

# Tualatin Valley Water District



Delivering the Best Water • Service • Value



## BOARD WORK SESSION AGENDA

October 4, 2016

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Board President Dick Schmidt

Vice President Jim Duggan

Treasurer Bernice Bagnall

Secretary Jim Doane

Acting Secretary Richard Burke

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Assistive listening devices are available upon request 48 hours prior to the day of the meeting by calling (503) 848-3000. For additional questions or assistance, see the District Recorder seated near the windows.

For online meeting information, Commissioner bios and more, visit [www.tvwd.org](http://www.tvwd.org).

### VISION

Delivering the best water • service • value

### MISSION STATEMENT

To provide our community quality water and customer service

### VALUES

Reliability • Integrity • Stewardship • Excellence • Safety

## **WORK SESSION – 6:00 PM**

### **CALL TO ORDER**

### **ANNOUNCEMENTS**

#### **1. DISCUSSION ITEMS**

- A. Rate Advisory Committee Monthly Update
- B. Tualatin Basin Water Supply Program Disposition of Real Property and Termination of Joint Funding Agreement
- C. Payment Provider Assessment Update
- D. Status Update on District Initiatives for 2015-17 and Proposed CEO Performance Evaluation Process

### **ADJOURNMENT**

#### **EXECUTIVE SESSION**

An executive session of the Board is scheduled following the Board work session, called under ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions and ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection.

**Tualatin Valley Water District**



Delivering the Best Water  Service  Value

**To:** Board of Commissioners

**From:** Paul L. Matthews, Chief Financial Officer  
Alex Cousins, Communications & Public Affairs Supervisor

**Date:** October 4, 2016

**Subject:** Rate Advisory Committee Monthly Update

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**Background:**

At its July 20, 2016 regular meeting, the Board of Commissioners approved the creation of a Rate Advisory Committee (RAC) to review policy issues related to water rates. The Board approved the RAC’s charter and membership, and appointed Commissioners Burke and Doane as Board liaisons to the RAC.

The RAC met for a second time on September 14, 2016. At this second meeting, the consultant’s presentation was focused on affordability as it relates to water rates. The RAC members were engaged in the discussion, and offered initial thoughts on ways in which the District may address the issue.

Commissioner Burke will provide an update on the September 14, 2016 RAC meeting.

**Budget Impact:**

The District’s adopted 2015-17 biennial budget includes \$180,000 in professional services for the comprehensive rate study.

**Staff Contact Information:**

Paul L. Matthews; Chief Financial Officer; 503-848-3017; [paul.matthews@tvwd.org](mailto:paul.matthews@tvwd.org)  
Alex Cousins; Communications & Public Affairs Supervisor; 503-848-3012; [alex.cousins@tvwd.org](mailto:alex.cousins@tvwd.org)

**Attachments:**

Meeting Summary, RAC Meeting No. 2, September 14, 2016

**Management Staff Initials:**

Chief Executive Officer		Customer Service Manager	N/A
Chief Engineer	N/A	Field Operations Manager	N/A
Chief Financial Officer		Human Resources Director	N/A
General Counsel	N/A	Water Supply Program Director	N/A

# Tualatin Valley Water District



Delivering the Best Water Service Value

## Water Rate Advisory Committee Meeting # 2; September 14, 2016; 6:00 p.m.

### Attendees -

#### *Rate Advisory Committee*

- |   |   |
|---|---|
| <input type="checkbox"/> Al Schmitt                 | <input type="checkbox"/> Kim Schoenfelder                             |
| <input type="checkbox"/> Amy Way                    | <input checked="" type="checkbox"/> Laura Mitchell                    |
| <input checked="" type="checkbox"/> Chrissy Erguiza | <input checked="" type="checkbox"/> Mark Poling                       |
| <input checked="" type="checkbox"/> Craig Hopkins   | <input checked="" type="checkbox"/> Pam Treece                        |
| <input checked="" type="checkbox"/> Gary Burns      | <input checked="" type="checkbox"/> Randy Mifflin                     |
| <input checked="" type="checkbox"/> Jessica Stanton | <input checked="" type="checkbox"/> Sandy Galaway                     |
| <input checked="" type="checkbox"/> Jordan Luevano  | <input checked="" type="checkbox"/> Wendy Polanco (for Jessica Adams) |
| <input checked="" type="checkbox"/> Keith Hobson    |   |

#### *TVWD Board of Commissioners*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Richard Burke | <input checked="" type="checkbox"/> Jim Doane, P.E. |
|---|---|

#### *TVWD Staff*

- |  |   |  |
|--|---|--|
| <input checked="" type="checkbox"/> Mark Knudson, P.E. | <input checked="" type="checkbox"/> Paul Matthews | <input checked="" type="checkbox"/> Joe Healy  |
| <input checked="" type="checkbox"/> Alex Cousins       | <input checked="" type="checkbox"/> Tod Burton    | <input checked="" type="checkbox"/> Frank Reed |

#### *HDR Engineering*

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Tom Gould | <input checked="" type="checkbox"/> Shawn Koorn | <input checked="" type="checkbox"/> Doug Zenn |
|---|---|---|

### ■ Welcome

Doug Zenn opened meeting #2 of the Tualatin Valley Water District (TVWD) Rate Advisory Committee (RAC). Mr. Zenn welcomed the group, introduced new attendees, facilitated introductions, and provided an overview of the agenda. RAC members were provided a light supper prior to the start of the meeting.

### ■ Partnerships

In response to a request by the RAC at its first RAC meeting, Mark Knudson presented information on the types of partnerships TVWD maintains. Mr. Knudson's presentation included specific examples of TVWD partnering with other agencies and the operating and capital cost savings realized from those relationships.

### ■ Sharing of Future Costs

Paul Matthews responded to the question from RAC Meeting No. 1: How will future rate adjustments be shared between the residential and commercial/industrial customers? Specifically, Mr. Matthews presented information on how the District's costs are allocated to customers and the basis for the development of the District's water rates. He noted that the rate

design component of the process is a specific area that the RAC will discuss and provide recommendations. Mr. Matthews provided a review of the District's rate schedules and discussed the basis for, and purpose of, the fixed and volume charges. Mr. Matthews also discussed the basis for system development charges (SDCs) and how the District uses SDCs to offset the costs of meeting the demands of future growth.

RAC question:

- What is the current residential SDC? Answer – \$6,687 for a 5/8 x 3/4-inch meter.

### ■ **Affordability Discussion – Part 1**

Tom Gould presented the first part of the affordability discussion. The purpose of the evening's affordability presentation was to gain direction from the RAC on the areas that should be explored further in the next meeting. Utilities use a variety of methods to address affordability, but currently there is no industry standard approach.

#### **The evening's presentation and discussion followed are 4 steps:**

- 1. Gain a "Big Picture" perspective** – Understand affordability from a national perspective; defining affordability; identify root causes of affordability problems and the way in which addressing these problems may provide benefits.

RAC questions included:

- Are affordability programs related only to water utilities? Answer – No, these are programs that can apply to other utilities (water, electric, wastewater, etc.)
- Is there a "round up" approach where customers can round up their payments beyond what they owe to assist customers with limited economic means? Answer – Yes, but that is on the funding side of the program, not the approach to meet affordability impacts. The District's existing Customer Emergency Assistance Program is funded in part by customer donations like "round ups".
- Are you asking the RAC if an affordability issue exists, and if yes, what should be the program to address it? Answer – Yes, that is what the District is asking of the RAC. What can the District do to help customers in need?

- 2. Identify TVWD-specific data** – How may addressing affordability impact the District and its customers? As data to examine, include projected average customer bills and average income levels within TVWD's service area.

RAC questions included:

- Typical monthly bill projections (Slide 20 of "Issue 1 – Review of the Issue of Affordability")  
– Are we only talking about water? Answer – Yes, these amounts represent the projected

water bills only.

- Shouldn't we include the total TVWD bill? Answer – The sanitary sewer and stormwater management bills are managed by Clean Water Services. Because TVWD only affects the water portion of the bill, we are focusing only on water at this time.

It is important to understand that a community-wide measure may miss the details on affordability issues. Across any community, there may be some affordability issues.

RAC question:

- What is the percentage of water bills that are included in monthly rents? Answer – This is a difficult question to answer. The District does not have this type of information. Addressing affordability issues for those people that don't pay water bills is an industry-wide issue.

**Question for the RAC:** Are there customers within TVWD's service area with affordability issues/concerns?

**Answer:** The consensus of the group was that affordability issues exist within the District's service area.

RAC question:

- How would a customer know what affordability programs are available? Answer – Utilities are getting better at how they advertise current programs. If TVWD implements a new or revised program, it will need to be communicated.

**3. Review and discuss affordability programs** – Basically, there are 5 programs available to address affordability:

- a. Bill discounts – Reduction in bill, usually long-term; applied to rate structure.
- b. Flexible terms – Examples include arrearage forgiveness, bill timing adjustment, moving from bi-monthly to monthly billing, etc.
- c. Temporary assistance – Assistance provided on a short-term or one-time basis.
- d. Water efficiency – Utilities subsidize water efficiency measures (conservation).
- e. Lifeline rates – A subsidized rate for a fixed amount of water (essential needs).

Administration of affordability programs should also be considered as part of the evaluation. A comparison of the various programs was provided for both local and other national utilities.

RAC question:

- Does cost-of-service analysis address affordability? Answer – No, cost-of-service analysis does not consider affordability.

- 4. RAC feedback** – Should TVWD augment its existing customer assistance program and rates to better address the issue of affordability? Discussion ensued among the RAC members.

The group reiterated that affordability is, or will be, an issue for TVWD’s customers.

RAC questions included:

- What will happen if there are future affordability issues and this group’s recommendation is not enacted? Answer – Through elections, the Board could change in response to customers’ concerns. An overall level of distrust of the District would also be a concern.
- What level of outreach should the District do to inform customers on the District’s direction? Answer – We are doing outreach and try to get as much information out there that we can through a variety of avenues.

**Question for the RAC:** Should TVWD continue its current program, or make adjustments?

**Discussion:** Yes, the District should be ahead of the curve in addressing affordability issues. Regardless of what happens with rates, what is the best and most effective way to deal with affordability impacts? Who are the customers that have affordability issues?

RAC question:

- What level of outreach is there now? Answer – This question requires more information. At the next RAC meeting, Alex Cousins will discuss the District’s strategic communication plan.

**Question for the RAC:** What programs should the District consider?

**Answer:** At this point, all of the programs should be considered. However, lifeline rates may not target the customers with the most need.

## ■ Closing

In closing, Mr. Gould quickly reviewed where the committee is in the process. The next steps include answering the following questions:

- What does a low-income rate/discount look like?
- What do the other programs look like?

Again, comments were taken from each participant. The RAC appreciates the transparency and information provided. The pace of the meetings is good given the amount of information conveyed. RAC members appreciate the engagement and conversation within the group.

Meeting adjourned.



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## Tualatin Valley Water District



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**To:** Board of Commissioners

**From:** Mark Knudson, CEO  
Clark Balfour, General Counsel

**Date:** October 4, 2016

**Subject:** Tualatin Basin Water Supply Program  
Disposition of Real Property and Termination of Joint Funding Agreement.

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### **Background:**

Commencing in 2001, TVWD executed a Joint Funding Agreement (JFA) with Clean Water Services (CWS, aka Unified Sewerage Agency) for the Tualatin Basin Water Supply Program. The TBWSP was intended to raise Hagg Lake to provide additional drinking water supplies. Over the years, the JFA was amended to add other municipal entities and to revise the budget and scope of the project.

In 2006 and 2011, Clean Water Services purchased properties that were slated to be partially in the raised lake inundation zone or that were needed for other project purposes. After the latter purchase in 2011, the project was delayed so that the Bureau of Reclamation could perform and consider seismic analysis. If the existing dam is raised or a new dam is constructed downstream of the existing facility, the final lake footprint will not inundate as great of an area. Therefore, the properties are no longer needed for dam purposes, although CWS would like to retain one property for wildlife management purposes.

This work session agenda item consists of a background briefing on possible action the TVWD Board may wish to consider, including the following three items:

1. The first is to authorize the advertisement and sale of the Kelley property for \$240,000. The proceeds would be shared in proportion to the JFA participation. TVWD's percentage interest is 18.77%.
2. The second is to authorize the sale of the Stutz property for \$240,000 to CWS so that they can continue wildlife and habitat management practices. TVWD's percentage share would be the same as above.
3. The final action is to authorize termination of the JFA and TVWD's participation in TBWSP. Staff believes this is an appropriate step. The project scope and timing has changed. The result is the inability of the project to provide reliable quantities of drinking water prior to the July 1, 2026 Portland contract date. When the seismic issues and resulting delay occurred, TVWD redirected its efforts to the Willamette Water Supply Program with Hillsboro and other municipalities. It is time for the JFA to terminate.

Depending on Board direction from the October 4 work session, proposed action on these items will be considered by the Board at the regular meeting on October 19, 2016.

**Budget Impact:**

It is unclear at this point but it should be a net benefit. The land sales will generate revenue. There will be some staff time and costs to develop the JFA termination agreement and review the land sale documents.

**Staff Contact Information:**

Mark Knudson, P.E.; Chief Executive Officer; (503) 848-3027; [mark.knudson@tvwd.org](mailto:mark.knudson@tvwd.org)  
Clark Balfour; General Counsel; (503) 848-3061; [clark.balfour@tvwd.org](mailto:clark.balfour@tvwd.org)

**Attachments:**

Clean Water Services email dated September 2, 2016

**Management Staff Initials:**

Chief Executive Officer	<i>mk</i>	Customer Service Manager	N/A
Chief Engineer	N/A	Field Operations Manager	N/A
Chief Financial Officer	N/A	Human Resources Director	N/A
General Counsel	<i>cb</i>	Water Supply Program Director	N/A

**From:** Tom VanderPlaat

**Sent:** Friday, September 2, 2016 3:21 PM

**To:** Mark Knudson; Hanway, Kevin; David Winship

**Cc:** Bill Gaffi; Mac Martin

**Subject:** Tualatin Basin Water Supply Project - Joint Funding Agreement termination and property transactions

To TBWSP Partners (Mark Knudson, Kevin Hanway and David Winship):

As you know we have not had much activity over the last few years under the Joint Funding Agreement (JFA) for the IWRM Water Supply Feasibility Study (aka TBWSP). I am suggesting that the Partners terminate the JFA and sell the two properties that were purchased with Partner funds. The remaining funds and proceeds from the sale after expenses, will be paid to the Partners per the JFA terms.

CWS has been managing the TBWSP properties purchased at Hagg Lake. I thought that CWS could sell these properties under the terms of the JFA. To my surprise and dismay after putting the Kelley property on the real estate market, I was informed by our excellent legal counsel that we could not sell the property based on the terms of the JFA without all Partners' consent unless the JFA was terminated.

I am suggesting this action now because we currently have an offer to purchase the Kelley Property for \$290,000. I am providing you with some background information to help you evaluate our recommended action.

## **1. Background Information**

CWS purchased two properties near Hagg Lake on behalf of the Partners. The Stutz farm was purchased in 2008 and the Kelley property was purchased in 2011. The Scoggins Dam raise planned at the time would have partially inundated both properties. Over the last several years, CWS has been managing these properties, which includes annual mowing and other maintenance activities.

The JFA states that "Any real property acquired shall be owned by the Partners as tenants in common." It goes on to state that:

If the Partners decide to terminate the JFA, they shall have the Project property appraised and list it for sale. Each Partner shall receive its prorata

share of the actual purchase price of the Project property less such Partner's prorata share of Expenses. No terminating Partner shall be reimbursed for any other Project costs incurred before termination.

## **2. Stutz Property (West side of Tanner Creek Road)**

The Partners acquired the Stutz property in 2008 for \$420,000. CWS cleared it of all dilapidated structures and restored parts of the property with native vegetation. It has been mowed annually with the expenses of doing so shared by the Partners. In the last two years, CWS has been managing the land as a natural area and been paying to have the site prepared for restoration activities. CWS would like to become the sole owner of the Stutz property by reimbursing the other Partners for their prorata shares of its appraised value of \$240,000. The appraisal was completed in January of 2016.

## **3. Kelley Property ( East side of Tanner Creek Road)**

The Partners acquired the Kelly property in 2011 for \$420,000. CWS made minor changes and improvements to the property and then rented it to tenants (until recently). The manufactured home, outbuildings and fields on the property require a significant amount of maintenance. Keeping reliable tenants at the site has proven difficult. Expenses and revenues related to the property have been shared by the Partners. CWS would like to sell this property and share the proceeds from the sale in the manner defined by the JFA. The Kelly property has an appraised value of \$240,000. This appraisal was completed in January of 2016.

## **4. Recommendation and Next Steps**

CWS recommends that the Partners sell the properties and terminate the JFA. This seems to be the best option given the current focus of other water supply alternatives.

Should the Partners proceed as recommended, a reconciliation of each Partner's JFA account will occur prior to terminating the JFA. All payables and receivables related to the JFA will then be accounted for when CWS "buys" the Stutz property and disburses the proceeds. Later, when the Kelly property sells, the Partners will

receive their prorata share as defined in the JFA. I will need written confirmation from each partner that they agree with the plan to have the Partners sell the Stutz Property to CWS for \$240,000, have CWS list and sell the Kelly Property for not less than \$240,000 and then terminate the JFA. A draft letter is attached for your review.

Please let me know your recommended course of action and the schedule of any required approvals so I can keep our realtor informed.

Please contact us if you have any questions. If further clarification or discussion is required, I will organize a meeting or call so that we all understand the proposed course of action, its impacts and the alternatives.

Thanks

Tom V. and Mac Martin

**Tom VanderPlaat** | Water Supply Project Manager  
[Clean Water Services](#) | Watershed Management Department  
2550 SW Hillsboro Hwy | Hillsboro OR 97123  
o 503.681.5107 | m 503-784-6228  
engage [news](#) | [facebook](#) | [twitter](#)



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## Tualatin Valley Water District



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**To:** Board of Commissioners  
**From:** Andrew Carlstrom, Customer Service Manager  
**Date:** October 4, 2016  
**Subject:** Payment Provider Assessment Update

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### **Background:**

As part of the District's efforts to keep the Board informed on the customer payment site, this report provides an update on the District's payment provider assessment.

At the September 21 Board meeting, the District and consultant EMA, Inc. presented an update on the payment provider assessment. Importantly, EMA's assessment recommendations include beginning a process to replace the current payment provider (Velocity) – without waiting for a Customer Information System (CIS) vendor selection. The issue of new payment provider implementation and CIS project sequencing was one of the primary questions that the District needed to address in the assessment.

Given this recommendation, as well as the fact that Request for Information (RFI) responses indicate viable alternatives that meet the District's business needs, the District has decided to move forward on a new payment provider implementation. This project will receive oversight under the District's refreshed information technology governance.

The District is now considering what resources, including consultant services, will be required to successfully achieve the objective of implementing a new payment provider. Staff will provide more information to the Board at the October 19 meeting, under the subject "Payment Provider Implementation Project."

### **Budget Impact:**

This work is being funded as part of the Customer Billing System Assessment project included in the 2015-17 budget.

### **Staff Contact Information:**

Andrew Carlstrom; Customer Service Manager; 503-848-3024; [andrew.carlstrom@tvwd.org](mailto:andrew.carlstrom@tvwd.org)

### **Attachments:**

None.

**Management Staff Initials:**

Chief Executive Officer	<i>ME</i>	Customer Service Manager	<i>AC</i>
Chief Engineer	N/A	Field Operations Manager	N/A
Chief Financial Officer	N/A	Human Resources Director	N/A
General Counsel	N/A	Water Supply Program Director	N/A

## Tualatin Valley Water District



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**To:** Board of Commissioners

**From:** Mark Knudson, Chief Executive Officer

**Date:** October 4, 2016

**Subject:** Status Update on District Initiatives for 2015-17 and Proposed CEO Performance Evaluation Process

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### **Background:**

Beyond the essential day-to-day operations of the District, staff works on important initiatives that are based on the District's vision, mission, values and strategic direction. An update on these initiatives is presented at Board work sessions every six months.

For the 2015-17 biennium, 12 initiatives were established and helped to inform the District's adopted budget. Additionally, several carryover initiatives were brought forward from the prior biennium, and several more initiatives have been identified during the current biennium. In total, District staff is tracking 28 initiatives. A report summarizing the status of all initiatives is attached.

District initiatives also aid in the Board's planning of District goals for the coming biennium as well as providing a basis for the Board's evaluation of the CEO's performance over the past year. The proposed process and schedule for TVWD goal setting and CEO performance evaluation is also attached.

At the work session, staff will review the current status of select initiatives. In addition, the District's Human Resources Director will review the proposed process and schedule for evaluation of the CEO's performance in 2016.

### **Budget Impact:**

There is no budget impact at this time. All initiatives are being executed within current budgets.

### **Staff Contact Information:**

Mark Knudson; Chief Executive Officer; (503) 848-3027; [mark.knudson@tvwd.org](mailto:mark.knudson@tvwd.org)

Amy Heinlen; Human Resources Director; (503) 848-3015; [amy.heinlen@tvwd.org](mailto:amy.heinlen@tvwd.org)

Joe Healy; Senior Management Analyst; (503) 848-3085; [joe.healy@tvwd.org](mailto:joe.healy@tvwd.org)

### **Attachments:**

Summary of 2015-17 Initiatives

Completion Report for 2015-17 Initiatives

Proposed Schedule and Process for TVWD Goal Setting and CEO Performance Evaluation for 2016

**Management Staff Initials:**

Chief Executive Officer	ME	Customer Service Manager	AC
Chief Engineer	CEP	Field Operations Manager	<del>AK</del>
Chief Financial Officer	PSM	Human Resources Director	AK
General Counsel	CS	Water Supply Program Director	AK

TVWD INITIATIVES STATUS SUMMARY | 2015-17 BIENNIUM

#	INITIATIVE	DEPT.	REVIEW DATE	STATUS.	STATUS	TARGET DATE	DONE
1	Review & Revise Employee Benefits Package	HR	2/16/2016	C	C	Completed	✓
2	Evaluate Organizational Staffing Requirements	HR	9/26/2016	G	●	Jul-18	
3	Develop Internal Workforce Training Program	HR	6/22/2016	Y	●	Sep-18	
4	Develop & Implement Aging Infrastructure Strategy	Engineering	7/22/2016	G	●	Jun-17	
5	Develop & Implement District Resiliency Policy & Program	Engineering	7/22/2016	B	●	Jul-17	
6	Improve Project Management and CIP Tracking	Engineering	7/22/2016	G	●	Jun-17	
7	Upgrade District-wide Records Management System	Admin	7/11/2016	G	●	Jun-17	
8	Review and Revise Board Policies & Provide Policy Training	Admin	7/11/2016	G	●	Jun-17	
9	Implement Key Findings from IT Master Plan	Finance-IT	9/12/2016	Y	●	Jun-17	
10	Develop and Implement Utility Billing Strategy	Customer Services	9/12/2016	R	●	Jun-17	
11	Address and Communicate Rate-related Issues	Admin	7/12/2016	Y	●	Sep-16	
12	Update Communication & Outreach Program	Admin	7/12/2016	G	●	Jul-16	
13	Beaverton Strategy	Admin	7/13/2016	Y	●	Jun-15	
14	Portland Dispute Resolution	Admin	4/13/2016	C	C	Completed	✓
15	Mains Replacement Program	Engineering	7/22/2016	G	●	Jun-17	
16	Service Agreement – South Hillsboro	Finance-IT	9/12/2016	G	●		
17	Unaccounted For Water	Engineering	7/22/2016	G	●	Aug-16	
18	Enterprise GIS Work Plan	Engineering	7/22/2016	G	●	Jan-17	
19	New Communication Tools	Admin	Completed	C	C	Completed	✓
20	CMMS Implementation	Finance-IT	9/12/2016	G	●	Jun-15	
21	SDC Study	Finance-IT	9/12/2016	G	●	Jun-17	
22	New Bond Indenture	Finance-IT	9/12/2016	C	C	Completed	✓
23	401(k) Modernization	HR	2/9/2015	C	C	Completed	✓
24	Emergency Plan Update	HR	9/27/2016	C	C	Completed	✓
25	Rebate Program Review & Update	Customer Services	9/6/2016	R	●	Jun-17	
26	Field Mobile Communications Update	HR	6/13/2016	Y	●	Aug-16	
27	Right-of-Way License Fees	Finance-IT	9/12/2016	G	●	Oct-16	
28	Revenue Bond Debt Program	Finance-IT	9/13/2016	G	●	Jun-17	

KEY:

On Schedule	G	●
Some issues slowing this down	Y	●
Significantly off schedule	R	●
Not yet begun / not yet reported	B	●
Completed	C	C

TVWD INITIATIVES STATUS SUMMARY | 2015-17 BIENNIUM

Tualatin Valley Water District  
 Initiatives Status Summary  
 2015-2017 Initiative Status Updates – Completion Report

#	INITIATIVE	COMPLETION STATUS	CURRENT STATUS/BENEFITS	BUDGET IMPLICATIONS/BENEFITS
1	Review & Revise Employee Benefits Package	This initiative was completed as of January 2016. Meeting with the Employee Benefits Committee for further education and possible recommendation for benefit changes is on-going.	Changes that were made effective January 2016 are an increase to the employee premium contribution and TVWD signed a contract with a new FSA vendor due to the problems we were having with the old vendor.	The only budget money needed was for the Employee and Family Health Fair which was held August 20, 2015. This initiative was completed within the budget and no additional budget money was needed.
14	Portland Dispute Resolution	This initiative is complete as of April 2016.	Amendment #1 to the Regional Water Sales Agreement of 2006 was approved by the TVWD Board in September 2015 and approved by the Portland City Council in March 2016. The resulting amendment establishes detailed procedures for the purchase, use and tracking of summer interruptible water that was made available under the 2006 agreement. The amendment allows TVWD to continue to purchase summer interruptible water under terms that are favorable to the District, including daily accounting of summer interruptible water use, while also accomodating Portland's desire to limit the use of summer interruptible water as a means of reducing peaking factors.	The resulting amendment to the regional water sales agreement will have no impact to the 2015-17 budget for purchased water.
19	New Communication Tools	TVWD Twitter account has been established (@tvwaterdistrict). There are currently 49 followers, mostly a mix of organizations, District staff and other individuals.	The District has not sent out any tweets so the account is basically inactive. The account was established for "emergency communucations" but this is impractical since there are few followers to reach. TVWD needs to maintain active, ongoing, two-way social media communications in order for followers to be effectively reached in an emergency or for any other business reason.	The District's Strategic Communication Plan that is currently being developed (see Initiatives 12 and 19) will identify a recommended social media plan and associated resource requirements within the context of overall communications strategy.
22	New Bond Indenture	The District redeemed its outstanding debt allowing the creation of a new bond indenture. An RFP process for the District's Municipal Advisor was issued and an MA was selected. However, the WWSP cash flow, when combined with strong performance of rate revenue and SDCs, does not require a revenue bond issue at this time.	Although this initiative is complete, additional work has been identified to address the District's future revenue bond debt program. The additional work is now included as initiative #28 – Revenue Bond Debt Program.	The District budgeted sufficient funds for a revenue bond issue should the WWSP cash flow require it.

TVWD INITIATIVES STATUS SUMMARY | 2015-17 BIENNIUM

Tualatin Valley Water District  
 Initiatives Status Summary  
 2015-2017 Initiative Status Updates – Completion Report

#	INITIATIVE	COMPLETION STATUS	CURRENT STATUS/BENEFITS	BUDGET IMPLICATIONS/BENEFITS
23	401(k) Modernization	Plan document administrator has been selected and contract has been negotiated. Vendor is working on a draft of questions and options. The draft questions were vetted through the 401k committee. The final draft went to the Board in December. Plan was rolled out to employees at the all employee meeting on January 22nd. No carryover to 2015-17 biennium initiatives.	The 401(k) plan document describes a benefit that is available to all employees as a way to set aside money for retirement.	The work plan for the 401k modernization included an initial assessment of our investment advisor, record keeper and other 401(k) plan professionals. No budget was required for this assessment. After concluding the initial assessment, we determined that it was in the best interest of the District to update the plan document first before retaining new service providers. Based on that assessment, we concluded that there was money in the budget under legal services to cover the amount we paid the law firm to complete the 401(k) restatement.
24	Emergency Plan Update	Development and implementation of the Emergency Response Plan is complete. This plan is a living document and will be continually updated and added to. Additions will either be due to a new need or as a result of lessons learned in exercise or real world events.	This completed project gives the District an Emergency Response plan that is NIMS (National Incident Management System) compliant, and is highly specialized for our agency. This ERP is streamlined and more user friendly than its predecessor.	The only resources for this project were staff time.

# Tualatin Valley Water District



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## TVWD Goal Setting and CEO Performance Evaluation

Executive Session August 20, 2014 Approved

Revised at October 6, 2015 Work Session

### Proposed Process & Schedule for 2016

Meeting Date	Meeting	Time	Activity
October 4, 2016	Work Session	6:00 p.m.	<ul style="list-style-type: none"> <li>District &amp; CEO 2016 Goals - update on progress, status and accomplishments</li> <li>HR Director presents the previously adopted performance evaluation process and criteria. Share the proposed schedule.</li> <li>A blank evaluation form will be distributed to Board President (or designee)</li> </ul>
October 20 - November 10, 2016	Evaluation Summary		<ul style="list-style-type: none"> <li>Board meets individually with Board President (or designee)</li> </ul>
November 1, 2016	Work Session	6:00 p.m.	<ul style="list-style-type: none"> <li>District &amp; CEO 2017 Goals – Board discussion of future goals for District &amp; CEO</li> </ul>
November 16, 2016	Regular Meeting	7:00 p.m.	<ul style="list-style-type: none"> <li>Board adopts District &amp; CEO 2017 Goals</li> </ul>
December 6, 2016	Executive Session	5:30 p.m.	<ul style="list-style-type: none"> <li>CEO Performance Evaluation – By Board, per CEO agreement, using adopted evaluation form and identify proposed adjustment/s to CEO Employment Contract</li> </ul>
December 21, 2016	Regular Meeting	7:00 p.m.	<ul style="list-style-type: none"> <li>Board Approval of CEO Employment Contract. Consent agenda item.</li> </ul>

# Tualatin Valley Water District



Delivering the Best Water Service Value

## TVWD ANNUAL GOAL SETTING & CEO PERFORMANCE EVALUATION PROCESS

August 20, 2014 Executive Session Approved

Revised at October 6, 2015 Work Session

### Proposed Annual Process & Schedule

#### I. **Criteria**

The standards, criteria and policy directives used in the evaluation of the Chief Executive Officer (CEO) will be adopted at a Regular Board Meeting in accordance with state law.

#### II. **Process**

a. Evaluation sessions will be scheduled in accordance with the CEO's decision on whether to hold the evaluation in open or Executive Session.

b. The Board, HR Director, District Counsel and CEO (when necessary), as requested by the Board, will be present at any Executive Sessions held for the purpose of discussing the CEO's performance.

c. At an October Work Session, the CEO will update the Board on the progress and status of the District and CEO goals for that current year identifying major accomplishments.

d. At the October or November Work Session, Board and CEO will discuss and draft future goals for the District and CEO for the upcoming year. A blank CEO evaluation form will be distributed to the Board. Board members will review the elements in the evaluation form that include:

- i. LEADERSHIP
- ii. ADMINISTRATION
- iii. RELATIONSHIPS WITH THE COMMUNITY AND CUSTOMERS
- iv. RELATIONSHIP WITH BOARD OF COMMISSIONERS
- v. RELATIONSHIP WITH TVWD STAFF
- vi. INTERGOVERNMENTAL RELATIONS
- vii. PERSONAL / PROFESSIONAL DEVELOPMENT
- viii. RELATIONSHIP WITH THE WATER SYSTEM
- ix. CEO & DISTRICT GOALS PROGRESS

e. At the November Regular Meeting, the Board will adopt the future District and CEO goals.

f. By the end of November, individual Board members will meet with the Board President (or designee) and the Board's ratings and comments will be summarized into one document by the Board President (or designee). Responses will be transcribed on the evaluation form verbatim and scores will be averaged. Board members will keep any personal notes in order to keep their individual documents exempt from public record.

g. The first Tuesday in December in an Executive Session, the Board will meet to discuss the final draft of the evaluation form, their overall assessment of the CEO's performance and to decide what message will be delivered to the CEO. The purpose of this meeting is to gain consensus amongst themselves regarding any comments they want to make to the CEO. The Board will then invite the CEO into the Executive Session and individual Board members will comment on CEO performance. The CEO will have an opportunity to respond to all comments. The effect of the evaluation on the CEO's employment contract will be discussed.

h. At the December Regular Session, the Board may convene to approve any changes to the CEO's employment contract. Any changes to compensation must be approved in an open session and can be part of the consent agenda or business agenda at the Board's discretion.

#### III. **Contract**

HR and the Board President will prepare any employment contract amendments to the CEO's contract. Contracts or contract changes are approved at a Regular Board Meeting. The evaluation process should be concluded by December of each calendar year, and the formal consideration of any contract amendments should occur at the next Regular Board meeting with effective date of January 1.