



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

**WEDNESDAY
AUGUST 21, 2013
BOARD EXECUTIVE SESSION - 6:00 PM
REGULAR MEETING & RATE HEARING - 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 of the Board is scheduled before the Board Meeting at 6 PM called under ORS 192.660 (2) (h) to consult with legal counsel concerning the legal right and duties of a public body with regard to current litigation or litigation likely to be filed, 192.660 (2) (e) to conduct deliberations by the governing body to negotiate real property transactions, and 192.660 (2) (f) and ORS 192.502 (9) to consider information or records that are exempt from public inspection

1. CALL TO ORDER – REGULAR MEETING
2. REPORTS BY THE CHIEF EXECUTIVE OFFICER
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 July 9, 2013
- 5.2 - Regular Meeting Minutes of July 17, 2013
- 5.3- Approval of Commissioner Travel.....

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. SECOND 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 ONLY (MOTION TO ADOPT)

7. OPEN PUBLIC HEARING FOR PROPOSED RATES IN ACCORDANCE WITH ORS 264.312 FOR THE PURPOSE OF CONSIDERING RATES AND CHARGES TO CUSTOMERS FOR WATER SERVICES PROVIDED

****OPEN PUBLIC RATE HEARING****

- 7.1 - Opening comments by Chief Executive Officer, Mark Knudson
- 7.2 - Presentation by Chief Financial Officer, Paul Matthews
- 7.3 - Public testimony is heard

****CLOSE PUBLIC RATE HEARING****

8. RESOLUTION 09-13; A RESOLUTION ESTABLISHING RATES, FEES AND OTHER CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT, DECLARING EFFECTIVE DATE, AND OTHER MATTERS RELATING THERETO (MOTION TO ADOPT).....

9. INTERGOVERNMENTAL AGREEMENT (IGA) WITH THE CITY OF HILLSBORO FOR THE WILLAMETTE WATER SUPPLY PROGRAM (MOTION TO APPROVE AND AUTHORIZE CEO TO SIGN ON BEHALF OF THE DISTRICT)

10. INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF TUALATIN FOR FINAL DESIGN AND CONSTRUCTION OF THE WASHINGTON COUNTY SUPPLY LINE EMERGENCY PUMP STATION (MOTION TO APPROVE AND AUTHORIZE THE CEO TO SIGN).....

11. DEPARTMENT MANAGERS REPORT

TUALATIN VALLEY WATER DISTRICT

EXHIBIT "A" - WATER RATES

		<u>Effective</u> <u>11/1/2013</u>
<u>VOLUME WATER CHARGE:</u>		
<u>CLASS CODE 1</u>	<u>RESIDENTIAL</u>	
BLOCK 1	0-28 CCF (PER BI-MONTHLY BILLING PERIOD)	\$2.74
BLOCK 2	29 + (PER BI-MONTHLY BILLING PERIOD)	\$3.91
<u>CLASS CODE 2</u>	<u>MULTI-FAMILY</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 3</u>	<u>COMMERCIAL NON-PRODUCT</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 4</u>	<u>PRODUCTION PROCESSES</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 5</u>	<u>FIRELINE</u>	
BLOCK 1	ALL CONSUMPTION	\$2.74
<u>CLASS CODE 6</u>	<u>IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 7</u>	<u>TEMPORARY IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 8</u>	<u>LOCAL GOVERNMENT WATER PURVEYORS</u>	
	Volume charges shall be at contractual rates.	

FIXED CHARGE:

FOR ALL CLASS CODES

<u>METER SIZE OR EQUIVALENT</u>	<u>MONTHLY FIXED</u>	<u>BI-MONTHLY</u>
<u>SERVICE SIZE</u>	<u>CHARGE</u>	<u>FIXED</u>
5/8"	\$ 8.43	\$ 16.86
3/4"	\$ 9.19	\$ 18.38
1"	\$ 11.14	\$ 22.28
1 1/2"	\$ 14.53	\$ 29.06
2"	\$ 21.27	\$ 42.54
3"	\$ 61.16	\$ 122.32
4"	\$ 80.63	\$ 161.26
6"	\$ 127.35	\$ 254.70
8"	\$ 181.86	\$ 363.72
10"	\$ 295.49	\$ 590.98

Note: If snowbird customers do not request a service turn-on from the District and there has been movement on the meter, the District will apply fixed charges for the entire 2-month billing cycle.

Private fire services are charged at the service size as determined by the nominal size of the backflow prevention assembly unless otherwise established by the District's Chief Engineer based on engineering equivalence. For services sizes not listed above, the next larger service size will be used.

TUALATIN VALLEY WATER DISTRICT

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6"	\$ 127.35	\$ 254.70
8"	\$ 181.86	\$ 363.72
10"	\$ 295.49	\$ 590.98

Note: If snowbird customers do not request a service turn-on from the District and there has been movement on the meter, the District will apply fixed charges for the entire 2-month billing cycle.

Private fire services are charged at the service size as determined by the nominal size of the backflow prevention assembly unless otherwise established by the District's Chief Engineer based on engineering equivalence. For services sizes not listed above, the next larger service size will be used.

EXHIBIT "A" - OTHER SERVICES CHARGES & PENALTIES**Effective
11/1/2013**

1. Water Service on or off at customer's or owner's request	
a. First call -- during office hours, Monday through Friday except for snowbird turn off.	N/C
b. Leaks or emergencies beyond customer control -- during office hours or after hours or weekends	N/C
c. Service on and off, second call during office hours	\$60
d. Service on and off, second call after hours (an additional)	\$50
e. All snowbird turn offs	\$50
2. Water Service on and off for non-payment	
a. Service on and off, during office hours, Monday through Friday	\$60
b. After hours or weekend service on and off (an additional)	\$50
c. Broken promise turn off	\$60
3. Additional charges, if necessary, to enforce payment of bill or charges	
a. Removal of meter	\$100
b. Reinstallation of meter	N/C
c. Installation or removal of locking device-first occurrence	\$60
d. Installation or removal of locking device-second occurrence	\$75
e. Installation or removal of locking device-third occurrence	\$150
	& meter pulled
f. Repair of breakage/damage to locking mechanism (curb stops, etc.)	Parts & Labor
g. Service off water at main or reinstating service	Parts & Labor
h. Check returned by bank for non-payment (NSF)	\$25
i. Meter tampering and/or using water without authority	\$60
j. Penalty for incorrect financial institution account information First two times no charge. Charge per incident, third time and above.	\$25
4. Illegal use of water	\$150
(plus water usage billed at current rates)	
5. Illegal use of fire line	
a. First occurrence	N/C
b. Second occurrence (plus estimated water usage billed at Block 2 rate)	\$150
c. Third occurrence (plus estimated water usage billed at Block 2 rate)	\$650
d. Fourth occurrence (plus estimated water usage billed at Block 2 rate)	\$650
	(plus system development charge assessed)
6. Decreasing or increasing size of meter	Parts & Labor
	(plus any applicable system development charges)
7. Testing water meters at customer's or owner's request	
a. Testing on premises (5/8" – 3/4" – 1")	\$105
b. Removal of meter for testing (5/8" – 3/4" – 1")	\$330
c. Testing of meters larger than 1"	Parts & Labor
8. Usage of meter key	
a. Deposit refundable with key return	\$25 Deposit
9. Removal of meter during construction	
a. Removal of meter	\$100
b. Loss of meter (replacement cost)	\$270 - \$630

EXHIBIT "A" - OTHER SERVICES CHARGES & PENALTIES**Effective
11/1/2013**

10. Fire hydrant permits -- mandatory for fire hydrant usage	
a. Three month permit (plus water usage billed at current Block 1 rate)	\$65
b. Six month permit (plus water usage billed at current Block 1 rate)	\$90
c. Twelve month permit (plus water usage billed at current Block 1 rate)	\$140
d. Tank inspection at location other than District main office (does not include permit)	\$70
e. Penalty for unauthorized hydrant use per occurrence	\$500
f. Penalty for using non-approved (uninspected) tank	\$950
g. Failure to report water usage	\$15/day for unreported usage
11. Backflow prevention device testing	
Device testing	
a. Initial test fee per device	\$110
b. All subsequent tests are the responsibility of the owner -- to be done annually by a State Certified Backflow Tester of their choice	
Gold plan	
Annual fee per device dependant on customer agreement to have the District schedule & perform required annual test. Test performed by District contractor & includes \$50 annually in minor repairs to existing device to achieve passing test.	\$35
Silver plan	
Annual fee per device. Applies if customer hasn't completed annual test by required date and is scheduled for shutoff. Test performed by District contractor in lieu of shutoff. Fee does not include cost of repairs that may be required.	\$50
Service on and off for non-compliance of annual testing and reporting.	
a. Service on and off, during office hours, Monday through Friday	\$60
b. After hours or weekend service on and off (an additional)	\$50
12. Flow testing of fire hydrants	\$235
13. Plan review	
a. Residential subdivision 1-10 lots	\$175
b. Residential subdivision 11-50 lots	\$250
c. Residential subdivision 51-100 lots	\$400
d. Residential subdivision more than 100 lots	\$450
e. Commercial development, meter smaller than 2"	\$325
f. Commercial development, meter 2" or larger	\$450
14. SDC finance contract and recording fee	\$245
15. Temporary irrigation meter	\$2,105
Other billing charges	
Any other services performed by District personnel for which there is not a fee specified in Resolution 09-13 shall be charged at the employee's salary plus the cost of other personnel expenses for the actual time spent on the service (minimum 0.25 hours); plus the cost for materials and District equipment used including a 10% overhead rate and any deposits required by the District.	
The District may charge for time expended searching records to provide historical data per District Resolution 14-00. A written request and/or deposit may be required.	
Carrying charges	
Bills issued by TVWD which remain unpaid for over thirty (30) days may be subject to a carrying charge at a rate of 9% per year on the unpaid balance.	

EXHIBIT "A" - METER AND SERVICE INSTALLATION CHARGES

Effective
11/1/2013

Meter and Service Installation Charges By Meter Size

METER SIZE	Subdivision		
	Service Install*	Refundable**	Meter Fee
5/8" } 3/4" } 1" Service 1" } Line	\$845	\$185	\$270
1-1/2"			\$510
2"			\$630
	\$2,625	\$0	
	\$2,625	\$0	

*Per District water system standards all meters to 1" in size require a 1" service line

**Amount refundable applies only if TVWD is able to install its services before other utilities

METER SIZE	Dig-Ins		Banked Dig-Ins		
	Service Install*	Meter Fee	Banked Dig-in Fee	Meter Fee	
5/8" } 3/4" } 1" Service 1" } Line	\$2,105	\$270	\$845	\$270	
1-1/2"		\$510		N/A	\$510
2"		\$630		N/A	\$630
	\$2,625				

*Per District water system standards all meters to 1" in size require a 1" service line

All new meters include Automatic Meter Reading (AMR) capability.

Dig-ins are defined as a service tap in an existing main in an existing street.

Subdivisions are defined as undeveloped streets where mains will be installed.

Banked dig-ins are defined as one excavation with more than one service tap.

Fees for Banked Dig-Ins for meters larger than 1" will be determined on a case by case basis by the District's Engineering Department.

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

MEETING DATE: AUGUST 21, 2013

TITLE: APPROVAL OF COMMISSIONER TRAVEL

ITEM: District Board Policy Article 1.10.60, Reimbursement for Expenses, Section V.C., requires: "Reimbursement for all travel shall conform to the District travel guideline policy. Out of region travel shall require prior Board approval."

Commissioner Burke asked to attend the American Water Works Association (AWWA) Financial Management Conference to obtain training as related to District business. The conference is scheduled for September 22-25, 2013 in San Antonio, TX.

To adhere to the District's established Board Policies, the proposed travel by Commissioners Burke must be preapproved to be eligible for reimbursement.

STAFF RECOMMENDATION: It is recommended that the Board provide approval as part of the consent agenda for Commissioner Burke to attend the AWWA Financial Management Conference.

BUDGET IMPACT: The total cost of travel and conference registration for the AWWA Financial Management Conference will be approximately \$1,900 and is available in the existing budget.

ADDITIONAL INFORMATION: Chief Executive Officer, Mark Knudson (503-848-3027)
markk@tvwd.org

ATTACHMENTS: None

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: August 21, 2013

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

ITEM: At the April 24, 2013 TVWD meeting, 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 124th 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.

Ordinance 01-13 was developed to provide a mechanism to address all of the tasks mentioned above and 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.

The Board has received public comment in written form and also by oral testimony during its regular meetings on May 15 and June 19. The Board conducted a first reading of the Ordinance on July 17 and received public comment.

STAFF RECOMMENDATION: Staff recommends that the Board conduct a second reading of Ordinance 01-13 by title only and receive public comment. At the conclusion of public comments, Staff recommends the Board adopt ordinance 01-13 with an effective date of September 21, 2013.

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: Chief Executive Officer, Mark Knudson, MarkK@tvwd.org, 503-848-3027, Todd Heidgerken, Toddh@tvwd.org, 503-848-3013

ATTACHMENTS: Ordinance 01-13

APPROVING MANAGERS INITIAL:

CHIEF EXECUTIVE OFFICER	_____	HUMAN RESOURCES	N/A
FIELD OPERATIONS	N/A	INTERGOV. RELATIONS	_____
FINANCIAL SERVICES	_____	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 TVWD providing the 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 resource; 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 17th day of July, 2013, and the 21st day of August, 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 21th day of August, 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 September 21, 2013 at 12:01 a.m., being at least 30 days from the date of its adoption. Ordinance 1-01 and Resolution 11-07 shall be repealed at 12:00 a.m. on September 21, 2013.

TUALATIN VALLEY WATER DISTRICT

BY _____ BY _____
 Richard Burke, President James Duggan, Secretary

**TUALATIN VALLEY WATER DISTRICT
BOARD AGENDA ITEM**

MEETING DATE: AUGUST 21, 2013

TITLE: RESOLUTION 09-13: A RESOLUTION ESTABLISHING RATES, FEES, AND OTHER CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT; DECLARING EFFECTIVE DATE; AND, OTHER MATTERS RELATING THERETO.

ITEM: Resolution 09-13 sets the District's water rates and charges, other than system development charges. Historically, the District has adopted similar resolutions with an Exhibit A attached that contains the new rates. In follow-up to the Board work session held on July 9th, staff is presenting two options for rate increases for the Board's consideration. Each of these options is presented in an "Exhibit A" format to allow the Board to pass a resolution during the rate hearing and specify the appropriate Exhibit to be used.

- For typical single-family residential customers, the proposed rate increase ranges from approximately \$1.42 (Exhibit A - Option 1) to \$2.19 (Exhibit A - Option 2) per month depending on the Board's selected option. This is based on a typical customer with a 5/8-inch meter using 7 CCF per month.
- For Multi-Family, Commercial and All Other Customer classes – rate increase options for consideration are approximately 5% (Exhibit A - Option 1) and 8% (Exhibit A - Option 2) for combined volume and fixed charges.
- Under both options the actual rate impact on individual customers will vary based on water volume usage and meter/service line size.
- Both options provide sufficient funding for the first year of the District's Adopted 2013-15 Biennial Budget. The primary difference between the two options is the level of future rate increases required to fund the District's long-term capital program. Regardless of the option the Board of Commissioners chooses, the District will require a series of water rate increases to fund the long-term capital program, which is driven largely by the investment in the additional water supply. The policy choice before the Board is the timing of future revenue increases.
- Both options conform to the District's policy of establishing cost-of-service rates, and setting rates in a manner that avoids unexpected or sudden rate increases.
- Staff is recommending an effective date of November 1, 2013 after the summer watering season.

The proposed rate increases are consistent with the recommendations of the **2012 Cost-of-Service Water Rate Study**. Primary goals of the Cost-of-Service Water Rate Study included improving the District's revenue stability, preserving the conservation message, and keeping the water rate structure simple and understandable. A key directive of the Board was to phase-in full cost-of-service fixed charges and fire-costs recovery over a three-year period. The water rate schedule (both Options 1 and 2) set forth in Resolution 09-13 represents the second year of the phase-in period.

Staff also conducted a cost-of-service review of the District's other fees and charges, and recommends increases to some fees including water meter removal, meter testing, fire hydrant permits and flow testing, temporary irrigation meters, and meter and service installations. In addition, staff is

recommending new fees for illegal use of fire lines, off-site water tanker truck inspection, and SDC financing contract preparation and recording.

Additional information is included on the attached "Background" sheet.

STAFF RECOMMENDATION: Staff recommends the Board select one of the proposed options and approve Resolution 09-13 with the corresponding Exhibit A. Staff does not offer a recommendation as to which option to select. Either option will meet the financial needs of the District's long-term financial plan, and the ultimate Board decision is policy driven.

BUDGET IMPACT: The recommended rates are calculated to generate the water sales revenues presented in the Adopted 2013-15 Biennial Budget.

ATTACHMENTS: Resolution 09-13, Exhibit A (Options 1 and 2), and Background

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	_____
ENGINEERING SERVICES	_____		

BOARD ACTION:

APPROVED	_____
DENIED	_____

Rate Resolution 09-13 –Background

As part of its biennial budget process, the District develops annual revenue requirements for its water sales. These annual revenue requirements include forecasts of operations and maintenance (O&M) expenditures and the District's six-year Capital Improvement Plan (CIP). Revenue requirements are determined by using a long-term (30-year) financial forecasting model that looks at planned expenditures and forecasts the amount of revenue from water sales required to meet those expenditures. Based on the Adopted 2013-15 Biennial Budget and CIP, staff has completed this analysis and determined that for fiscal year (FY) 2013-14 a 5.0% average rate increase is sufficient to meet the revenue requirements of the District.

Longer term, however, the District will require a series of higher rate increases to prepare for investment and debt issuance for future water supply development – identified as the Willamette Water Supply Program based on the Board's decision in April 2013.

At the July 9, 2013 Board work session on water rates, staff presented six options for consideration for water rates effective November 1, 2013:

1. 5% Overall Revenue Increase with Phase-In Cost-of Service
2. 8% Overall Revenue Increase with Phase-In Cost-of Service
3. 5% Overall Revenue Increase with Adjusted Phase-In Cost-of Service
4. 8% Overall Revenue Increase with Adjusted Phase-In Cost-of Service
5. 5% Across-the-Board Increase
6. 8% Across-the-Board Increase

All six-options reflect the District's financial policy to keep rate increases as smooth and predictable as possible.

During the July 9th Work Session, staff noted that Options 1 and 2 are consistent with the Board's directive regarding the findings and recommendations of the **2012 Cost-of-Service Water Rate Study**. That directive was to phase-in, over a three-year period, full cost-of-service fixed charges and the recovery of fire-related capacity costs within the fixed charge component of the rate structure. The water rate schedule (both Options 1 and 2) set forth in Resolution 09-13 represents the second year of the phase-in period.

During the July 9th Work Session, the Board indicated a preference for staff to present both Option 1 and Option 2 at the August 21st Board meeting and public hearing on water rates. In addition, a significant amount of financial planning work will be undertaken over the next 12 to 24-months to further develop financing and debt management strategies, and determine revenue requirements from water rates for the Willamette Water Supply Program. As the project proceeds additional analyses will improve the accuracy of engineering cost estimates and the timing of capital construction. These more accurate estimates will be used to revise the District's long-term financial plan.

Billing Impacts of both Option 1 and Option 2

For a typical single-family residential customer using 7 CCF of water per month (14 CCF bi-monthly), the proposed rate increase will result in a bill that is approximately \$1.42 (Exhibit A - Option 1) or \$2.19 (Exhibit A - Option 2) higher per month. Comparing to the current combined volume and fixed charges paid by a typical residential customer of \$26.19 per month, Option 1 increases bill to \$27.61/month and Option 2 increases the bill to \$28.38/month.

Residential customers are billed on a bi-monthly basis. However, we are showing the bill impact on a monthly basis for easier comparison to other utility bills customers typically pay (e.g., phone, cable, electricity).

Water usage for households is affected by many factors including household size, presence of water efficient fixtures, irrigation practices, and customer behavior. Considering these factors, rate impacts on individual customers will vary.

Block 1 volume rate increase from \$2.65 per CCF to \$2.74 per CCF under Exhibit A - Option 1 and \$2.85 per CCF under Exhibit A - Option 2. Block 2 volume rate increase from \$3.78 per CCF to \$3.91 per CCF under Exhibit A - Option 1 and \$4.06 per CCF under Exhibit A - Option 2. Staff is not recommending changes to the current block volume thresholds. Single-family residential customers are assessed Block 2 volume rates on usage in excess of 28 CCF per bi-monthly period. All other multifamily, commercial, production, and irrigation customer classes have Block 2 rates assessed on usage in excess of 140% of their prior 12-month moving average.

Fixed charges for meters (or equivalent service size for fire lines) ranging from 5/8-inch to 10-inch increase \$0.79 per month to \$58.89 depending on meter/equivalent service size. Both Exhibit A - Option 1 and Exhibit A - Option 2 include the same rates for fixed charges and represent the second-year phase-in for cost-of-service and recovery for fire-related capacity as directed by the Board.

With the exception of fire line customers, the fixed charge portion of the water bill for non single-family residential customers is often smaller in comparison to volume charges. Bill impacts will vary for non-residential customers depending on meter size and usage. Overall, the water rates anticipated to result in an average rate increase of 5% (Exhibit A - Option 1) and 8% (Exhibit A - Option 2) for non single-family residential customers.

Staff also conducted a cost-of-service review of all other District fees and charges. This analysis has resulted in recommended changes to some of those fees. A summary of the recommendations is provided below.

Other Service Charges and Penalties - Summary of Recommended Changes

Exhibit A - Other Service Charges and Penalties & Meter and Service Installations

Removal of Meter for Non-payment

Recommendation to increase fee from \$95 to \$100 based on cost-of-service analysis.

Illegal use of Fire lines

This is a new fee that specifically addresses the illegal use of fire lines. Historically illegal use of fire lines were treated the same as all other illegal use of water where a \$150 penalty was applied along with a bill for the estimated amount of water used at the Block 2 rate. The new fee is consistent with standard illegal use fee, but allows for an additional \$500 penalty and system development charge to be assessed with continuing violations. The first violation will result in a warning letter only.

Testing Water Meters at Customer's or Owner's Request - On Premises

Recommendation to increase the testing of meters 5/8-inch to 1-inch on the premise from \$95 to \$105 based on cost-of-service analysis. This fee is not assessed if the testing determines a problem with the meter.

Testing Water Meters at Customer's or Owner's Request - Off Premises

Recommendation to increase the cost for removal of meter for testing (5/8-inch to 1-inch) from \$290 to \$330 based on the cost of service. This service is rarely performed. Most meter testing is conducted on the premises.

Removal of Meter During Construction

Recommendation to increase fee from \$95 to \$100 based on cost-of-service analysis.

Hydrant Permit Fees

Recommendation to increase hydrant permit fees by \$5 for each permit type based on cost-of-service analysis.

Tank Inspection at Location Other Than District Headquarters

This is a new fee intended to recover the cost of the District's inspectors traveling to off-site locations to inspect tanks being used with hydrant permits. The recommended fee is \$70 based on the cost-of-service analysis. The \$70 fee is in addition to the cost of the hydrant permit.

Backflow Prevention Device Testing

Recommendation to increase fee from \$105 to \$110 based on cost-of-service analysis.

SDC Finance Contract & Recording Fee

This new fee of \$245 is intended to recover the costs associated with staff time and recording fees for developing contracts for financing of system development charges. These contracts are infrequent; however, the District is required by state law to make them available. The proposed fee is based on the cost-of-service analysis.

Flow Testing of Fire Hydrants

Recommendation to increase fee from \$215 to \$235 based on a cost-of-service analysis of labor requirements to perform the work. This service is requested infrequently.

Temporary Irrigation Meter

Recommendation to increase fee from \$2,040 to \$2,105 based on the cost-of-service analysis for labor and material costs for meter installations. Temporary irrigation meters were added as a customer class in 2011. Users consist of customers required to install temporary meters for a limited period of up to two years for the irrigation of water quality facilities and other landscaping requirements as specified by development permits. Customers are not required to pay System Development Charges for this temporary use, but are required to pay a Temporary Irrigation Meter fee and pay water volume charges in accordance to the rate schedule.

Meter and Service Installation Charges

Meter and service installation fees, including dig-ins reflect both the cost of the meter (including automated meter reading devices) and installation. Meter fees are recommended to be adjusted 3% to 4% depending on the size of the meter to obtain full cost recovery of the AMR devices, labor, and equipment costs for installation. District water system standards require all meter installs up to 1-inch to include a 1-inch service line. This allows the upsizing of a less than 1-inch meter to a higher capacity meter for fire suppression without the need to upgrade the service line.

Staff Recommendation/Effective Date: District staff is recommending that all Exhibit A rates and charges become effective November 1, 2013, after the summer water season.



RESOLUTION 09-13

A RESOLUTION ESTABLISHING RATES, FEES, AND OTHER CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT; DECLARING EFFECTIVE DATE; AND, OTHER MATTERS RELATING THERETO

WHEREAS, a public hearing was held by the Board of Commissioners of the Tualatin Valley Water District on August 21, 2013 for the purpose of considering increases in water rates and related fees to be paid for District operations, the purchase of water, and capital improvements; and,

WHEREAS, pursuant to the provisions of ORS 264.312, notice of said public hearing and the purpose thereof was given by mailing a notice of hearing to the customers of the District in accordance with the requirement of said statute; and,

WHEREAS, based upon the recommendations of the Administrative Staff of the District and the testimony heard, received and considered by the Board from such public hearing, the Board of Commissioners finds that:

- (1) The District purchases most of its water supply for distribution within the District from the City of Portland, Oregon, and acquires substantially the remainder of its supply as a member of the Joint Water Commission; and,
- (2) The Board considered two options for adjusting fixed and volume water charges that will adjust overall estimated revenue increases derived from water rates by either approximately five percent or eight percent annually; and
- (3) The schedule of water rates is consistent with the findings and recommendations of the 2012 Cost-of-Service Water Rate Study. Primary goals of the Cost-of-Service Water Rate Study included improving revenue stability, preserving the conservation message for District customers, and keeping the water rate structure simple and understandable; and,
- (4) The Board of Commissioners directed that the findings of the Cost-of-Service Water Rate Study to increase fixed charges, particularly to reflect the costs to provide capacity for fire protection, be implemented over a three-year period with Resolution 09-13 representing the second year of this schedule; and,
- (5) It is necessary to adopt the rates for water purchased from the District and related rates and charges in accordance with the schedule of rates set forth in Exhibit "A" in order to provide funds to cover the costs of operating the District, and fund necessary capital improvements and the development of new water supplies; and being fully advised,

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

Section 1: Effective November 1, 2013

The rates and charges shown in Exhibit "A" attached hereto and by this reference incorporated herein, shall be adopted by the District.

Section 2:

The secretary of the District be and hereby is authorized and instructed to post a copy of this resolution in a public and conspicuous place at the office of the District

INTRODUCED AND ADOPTED THIS 21st DAY OF AUGUST, 2013

BY: _____
Richard Burke, President

BY: _____
James Duggan, Secretary

TUALATIN VALLEY WATER DISTRICT

EXHIBIT "A" - WATER RATES

		<u>Effective</u> <u>11/1/2013</u>
<u>VOLUME WATER CHARGE:</u>		
<u>CLASS CODE 1</u>	<u>RESIDENTIAL</u>	
BLOCK 1	0-28 CCF (PER BI-MONTHLY BILLING PERIOD)	\$2.74
BLOCK 2	29 + (PER BI-MONTHLY BILLING PERIOD)	\$3.91
<u>CLASS CODE 2</u>	<u>MULTI-FAMILY</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 3</u>	<u>COMMERCIAL NON-PRODUCT</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 4</u>	<u>PRODUCTION PROCESSES</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 5</u>	<u>FIRELINE</u>	
BLOCK 1	ALL CONSUMPTION	\$2.74
<u>CLASS CODE 6</u>	<u>IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 7</u>	<u>TEMPORARY IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.74
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$3.91
<u>CLASS CODE 8</u>	<u>LOCAL GOVERNMENT WATER PURVEYORS</u>	
	Volume charges shall be at contractual rates.	

FIXED CHARGE:

FOR ALL CLASS CODES

<u>METER SIZE OR EQUIVALENT</u>	<u>MONTHLY FIXED</u>	<u>BI-MONTHLY</u>
<u>SERVICE SIZE</u>	<u>CHARGE</u>	<u>FIXED</u>
5/8"	\$ 8.43	\$ 16.86
3/4"	\$ 9.19	\$ 18.38
1"	\$ 11.14	\$ 22.28
1 1/2"	\$ 14.53	\$ 29.06
2"	\$ 21.27	\$ 42.54
3"	\$ 61.16	\$ 122.32
4"	\$ 80.63	\$ 161.26
6"	\$ 127.35	\$ 254.70
8"	\$ 181.86	\$ 363.72
10"	\$ 295.49	\$ 590.98

Note: If snowbird customers do not request a service turn-on from the District and there has been movement on the meter, the District will apply fixed charges for the entire 2-month billing cycle.

Private fire services are charged at the service size as determined by the nominal size of the backflow prevention assembly unless otherwise established by the District's Chief Engineer based on engineering equivalence. For services sizes not listed above, the next larger service size will be used.

TUALATIN VALLEY WATER DISTRICT

EXHIBIT "A" - WATER RATES

		<u>Effective</u> <u>11/1/2013</u>
<u>VOLUME WATER CHARGE:</u>		
<u>CLASS CODE 1</u>	<u>RESIDENTIAL</u>	
BLOCK 1	0-28 CCF (PER BI-MONTHLY BILLING PERIOD)	\$2.85
BLOCK 2	29 + (PER BI-MONTHLY BILLING PERIOD)	\$4.06
<u>CLASS CODE 2</u>	<u>MULTI-FAMILY</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.85
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$4.06
<u>CLASS CODE 3</u>	<u>COMMERCIAL NON-PRODUCT</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.85
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$4.06
<u>CLASS CODE 4</u>	<u>PRODUCTION PROCESSES</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.85
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$4.06
<u>CLASS CODE 5</u>	<u>FIRELINE</u>	
BLOCK 1	ALL CONSUMPTION	\$2.85
<u>CLASS CODE 6</u>	<u>IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.85
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$4.06
<u>CLASS CODE 7</u>	<u>TEMPORARY IRRIGATION</u>	
BLOCK 1	UP TO 1.4 TIMES 12-MONTH MOVING AVERAGE	\$2.85
BLOCK 2	OVER 1.4 TIMES 12-MONTH MOVING AVERAGE	\$4.06
<u>CLASS CODE 8</u>	<u>LOCAL GOVERNMENT WATER PURVEYORS</u>	
	Volume charges shall be at contractual rates.	

FIXED CHARGE:

FOR ALL CLASS CODES

<u>METER SIZE OR EQUIVALENT</u>	<u>MONTHLY FIXED</u>	<u>BI-MONTHLY</u>
<u>SERVICE SIZE</u>	<u>CHARGE</u>	<u>FIXED</u>
5/8"	\$ 8.43	\$ 16.86
3/4"	\$ 9.19	\$ 18.38
1"	\$ 11.14	\$ 22.28
1 1/2"	\$ 14.53	\$ 29.06
2"	\$ 21.27	\$ 42.54
3"	\$ 61.16	\$ 122.32
4"	\$ 80.63	\$ 161.26
6"	\$ 127.35	\$ 254.70
8"	\$ 181.86	\$ 363.72
10"	\$ 295.49	\$ 590.98

Note: If snowbird customers do not request a service turn-on from the District and there has been movement on the meter, the District will apply fixed charges for the entire 2-month billing cycle.

Private fire services are charged at the service size as determined by the nominal size of the backflow prevention assembly unless otherwise established by the District's Chief Engineer based on engineering equivalence. For services sizes not listed above, the next larger service size will be used.

EXHIBIT "A" - OTHER SERVICES CHARGES & PENALTIES**Effective
11/1/2013**

1. Water Service on or off at customer's or owner's request	
a. First call -- during office hours, Monday through Friday except for snowbird turn off.	N/C
b. Leaks or emergencies beyond customer control -- during office hours or after hours or weekends	N/C
c. Service on and off, second call during office hours	\$60
d. Service on and off, second call after hours (an additional)	\$50
e. All snowbird turn offs	\$50
2. Water Service on and off for non-payment	
a. Service on and off, during office hours, Monday through Friday	\$60
b. After hours or weekend service on and off (an additional)	\$50
c. Broken promise turn off	\$60
3. Additional charges, if necessary, to enforce payment of bill or charges	
a. Removal of meter	\$100
b. Reinstallation of meter	N/C
c. Installation or removal of locking device-first occurrence	\$60
d. Installation or removal of locking device-second occurrence	\$75
e. Installation or removal of locking device-third occurrence	\$150
	& meter pulled
f. Repair of breakage/damage to locking mechanism (curb stops, etc.)	Parts & Labor
g. Service off water at main or reinstating service	Parts & Labor
h. Check returned by bank for non-payment (NSF)	\$25
i. Meter tampering and/or using water without authority	\$60
j. Penalty for incorrect financial institution account information First two times no charge. Charge per incident, third time and above.	\$25
4. Illegal use of water	\$150
(plus water usage billed at current rates)	
5. Illegal use of fire line	
a. First occurrence	N/C
b. Second occurrence (plus estimated water usage billed at Block 2 rate)	\$150
c. Third occurrence (plus estimated water usage billed at Block 2 rate)	\$650
d. Fourth occurrence (plus estimated water usage billed at Block 2 rate)	\$650
	(plus system development charge assessed)
6. Decreasing or increasing size of meter	Parts & Labor
	(plus any applicable system development charges)
7. Testing water meters at customer's or owner's request	
a. Testing on premises (5/8" – 3/4" – 1")	\$105
b. Removal of meter for testing (5/8" – 3/4" – 1")	\$330
c. Testing of meters larger than 1"	Parts & Labor
8. Usage of meter key	
a. Deposit refundable with key return	\$25 Deposit
9. Removal of meter during construction	
a. Removal of meter	\$100
b. Loss of meter (replacement cost)	\$270 - \$630

EXHIBIT "A" - OTHER SERVICES CHARGES & PENALTIES**Effective
11/1/2013**

10. Fire hydrant permits -- mandatory for fire hydrant usage	
a. Three month permit (plus water usage billed at current Block 1 rate)	\$65
b. Six month permit (plus water usage billed at current Block 1 rate)	\$90
c. Twelve month permit (plus water usage billed at current Block 1 rate)	\$140
d. Tank inspection at location other than District main office (does not include permit)	\$70
e. Penalty for unauthorized hydrant use per occurrence	\$500
f. Penalty for using non-approved (uninspected) tank	\$950
g. Failure to report water usage	\$15/day for unreported usage
11. Backflow prevention device testing	
Device testing	
a. Initial test fee per device	\$110
b. All subsequent tests are the responsibility of the owner -- to be done annually by a State Certified Backflow Tester of their choice	
Gold plan	
Annual fee per device dependant on customer agreement to have the District schedule & perform required annual test. Test performed by District contractor & includes \$50 annually in minor repairs to existing device to achieve passing test.	\$35
Silver plan	
Annual fee per device. Applies if customer hasn't completed annual test by required date and is scheduled for shutoff. Test performed by District contractor in lieu of shutoff. Fee does not include cost of repairs that may be required.	\$50
Service on and off for non-compliance of annual testing and reporting.	
a. Service on and off, during office hours, Monday through Friday	\$60
b. After hours or weekend service on and off (an additional)	\$50
12. Flow testing of fire hydrants	\$235
13. Plan review	
a. Residential subdivision 1-10 lots	\$175
b. Residential subdivision 11-50 lots	\$250
c. Residential subdivision 51-100 lots	\$400
d. Residential subdivision more than 100 lots	\$450
e. Commercial development, meter smaller than 2"	\$325
f. Commercial development, meter 2" or larger	\$450
14. SDC finance contract and recording fee	\$245
15. Temporary irrigation meter	\$2,105
Other billing charges	
Any other services performed by District personnel for which there is not a fee specified in Resolution 09-13 shall be charged at the employee's salary plus the cost of other personnel expenses for the actual time spent on the service (minimum 0.25 hours); plus the cost for materials and District equipment used including a 10% overhead rate and any deposits required by the District.	
The District may charge for time expended searching records to provide historical data per District Resolution 14-00. A written request and/or deposit may be required.	
Carrying charges	
Bills issued by TVWD which remain unpaid for over thirty (30) days may be subject to a carrying charge at a rate of 9% per year on the unpaid balance.	

EXHIBIT "A" - METER AND SERVICE INSTALLATION CHARGES

Effective
11/1/2013

Meter and Service Installation Charges By Meter Size

METER SIZE	Subdivision		
	Service Install*	Refundable**	Meter Fee
5/8" } 3/4" } 1" Service 1" } Line	\$845	\$185	\$270
1-1/2"			\$510
2"			\$630
	\$2,625	\$0	
	\$2,625	\$0	

*Per District water system standards all meters to 1" in size require a 1" service line

**Amount refundable applies only if TVWD is able to install its services before other utilities

METER SIZE	Dig-Ins		Banked Dig-Ins		
	Service Install*	Meter Fee	Banked Dig-in Fee	Meter Fee	
5/8" } 3/4" } 1" Service 1" } Line	\$2,105	\$270	\$845	\$270	
1-1/2"		\$510		N/A	\$510
2"		\$630		N/A	\$630
	\$2,625				

*Per District water system standards all meters to 1" in size require a 1" service line

All new meters include Automatic Meter Reading (AMR) capability.

Dig-ins are defined as a service tap in an existing main in an existing street.

Subdivisions are defined as undeveloped streets where mains will be installed.

Banked dig-ins are defined as one excavation with more than one service tap.

Fees for Banked Dig-Ins for meters larger than 1" will be determined on a case by case basis by the District's Engineering Department.

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

MEETING DATE: AUGUST 21, 2013

TITLE: INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF HILLSBORO FOR THE WILLAMETTE WATER SUPPLY PROGRAM (MOTION TO APPROVE AND AUTHORIZE CEO TO SIGN)

ITEM: As part of the Willamette Water Supply Program, the Tualatin Valley Water District (TVWD) has identified the opportunity to complete two projects: the 124th Avenue Pipeline Design and the Willamette Water Supply System Preliminary Design. These projects would be conducted in partnership with the City of Hillsboro Water Department (Hillsboro), and possibly other partners, resulting in significant cost savings to the District.

TVWD and Hillsboro staffs have negotiated a joint funding agreement, or “program agreement,” for the two proposed projects and related services. As envisioned, work covered by the program agreement between Hillsboro and TVWD would fund only services related to the two projects (e.g., final design of the 124th pipeline and the preliminary design study for the supply system). Ownership of physical assets, including land and supply system components such as the pipeline itself, would be addressed in a future agreement(s) to be negotiated with Hillsboro, TVWD and possibly other partners.

The proposed program agreement envisions adding partners to the agreement – possibility including the Cities of Tualatin, Tigard and Beaverton – through a Joinder Agreement. Any future Joinder Agreement, which would adopt the terms of the program agreement, would be subject to approval by the TVWD Board, the City of Hillsboro and any other additional parties to the agreement.

During the August 6, 2013 work session, TVWD staff presented the proposed program agreement and reviewed general concepts associated with the agreement. Since that time, the agreement has been reviewed and approved by the City of Hillsboro Utilities Commission and has been forwarded to the Hillsboro City Council for their final approval.

STAFF RECOMMENDATION: Approve the Intergovernmental Agreement with the City of Hillsboro and authorize the CEO to sign on behalf of the District.

BUDGET IMPACT: Funding for work included in the scope of the proposed agreement is included in the TVWD 2013-2015 Budget. Costs will be split with Hillsboro, with about 35% paid by Hillsboro and about 65% paid by TVWD. These cost allocations may change slightly if other water providers participate in the work. Final costs will depend on engineering fees negotiated for the two projects.

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

ATTACHMENTS: Intergovernmental Agreement with the City of Hillsboro

APPROVING MANAGERS INITIAL:

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

BOARD ACTION:
APPROVED _____
DENIED _____

AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF HILLSBORO AND TUALATIN VALLEY WATER DISTRICT REGARDING PREDESIGN, DESIGN, PUBLIC AFFAIRS AND PUBLIC OUTREACH IN FURTHERANCE OF THE WILLAMETTE WATER SUPPLY PROGRAM

THIS AGREEMENT is made and entered into this ____ day of ____, 2013, between the City of Hillsboro, Oregon, a municipal corporation of the State of Oregon, ("Hillsboro"), and the Tualatin Valley Water District, a domestic water supply district of the State of Oregon ("TVWD").

RECITALS

The parties agree upon the following recitals:

A. WHEREAS, it is critical to plan and implement long-term water supply needs for public health, safety and welfare and to enable the continued economic viability of Washington County; and

B. WHEREAS, TVWD and Hillsboro have selected the Willamette River as their preferred option to meet long-term water supply needs; and

C. WHEREAS, TVWD, the City of Sherwood, the City of Tualatin and the City of Tigard are members of the Willamette River Water Coalition (WRWC) and through WRWC, each has pursued use of the Willamette River as a water source under Water Permit No. 49240; and Tigard and Tualatin may wish to participate in the further development of the Willamette Water Supply Program and

D. WHEREAS, Washington County (County) has begun its process to acquire right of way, permits, design and construct an extension of its road system known as the S.W. 124th Avenue Project (Road Project) that will connect S.W. Tualatin Sherwood Road with S.W. Grahams Ferry Road. The County has offered to allow TVWD and Hillsboro to locate water facilities within the County right of way as part of the Road Project through an Intergovernmental Agreement to be negotiated and executed in the future ("the 124th Avenue Pipeline Project"). To qualify for inclusion in the Road Project, design plans and specifications must be provided to the County by January, 2014. Initial cost estimates have shown that construction of the SW 124th Avenue Pipeline Project in coordination with the Road Project could result in savings to TVWD and Hillsboro of about \$30 million to \$75 million as compared to not participating in the Road Project at this time; and

E. WHEREAS, Hillsboro and TVWD desire to construct water supply facilities to supply and distribute water from the Willamette River Water Treatment Plant ("WRWTP") located in Wilsonville, Oregon, to their respective service areas. These water supply facilities collectively will be referred to herein as the "Willamette Water Supply Program" or "Program". This Agreement provides for the Parties to share the cost of the following elements of the Program identified more fully in Section 3, Scope of Work, to facilitate the planned development of the facilities needed to serve the Parties: design of the initial segment of the pipeline identified as the SW 124th Avenue Pipeline Project; public outreach; public affairs and intergovernmental coordination; right of way and property acquisition services, surveying, geotechnical and environmental studies; preliminary design of the entire water supply system, permitting and final design of a large-diameter pipe segment along and under the general

route as it is finally determined on Exhibit A, attached hereto and incorporated by reference, which alignment is subject to modification when final road alignment is determined by the County.; and

F. WHEREAS, the SW 124th Avenue Pipeline Project will be part of the overall Willamette Water Supply Program, and as such Hillsboro and TVWD wish to construct the SW 124th Avenue Pipeline Project as part of the Road Project. The SW 124th Avenue Pipeline Project would consist of a large diameter pipeline (approximately 72-inch diameter) within the 124th Street roadway as determined by the County between S.W. Tualatin Sherwood Road and S.W. Grahams Ferry Road and as depicted on Ex. A, subject to modification when final alignment is determined by the County; and

G. WHEREAS, the parties desire to share the cost of defined elements of the work necessary to plan and construct the Program and the SW 124th Avenue Pipeline Project described in this Agreement, task order or addenda to be attached hereto and incorporated herein in the future; and

H. WHEREAS, the parties not only desire to enter into this Agreement for the purpose of supplying water to their current and future water system users but also potentially to other municipal water providers.; and

I. WHEREAS, it is recognized by the parties that it is necessary to enter into this intergovernmental cooperative agreement through ORS Chapter 190 and the parties have the authority to enter into this Agreement pursuant to their applicable charter, principal acts, and Oregon Revised Statutes Sections 190.003 through 190.030; and

J. WHEREAS, the Parties desire to enter into this Agreement and recognize that future separate Agreements will be negotiated regarding design, construction, operation and governance of those Willamette Water Supply Program facilities; and being fully advised,

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. INCORPORATION OF RECITALS

The Recitals above are hereby made part of this Agreement.

2. TERM

This Agreement shall continue in effect until the scope of work is completed and all costs pertaining thereto have been apportioned to the Parties, and payment therefore has been made, unless otherwise agreed to in writing by the Parties.

3. SCOPE OF WORK

3.1 Project. The scope of the Willamette Water Supply Program (Program) is generally described to include a water treatment plant in Wilsonville, a large-diameter (approximately 72-inch) water transmission pipeline from Wilsonville to the TVWD and Hillsboro water distribution systems, and terminal storage.. This Agreement addresses only limited work (Project) in furtherance of the Program. The Parties agree that the Scope of Work

of the Project under this Agreement is:

3.1.1 Public Outreach to those interested persons or communities who may be impacted by the Program.

3.1.2 Public Affairs and Intergovernmental Coordination with Federal, State and local governments and agencies who may be impacted or have an interest in the Program or the SW 124th Pipeline Project or otherwise have a permitting or regulatory role.

3.1.3 Identification of property ownership, areas of need, development of negotiation and acquisition strategies and services in support of acquisition of right of way or property ownership for the Program.

3.1.4 The conduct of surveys, geotechnical investigations and all other studies necessary to determine routing of the pipeline and other Program matters.

3.1.5 The completion of a Preliminary Engineering study for the Program in its entirety including treatment, transmission and storage components.

3.1.6 The completion of a final design for the SW 124th Avenue Pipeline Project to be included in the Road Project.

3.1.7 The retention of such consultants as the Parties deem appropriate to achieve the tasks generally described above.

3.1.8 In furtherance of the general descriptions above, the Parties will agree on a detailed scope of the specific task, budgets and cost share participation which will be memorialized by task order or addenda to this Agreement.

3.2 Sufficient Funds. It is understood and agreed that based upon the final task scope, budget and cost share participation for the Project Components in Section 3.1 above, the allocation of costs will be agreed upon and each party will budget sufficient funds for its respective share in the Program and the SW 124th Avenue Pipeline Project as identified herein.

4. PROGRAM AND PROJECT COSTS

4.1 Cost Share. Cost share is the percentage of Program cost allocated to a party as determined by this Agreement, a task order or addenda, or as modified by execution of a Joinder Agreement. The Program is intended to have an actual peak design capacity of 85 million gallons per day (mgd). A Party's election of planned capacity share in the Program or the S.W. 124th Avenue Pipeline Project will determine that Party's share of the costs to complete the Scope of Work identified in this Agreement. Until amended, Hillsboro shall have a cost share and capacity share interest of 30/85th and TVWD will have a cost share and capacity share interest of 55/85th. No other party shall have any interest therein unless mutually agreed upon and by execution of a Joinder Agreement. A form of Joinder Agreement is attached as Ex. B.

4.2 Project Cost. Project cost includes all direct and indirect costs of the Project as

determined by the Project Manager. The direct and indirect direct costs of the Scope of Work (Section 3.1) shall be shared by the Parties in proportion to their cost share amount as reflected in the specific addendum for that component. Costs will also include reimbursement to TVWD or another Party providing administration services delegated by task order or addenda at then current hourly rates for staff time. TVWD will invoice each Party monthly for the Project costs for the previous 30 days with such detail as the Party reasonably requires verifying the amount to be paid. Each Party shall pay its share within 30 days after receipt of invoice. In the event of a dispute, the Party shall pay the undisputed portion and notify TVWD in writing of its reasons for disputing the full payment amount. Any amount not paid within 30 days from the date of the original invoice will bear interest at the State of Oregon Local Government Investment Pool rate.

4.3 Subsequent Agreements. The Parties agree that construction, ownership, governance, operation, maintenance, repair and replacement, expansion of facilities and other matters of the Program will be determined by subsequent Agreement. No Party shall be obligated to enter into or contribute financially to any construction contract or property acquisition for the SW 124th Avenue Pipeline Project until such time as the Parties have entered into the future separate agreements to address ownership, management and governance with respect to the Program.

4.4 Budget. Annually, , TVWD shall prepare and distribute to each party by January 31st a forecast of anticipated costs for the Willamette Water Supply Program for that ensuing fiscal year beginning July 1st. Each Party shall be responsible to budget and appropriate its share for the upcoming fiscal year.

5. PROJECT MANAGEMENT

5.1 Project Manager. TVWD is designated as the Project Manager for the Scope of Work and the duration of this agreement.

5.2 Project Management Team. The Project Management Team shall consist of the TVWD Chief Executive Officer and the Hillsboro Water Department Director, or their designees. TVWD, as the Project Manager, will report, as often as necessary considering the task at hand, to the Project Management team for decisions. Except as required under a Party's charter, statutes, ordinances, or governing body policies, the designated member of the Project Management Team or their designee shall have authority to make decisions required to carry out their obligations under this Agreement.

5.3 Committees. The Project Management Team shall have the power to appoint other committees to advise it on issues determined to be necessary. The Project Management Team may develop an Engineering Design Technical Advisory Committee, a Public Outreach and Affairs Technical Advisory Committee, a Finance Technical Advisory Committee and such other committees as it deems appropriate.

5.4 Approval of Expenditures. The budget allocation for each Party and appropriation shall be approved pursuant to each Party's applicable legal requirements. During the management of the Scope of Work in this Agreement, any change order that will increase an approved contract will require approval by the respective Parties pursuant to their contracting processes within 30 days. All other decisions may be made by the Project

Management Team.

5.5 Project Management Authority

TVWD is the Project Manager liaison with the County under the Road Project and the other elements identified in the Scope of Work under this Agreement. TVWD shall oversee the execution of each task identified in the Scope of Work, and shall have the following powers:

5.5.1 To enter into contracts for services for each element of the Scope of Work, subject to Section 5.4;

5.5.2 To retain such agents, officers and employees as it deems necessary and to contract services; and

5.5.3 To make decisions related to the SW 124th Avenue Pipeline Project within the Road Project as necessary in case of an emergency requiring immediate action. In such cases, TVWD shall inform Hillsboro of the action(s) taken within one business day. The parties acknowledge that the construction of the Road Project has not been commenced and final decisions on construction of the Road Project belong to the County.

5.6 Road Project Design Process. As Project Manager, TVWD shall have authority on behalf of the parties to coordinate and be the point of contact with the County in the solicitation of bids and award of contracts for the SW 124th Avenue Pipeline Project. The Parties must approve the design and construction documents for inclusion in the Road Project and the bid and award of the SW 124th Avenue Pipeline Project portion of the contract.

6. DEFAULTS

6.1 Event of Default. The failure of a Party to perform any duty imposed upon it by this Agreement shall constitute a default.

6.2 Notice of Default. The non-defaulting Party shall have the right to give the defaulting Party a written notice of default, which shall describe the default in reasonable detail and state the date by which the default must be cured, which date shall be at least 60 days after receipt of the notice of default, except in the case of a failure to make full payment, in which case the date shall be 30 days after receipt of the notice of default.

6.3 Opportunity to Cure. If within the applicable period described in Section 7.2 the defaulting Party cures the default, or if the failure is one (other than the failure to make full payments) that cannot in good faith be corrected within such period and the defaulting Party begins to correct the default within the applicable period and continues corrective efforts with reasonable diligence until a cure is effected, the notice of default shall be inoperative, and the defaulting Party shall lose no rights under this Agreement. If, within the specified period, the defaulting Party does not cure the default or begin to cure the default as provided above, the non-defaulting Party at the expiration of the applicable period shall have the rights specified in Section 6.4.

6.4 Rights Upon Default. If the defaulting Party has not cured the default as provided in Section 7.3, it shall have no rights under this Agreement until the default has been cured. In

addition, the non-defaulting Party may pursue any other remedy available at law or in equity against the defaulting Party subject to the dispute resolution procedures of Section 7.17.

6.5 Reallocation. If a Party is terminated for default, the remaining parties shall undertake to share proportionately in the amount the terminated party was obligated to pay and cost share shall be reallocated accordingly, unless the remaining Parties otherwise agree.

7. GENERAL PROVISIONS

7.1 Future Agreements. The Parties acknowledge that the terms and conditions of this Agreement may be superseded or replaced by a subsequent agreement to provide for construction, ownership, governance, operation, maintenance repair, replacement and expansion of the Program to connect the Willamette WTP with their respective service areas.

7.2 Instruments of Further Assurance. From time to time, at the request of either Party, each Party shall, without further consideration, execute and deliver such further instruments and shall take such further action as may be reasonably required to fully effectuate the purposes of this Agreement consistent with its terms.

7.3 Terminology. The captions beside the section numbers of this Agreement are for reference only and shall not modify or affect this Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular. Further, Party or Parties shall mean TVWD, Hillsboro or a local government entity who enters into this Agreement by execution of a Joinder Agreement.

7.4 Assignment. No Party shall have the right to assign its interest in this Agreement (or any portion thereof), without the prior written consent of the other Party .

7.5 Severability. In case anyone or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.6 Counterparts. This Agreement may be executed in any number of counterparts and by the parties or separate counterparts, any one of which shall constitute an agreement between and among the parties.

7.7 Notices. Any notice herein required or permitted to be given shall be given in writing, shall be effective when actually received, and may be given by hand delivery or by United States mail, first class postage prepaid, addressed to the parties as follows:

If to Hillsboro: City		of		Hillsboro
	Water		Department	Director
	150		E.	Main
	Hillsboro, OR 97123			
If to TVWD: Tualatin		Valley	Water	District
	Chief		Executive	Officer
	1850	SW	170th	Avenue
	Beaverton, OR 97006			

7.8 Amendment. This Agreement may be amended only if both parties concur in the proposed amendment by a written agreement, signed by authorized representatives of each party.

7.9 Books Reports & Accounting. TVWD shall maintain books and records which shall show all income, receipts, expenses and costs in connection with its rights and duties under this Agreement. All such books of account or other records may be examined and copies of books and records made by TVWD staff at reasonable times upon reasonable notice.

7.10 Waiver. The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

7.11 Force Majeure. The obligations of a Party, other than the payment of money, shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseen, foreseeable or unforeseeable, beyond the Party's reasonable control if the Party is making a good faith effort to resolve or avoid the cause, including without limitation labor disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God, laws, regulations, orders, proclamations, instructions or requests of any non-party government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, state, or local environmental standards; acts of war or condition arising out of or attributable to war, whether declared or undeclared; riot, civil strife, insurrection or rebellion, fire, explosion, earthquake, storm, flood, sinkholes, drought or other adverse weather conditions; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labor, transportation, materials, machinery equipment, supplies, utilities or services; accidents, breakdown of equipment, machinery or facilities, or any other cause whether similar or dissimilar to the foregoing, provided that the affected Party shall give notice to the other Party within 10 business days of the suspension of performance, stating in such notice the nature of the suspension, the reasons for the suspension and the expected duration of the suspension. The affected Party shall resume performance as soon as reasonably possible.

7.12 Implied Covenants. The Parties agree that in construing this Agreement no covenants shall be implied between the Parties except the covenants of good faith and fair dealing.

7.13 Governing Law. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Oregon.

7.14 Remedies Not Exclusive. Each and every power and remedy specifically given to the non-defaulting Parties shall be in addition to every other power and remedy now or hereafter available at law or in equity (including the right to specific performance), and each and every power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission in the exercise of any such power or remedy and no renewal or extension of

any payments due under this Agreement shall impair any such power or remedy or shall be construed to be a waiver of any default.

7.15 Survival of Terms & Conditions. The provisions of this Agreement shall survive its termination to the full extent necessary for their enforcement and the protection of the Party in whose favor they run.

7.16 Time is of the Essence. A material consideration of the Parties entering into this Agreement is that the Parties will make all payments as and when due and will perform all other obligations under this Agreement in a timely manner. Time is of the essence of each and every provision of this Agreement.

7.17 Dispute Resolution. The Parties hereby agree that resolution of any and all disputes arising out of the terms of this Agreement or interpretation thereof shall follow a prescribed process beginning with negotiation and subsequently moving to mediation, provided the dispute remains unresolved. If a dispute arises between the parties regarding this Agreement, the parties shall follow the dispute resolution provisions below:

7.17.1 Written Notice. A written notice regarding the dispute (Dispute Notice) shall be sent to the other party. If additional Parties join this Agreement, the references to account for multiple parties shall be adjusted per Section 8.3.

7.17.2 Negotiations. Within thirty (30) days following receipt of the Dispute Notice, the parties to the dispute (“Disputing Parties”) shall assign a representative to participate in good faith negotiations for a period not to exceed sixty (60) days after appointment of the representatives.

7.17.3 Mediation. If after the sixty (60) day period of negotiation (or a period not to exceed ninety (90) days following the receipt date of the Dispute Notice), the dispute(s) cannot be resolved, the Disputing Parties agree to submit the matter to non-binding mediation. The Disputing Parties shall attempt to agree on a mediator in a period not to exceed one hundred twenty (120) days following the receipt date of the Dispute Notice and proceed accordingly.

7.17.4 Litigation. If the Parties cannot agree on a mediator within the allocated time, or if the mediator cannot resolve the dispute(s) within one hundred eighty (180) days following the receipt date of the Dispute Notice, either of the Disputing Parties may initiate litigation in the Circuit Court of the State of Oregon for Washington County and seek all available remedies. Moreover, each of the Disputing Parties shall bear its own legal and expert witness fees at all stages of the dispute resolution process, including at trial or on any appeals. In addition, nothing shall prevent the Disputing Parties from waiving any of the dispute resolution steps by mutual consent.

7.18 New Member. Upon approval by the then Parties to this Agreement, new local government entities may join so long as they execute a Joinder Agreement (Exhibit B) pursuant to which they agree to be bound by the terms of this Agreement and additional terms and conditions set forth in the Joinder Agreement.

IN WITNESS WHEREOF, the parties have, pursuant to official action of their respective governing bodies, duly authorizing the same, caused their respective officers to execute this instrument on their behalf.

CITY OF HILLSBORO
An Oregon municipal corporation

TUALATIN VALLEY WATER DISTRICT,
Domestic water supply district

Mayor

Mark Knudson, Chief Executive Officer

APPROVED AS TO FORM:

City Attorney

APPROVED AS TO FORM

Clark I. Balfour, District Counsel

Attest: _____
City Recorder

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

MEETING DATE: AUGUST 21, 2013

TITLE: INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF TUALATIN FOR FINAL DESIGN AND CONSTRUCTION OF THE WASHINGTON COUNTY SUPPLY LINE EMERGENCY PUMP STATION (MOTION TO APPROVE AND AUTHORIZE CEO TO SIGN).

ITEM: The Washington County Supply Line (WCSL) provides the primary supply from the City of Portland to TVWD and the City of Tualatin. As part of TVWD's 2007 Water Master Plan Update, it was identified that a temporary pump station could be used to temporarily reverse flow in the WCSL and provide up to 20 million gallons per day (MGD) of emergency backup supply from the Joint Water Commission supply to Portland, TVWD's Metzger service area and the City of Tualatin in the event water supply to the WCSL is interrupted.

Over the last several years, the District, in partnership with Tualatin and the Portland Water Bureau (PWB), has acquired the required easements for the proposed WCSL Emergency Pump Station and prepared a preliminary design for the project. Portland, Tualatin and TVWD shared in the cost of the preliminary design work at 50%, 25% and 25%, respectively.

Based on findings of the preliminary design, Portland has decided to not participate in final design and construction of the project. In light of Portland's decision to withdraw from the project, the capacity of the pump station has been reduced to 10 MGD, with costs for final design and construction to be equally shared by TVWD and Tualatin.

The proposed Intergovernmental Agreement with the City of Tualatin provides for cost sharing of the final design and construction of the proposed WCSL Emergency Pump Station.

STAFF RECOMMENDATION: Approve the Intergovernmental Agreement and authorize the CEO to sign on behalf of the District.

BUDGET IMPACT: A consulting services agreement has been negotiated for engineering final design and engineering services during construction in the amount of \$180,030. The estimated cost of the emergency pump station, including construction of permanent improvements and procurement of trailer mounted pumping units, is \$610,000. The total cost of this work is included in the District's approved Capital Improvement Plan.

ADDITIONAL INFORMATION: CEO, Mark Knudson, markk@tvwd.org, 503-848-3027 or Stu Davis, stu@tvwd.org, 503-848-3025.

ATTACHMENTS: Intergovernmental Agreement with the City of Tualatin

APPROVING MANAGERS INITIAL:

CHIEF EXECUTIVE OFFICER

HUMAN RESOURCES

N/A

FIELD OPERATION N/A INTERGOV. RELATIONS N/A

FINANCIAL SERVICES _____ CUSTOMER SERVICES N/A

ENGINEERING SERV. _____

BOARD ACTION:

APPROVED _____

DENIED _____

INTERGOVERNMENTAL AGREEMENT

This Intergovernmental Agreement is effective this ____ of August, 2013, by and between Tualatin Valley Water District (TVWD), a domestic water supply water district organized under ORS Chapter 264 (TVWD) and the City of Tualatin, a municipal corporation (Tualatin).

RECITALS

The parties are duly authorized and formed by City Charter and under the laws of the State of Oregon and are authorized to enter into agreements to provide for municipal water service.

TVWD presently has sources of water as a wholesale purchaser from the City of Portland (Portland) and as an owner in the Joint Water Commission (JWC). Tualatin is a wholesale water purchaser from Portland.

Each party recognizes that there are mutual benefits to construction of an emergency water supply from TVWD for supply to TVWD's Metzger Service Area and Tualatin in the event of supply limitations of the Portland system. TVWD has solicited a proposal from a consultant to provide services for the final design of a temporary emergency pump station to allow TVWD to supply water to its Metzger Service Area and to Tualatin from TVWD's Joint Water Commission source.

The purpose of this Agreement is to design and construct temporary pumping facilities to provide up to 10 million gallons per day at or near Portland's meter vault on the Washington County Supply Line (WCSL) in Beaverton Hillsdale Hwy. The allocation of water between the two parties will be proportionate to contributed capital cost shares, which are estimated to be 50% for TVWD and 50% for Tualatin.

Now, therefore, the parties agree as follows:

1. Recitals. The recitals above are incorporated by reference and made a part of this agreement.
2. Retention of Consultant. TVWD has solicited a scope of work from HDR Engineering, Inc. (HDR) to provide engineering services to prepare construction documents for permanent piping and appurtenances, including relocation of certain electrical panels and instrumentation at the Portland meter vault on the WCSL and to design trailer mounted emergency pumping units complete with connecting portable piping to connect to the aforesaid permanent piping at the meter vault. Each trailer mounted pumping unit will be designed for 5 mgd and capable of either parallel or series operation to supply JWC water to the Metzger Service Area and Tualatin in the event of supply limitations of the Portland system. The scope of services to be performed by the consultant is described in Exhibit 1 and incorporated by reference.
3. Payment. The parties agree that TVWD will contract with HDR at the total price of about \$180,030 and that Tualatin shall reimburse TVWD for one-half of the total HDR costs. TVWD will invoice Tualatin for its respective share as progress payment requests from HDR are received. Tualatin shall pay the amount of the invoice within 30 days, unless Tualatin disputes the amount. If there is a dispute of the amount due, Tualatin shall pay the undisputed amount and the disputed amount will be resolved through Section 10 below.

4. Consultant Contract Modification. Prior to TVWD authorizing a contract modification or change order to the HDR contract, TVWD shall submit the contract modification or change order to Tualatin for its prior approval, which shall not be unreasonably withheld and which shall be timely made or denied.

5. Program Manager. Stewart Davis of TVWD will be the program manager and responsible for all direction to HDR. Tualatin designates Kaaren Hofmann as its project manager.

6. Compliance with Law. TVWD shall be solely responsible to comply with all statutes and rules regarding the contracts with HDR and the Contractor.

7. Documents. Each party shall provide water system related documents and information as reasonably necessary in order for HDR to perform its work hereunder. Each party shall a copy of the HDR contract, as well as any interim, draft and final plans or work product. Each party may submit, within a reasonable time, comments or recommendations on the plans or work product. Each party may request and is entitled to receive copies of any materials obtained or produced by HDR under it contract with TVWD. Any request shall be met within a reaasonble time period.

8. Indemnity. To the fullest extent permitted by the Oregon Constitution, laws of the State of Oregon regarding units of local government and subject to the monetary limits of ORS 30.260 – 30.300, each party agrees to indemnify, defend and hold the others harmless from any liability claim or injury arising from that parties' negligence in connection with the performance of this agreement.

9. Insurance. Contract documents with HDR shall require that HDR obtain, prior to beginning any work, and shall maintain in full force and effect for the term of the contract at HDR's expense, comprehensive general liability to include bodily injury and property damage on a combined single limit per occurrence aggregate basis; automobile liability with a combined single limit coverage to include bodily injury and property damage; and other insurance appropriate to the work to be performed in amounts not less than what TVWD would require for that type of work. The named insured on any policy shall be HDR, City of Tualatin and Tualatin Valley Water District. HDR shall name City of Tualatin and TVWD their elected appointed officials, officers, agents, employees and volunteers as additional insured. The policy shall be primary to and not contributory with any insurance or self-insurance carried by the Parties and issued by a company authorized to do business in the State of Oregon. HDR shall provide TVWD written notice within 30 days of cancellation or material modification of the insurance contract at the addresses listed below. TVWD shall notify Tualatin immediately upon receiving notice of cancellation or material modification of the insurance requirements. HDR shall provide certificates of insurance and additional insured policy endorsement to TVWD prior to commencement of any work under the contract. TVWD shall provide to Tualatin a certificate of insurance from HDR. If requested, complete copies of insurance policies shall be provided to Tualatin and TVWD. HDR shall be financially responsible for all pertinent deductibles, self-insured retention and or self-insurance used to satisfy these requirements.

10. Term. The term of this agreement is such that it shall expire without further acts of the parties upon completion of the project or November 30, 2014. This agreement may be terminated earlier by mutual agreement of the parties or by breach or default.

11. Breach, Default and Disputes. If any Party breaches any covenant hereunder, the nonbreaching party may revoke this agreement at any time giving thirty (30) days written notice, specifying the breach. If the breach is not cured within that time, the nonbreaching party may send a second notice terminating the Agreement immediately and the Agreement shall be terminated, unless the disputing parties request dispute resolution in writing:

1. The Chief Executive Officer of TVWD or the City Manager of Tualatin will meet to resolve the matter within thirty (30) days of the receipt of the written request for dispute resolution that explains the basis of the dispute. If resolved, a written agreement memorializing the resolution will be executed.
2. If resolution is unsuccessful, then within forty-five (45) days of the request for dispute resolution, any party may request mediation. If the parties cannot agree on a mediator, they will use Arbitration Services of Portland, Oregon to select a mediator. Mediation shall be concluded within sixty (60) days of the request for mediation unless the disputing parties agree to a different schedule. If resolved, a written agreement will be executed and approved by the appropriate decision makers.
3. If mediation is unsuccessful, within fifteen (15) days, any party may seek any legal or equitable remedy in the Circuit Court of the State of Oregon for Washington County.

12. Notices. Notices shall be written and sent by first class mail, postage prepaid, to the following addresses:

Stu Davis, P.E.
Sr. Engineer
Tualatin Valley Water District
1850 SW 170th Avenue
Beaverton, OR 97006

Kaaren Hofmann, P.E.
Engineering Manager
City of Tualatin
18880 SW Martinazzi Avenue
Tualatin, OR 97062

13. Successors and Assigns. The terms and conditions of this Agreement shall be binding upon any and all successors and assigns of the Parties.

In witness hereof, the parties have executed this Memorandum of Understanding on the day and year first written above.

TUALATIN VALLEY WATER DISTRICT

By: _____
Mark Knudson
Chief Executive Officer

CITY OF TUALATIN

By: _____
Sherilyn Lombos,
City Manager