homeowners of Arranmore, including allowing assemblies to be installed in garages when the correct conditions exist. The District, at the

direction of the Board, has also drafted a set of criteria outlining how to address situations of “hardship” within the community to further assist homeowners with compliance.

Concerning the claim that the requirement is “discriminatory,” TVWD’s backflow prevention requirements are consistently applied throughout the District based on criteria established in OAR 333-061-0070 for existing and potential hazards such as back pressures, service size, building height and non-potable water uses as well as the presence of auxiliary water supplies such as private wells.

5. Ms. Morehouse commented: “The water used in my separate irrigation system has water rights- issued by the State of Oregon Water Resources Department- for this specific purpose, and I am in full compliance w/ all the rules and regulations for the use of that water. So in essence, TVWD is requiring me to purchase & install equipment and pay an ongoing yearly testing fee to use water that they neither supply nor have the authority to regulate.”

Response: The District is not preventing the use of the Arranmore irrigation system and TVWD’s cross connection control program has no bearing on compliance with the rules and regulations that pertain to water rights. There is no requirement in TVWD’s cross connection control requirements that prevents or restricts use of the Arranmore irrigation well. TVWD’s cross connection control requirements are established in compliance with OAR 333-061-0070 to protect the safety and security of the public water supply. The District is simply requiring protection of the public water system where the non-potable supply may become connected to the public water system.

6. Ms. Morehouse commented: “TVWD's alternative is to allow me to disconnect from the well water and use more Tualatin Valley water to irrigate my yard. Again, this is a discriminatory action as it takes away my right to use the well water and forces me to replace it with Tualatin Valley water purchased at additional expense.”

Response: As noted above, the District is not preventing the use of the Arranmore irrigation system. The District is simply acting under the requirements of OAR 333-061-0070 to protect the safety and security of the public water system. By taking this action and continuing to work with Arranmore homeowners to provide the required level of backflow protection, TVWD is, in fact, making every effort to accommodate the safe and effective use of the Arranmore irrigation system.

7. Ms. Morehouse commented: “Tualatin Valley has positioned itself to be vulnerable to a legal action here as there is no Oregon law that allows Tualatin Valley or any other utility to create a regulation that is discriminatory to a specific group of its customers”

Response: There are more than 19,000 backflow prevention assemblies currently installed in TVWD’s service area in compliance with Resolution 04-11. As noted above, TVWD’s cross connection control requirements are applied consistently throughout the District. These backflow prevention requirements are applied based on criteria established in OAR 333-061-0070 for all existing and potential hazards such as back pressures, service size, building height and non-potable water uses as well as the presence of auxiliary water supplies such as private wells.

8. Ms. Morehouse commented: “the comments TVWD received from Michael Perry and Tony Fields of the Oregon Health Authority are really just opinions. The Oregon Health Authority is a state regulatory agency for water suppliers and their obligation is to enforce Oregon law. As such, **the Oregon Health Authority would be obligated to have no objections to Resolution 04-11 without the non-connected well clause because it would still be in full compliance with Oregon law.”**

Response: The two letters in question were issued as official correspondence from the Oregon Health Authority – we have no reason to question the authority of these letters. The letters are consistent in noting that: 1) TVWD’s approach to backflow protection is consistent with the OARs, 2) the OARs establish minimum program requirements and water providers may establish more stringent requirements, and 3) residents are encouraged to work with TVWD to ensure compliance with TVWD’s requirements.

9. Ms. Morehouse commented: “At the February meeting, Mr. Knudson emphasized his concerns about potential cross connections which could be made using a garden hose and a \$3.00 hose connector. I have brought with me tonight a \$5.50 hose bib backflow device which could simply, effectively, and very economically address those concerns for the property owners affected by Resolution 04-11”

Response: The “\$5.50 hose bib backflow device” is an atmospheric vacuum breaker (AVB) which screws onto the hose fitting on the hose bib. This type of device only protects against backsiphonage, not backpressure, and will not protect against a cross connection from a piping system under pressure. The limitation to protect against backpressure is essential since site investigations have identified that the Arranmore irrigation system can operate at pressures up to 80 psi, while TVWD normal operating pressure in the neighborhood is about 75 psi. Even under normal hydraulic conditions, the Arranmore irrigation system could overcome the pressure in the public water system resulting in irrigation water entering the public water system if a cross connection exists.

In addition, this type of AVB device is readily removed from the hose bib, is not approved for installation upstream of a valve, and cannot be tested to verify performance. For these reasons, an AVB is not an approved backflow prevention assembly and does not satisfy the District’s program requirements.

10. Ms. Morehouse commented: “Two of the remedies available to correct these problems are to either remove the three words "or can be" from 5.d.i. or return to Tualatin Valley's previous practice of allowing covenants-running-with-the-land for affected property owners.”

Response: TVWD Resolution 04-11 Section 5.d.i includes the words “or can be” based on the requirement of OAR 333-061-0070, Table 48, which requires backflow protection for “Premises with piping under pressure for conveying liquids other than potable water and the piping is installed in proximity to potable water piping.” At the time that Resolution 04-11 was adopted, the Board found that the practice of “covenants running with the land” did not provide sufficient protection against inadvertent or intentional connection between potable and non-potable systems and a more protective standard was appropriate.

In summary, TVWD has the obligation, under current Oregon Administrative Rules, to address actual and potential cross connections based on the level of hazard they pose, and to apply the appropriate backflow protection requirements. Further, OAR 333-071-0070 (3) establishes the “the minimum requirements set forth in these rules.” This does not preclude the discretionary authority of a water provider to establish more stringent requirements. Finally, TVWD makes every effort to consistently apply the requirements of Resolution 04-11 for all District customers to minimize the risks associated with actual and potential cross connections in the District’s service area.

TVWD staff continues to work with all of the homeowners in the Arranmore community to achieve compliance with the requirements of Resolution 04-11 in a cost effective manner. To date, approximately 50% of the 136 properties in question have now successfully achieved compliance with these requirements.