

Tualatin Valley Water District



Delivering the Best Water  Service  Value

Board Work Session Minutes August 7, 2018

WORK SESSION – 6:00 PM

CALL TO ORDER

Commissioners Present: Bernice Bagnall; Jim Doane, PE; Jim Duggan, PE; Todd Sanders; Dick Schmidt

Staff Present: Mark Knudson, PE, Chief Executive Officer; Clark Balfour, General Counsel; Paul Matthews, Chief Financial Officer; Andrew Carlstrom, Customer Service Manager; Mike Jacobs, Risk Management Coordinator; Pete Boone, PE, Water Operations Division Manager; Amy Blue, Human Resources Director; Debbie Werner, District Recorder

Other Attendee: Ron Downs, Special Districts Insurance Services General Counsel

ANNOUNCEMENTS

Mr. Jacobs presented the Safety Minute on trench rescue.

Mr. Knudson provided the Board with a printed copy of the executive summary of the District's letter of interest for Water Infrastructure Finance and Innovation Act funding, described current water demand and supply and provided updates on schedule and communication items (see attached memo).

1. DISCUSSION ITEMS

- A. Drug Free Workplace Program and Chief Executive Officer's Authority to Execute Personnel/Risk Policies

Mr. Downs reviewed the contents of a handout he provided to the Board (see attached memo). Mr. Knudson said since the Board initially approved this personnel policy, he is asking the Board to also take action to delegate all personnel policy decisions to him.

Commissioner Doane said he was the one who opposed changes to the original policy a year ago, and he has changed his mind and supports this most recent policy revision. The balance of the Board expressed support for the proposed change.

Mr. Knudson said the item will be on the Consent Agenda at the August 15 Board meeting.

B. Update on Beaverton Water Services Intergovernmental Agreement Implementation

Mr. Boone highlighted key concepts for the implementation, observations from when the intergovernmental agreement was approved in February, accomplishments and status of implementation, the operational planning framework, transition challenges and accompanying mitigation strategies, current work and next steps (see attached presentation).

Feedback included reiteration of staff's commitment not to let the transition in the 158th Avenue area set a precedent for future transitions.

In response to a question about how the Joint Water Commission (JWC) will account for the wheeling arrangement, staff said they have met with JWC staff and proposed a simple methodology. The District built on the understanding of the wheeling arrangement with the City of Hillsboro that will occur in the South Hillsboro area. Beaverton staff will need to work directly with JWC staff to finalize the protocol to account for wheeled water delivered to Beaverton customers.

C. Board Officer and Committee Appointments

The Board discussed their individual areas of interest and desired service in anticipation of taking action at the August 15 Board meeting.

ADJOURNMENT

There being no further business, Vice President Bagnall adjourned the meeting at 7:00 p.m.

Bernice Bagnall, President

Todd Sanders, Secretary



MEMO

Date: August 7, 2018
To: TVWD Board of Commissioners
From: Mark Knudson, CEO
Re: CEO Announcements

I will cover the following items during the CEO's Announcements at the work session:

1. **Be Sure to Use Microphones** – Just a reminder to please be sure to use your microphone whenever you are speaking during the work session this evening. Also, please be sure to turn off your microphone when you are not speaking.
2. **Safety Minute** – Mike Jacobs, the District's Risk Management Coordinator, will present the safety minute this evening.
3. **WIFIA LOI Executive Summary** – At your tables this evening is a printed version of the Executive Summary of the Letter of Interest (LOI) for Water Infrastructure Finance and Innovation Act funding that TVWD and Hillsboro submitted to the Environmental Protection Agency last month. Now that the current submission period has closed, we understand that a total of 46 letters of interest were submitted from across the country (21 states), including two from Oregon (one was ours and the other is assumed to be from the Portland Water Bureau). By comparison, in 2017, a total of 43 LOIs were submitted, and 12 projects were asked to submit final applications. This year, Congress has approximately doubled the available WIFIA funding, which suggests that about half of the projects submitted this year may receive funding. We remain cautiously optimistic.
4. **Water Demand** – As you know, we are in the middle of the peak water demand season. So far this summer, we are more or less consistent with the peak water demand of recent years. For the past four years, TVWD's peak-day demand has been 38 to 45 million gallons per day (MGD) (average of 42.1 MGD). So far this year, our peak-day demand has been 42 MGD. These numbers aren't affected by Beaverton withdrawals since we are still providing interim service to those customers until at least this fall.
5. **Water Supply** – On July 21, the Portland Water Bureau discontinued delivery of Summer Interruptible Water for the balance of the summer. So far, that hasn't been a constraint for TVWD thanks to the treatment plant capacity we have leased from the Joint Water Commission. For the past week, TVWD has been drawing about 16 MGD from the JWC; that includes the 12 MGD that we own, 2 MGD that we leased in March and 2 MGD that we leased in July.

6. **Schedule Reminder** – The Board’s next work session is scheduled for Tuesday, September 4, which is the day after Labor Day. Please be sure to let Debbie Werner know if you are not able to attend.

 7. **Board Communications Log** – There is one update to the Board communications log this month.
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2018 Board Communications Log

Commissioner Questions/Topics: (includes research requests directed to staff via email or at Board meeting)

- Initial request sent to Mark (copy Board President)
- Mark responds with projected timeframe for response and any other logistical info
- Answer shared with the full Board during work sessions

Item Number	Requestor	Subject	Date Submitted	Response Date	Date Information Shared with Full Board
01-18	Doane	Overall percentage rate increases	3/21/18	3/23/18	April 3
02-18	Doane	Proposed connection of WWSS to Metzger	7/20/18	7/25/18	August 7

Board Committee Information:

- Meeting notes/handouts shared with the full Board during work sessions

Meeting Date	Notes	Date Information Shared with the Full Board
Finance Committee		
March 9	Meeting synopsis prepared by Katherine DeSau	April 3
May 24/June 5	Individual Commissioner briefings covered the same topics as the May 22 Water Supply Committee meeting	N/A
Policy and Board Development Committee		
Strategic Planning Committee		
Water Supply Committee		
April 23	Meeting synopsis prepared by Debbie Werner	May 1
May 22	Meeting synopsis prepared by Katherine DeSau	June 5

Debbie Werner

From: Mark Knudson
Sent: Wednesday, July 25, 2018 4:54 PM
To: Jim Doane
Cc: Carrie Pak; Jim Doane; Nicholas Augustus; Debbie Werner
Subject: RE: WWSA connections to Metzger
Attachments: metzger connection.pdf

Jim –

Per your request, attached is a map of the system in the area of the proposed connection of the PLE from the Willamette supply to Metzger. In summary, the PLE will connect to Metzger on a 24" near SW Hall and Oleson/Greenberg (otherwise known as Bradley Corner). The 24" loops back on SW Washington and heads north to connect to the Taylor's Ferry Reservoir.

Thanks,
Mark

From: James Doane
Sent: Saturday, July 21, 2018 9:40 AM
To: Mark Knudson
Cc: Carrie Pak; Jim Doane
Subject: RE: WWSA connections to Metzger

Thanks a million. A sketch is good enough. He was thrilled, I mean really smitten, about the Metzger sign.

Jim

From: Mark Knudson
Sent: Saturday, July 21, 2018 9:33 AM
To: Jim Doane; Carrie Pak
Subject: Re: WWSA connections to Metzger

At this point the configuration is still a concept, subject to preliminary design and design, but I assume the concept is that it will connect at or near where the WCSL currently connects to Metzger at SW 80th and Florence Lane. We can't connect directly to the WCSL Tualatin Extension at this location since that would result in Willamette water potentially going to Tualatin.

Carrie – please clarify and provide a blow-up of the map of this alternative in this area.

Thanks,
Mark

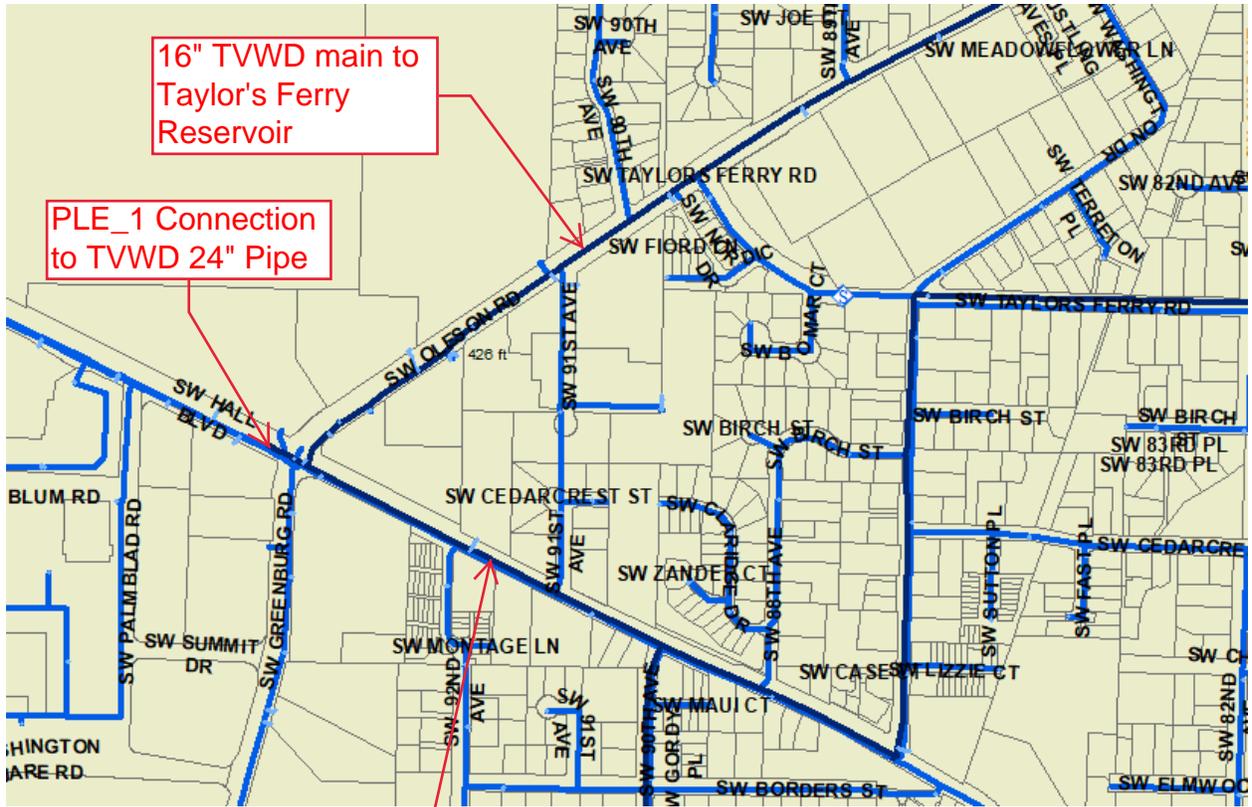
From: Jim Doane
Date: Friday, July 20, 2018 at 11:35 PM
To: Mark Knudson
Cc: Jim Doane
Subject: WWSA connections to Metzger

Mark,

I had lunch with Jesse today. He is curious about where the line from the WWSA connects to the Metzger system. Could we get him a marked up map?

Thanks,

Jim Doane



16" TVWD main to Taylor's Ferry Reservoir

PLE_1 Connection to TVWD 24" Pipe

24" TVWD main to Taylor's Ferry Reservoir

RONALD DOWNS
Trial Attorney
General Counsel, Special Districts Insurance Services

P.O. Box 12613
Salem, Oregon 97309-0613

Telephone (503) 375-8898
Fax (503) 371-4781
E-Mail rdowns@sdao.com

July 26, 2018

Memo:

To: Board of Directors / Tualatin Valley Water District

From: Ronald Downs / General Counsel Special Districts Association of Oregon

Dear Board Members:

I was asked to speak with you about staff's recommendation to amend Section 1.10.3(D)&(E) of the District's Drug Free Workplace Policy. Specifically, I focused my review on the provision that presently accommodates the use of medical marijuana by employees that do not hold safety-sensitive positions.

Currently, Federal Law (*21 USC 812*) lists marijuana as a schedule 1 controlled substance, which is to say, the use of marijuana is illegal. If TVWD receives or applies for any federal funding or grants, a policy or practice of accommodating medical marijuana could jeopardize receipt of such funding under the Drug-Free-Workplace-Act. Consequently, allowing employees to use marijuana in the workplace, medical or otherwise, is a risk.

As you know, the voters in this state approved the Oregon Medical Marijuana Act, legalizing the use of marijuana for recreational purposes as well as the treatment of marijuana as any other prescription medicine. (*ORS 475B.005 – 475B.590*). The Act however, does not prevent employers from regulating marijuana use in the workplace. Nor does the Act affect existing drug-testing laws. Consequently, employers can/must regulate marijuana use in the same manner they regulate the use of other legal intoxicating substances. For example, would an employer allow the consumption of alcohol at work?

Some board members may be aware of the Americans with Disabilities Act and/or it's State of Oregon version within ORS 659A. The essence of this statutory scheme is to require employers to engage in an interactive discussion/process to help individuals with disabilities the same opportunity to work as people without disabilities. This is accomplished by searching for reasonable accommodations that allow a qualified individual with a disability, the ability to perform the essential functions of the position. The use of legal prescription medicines is at times such an accommodation. With exception to addiction and rehabilitation, a current user of marijuana under federal law, is not a qualified individual with a disability. Likewise, in Oregon, employers are not

required to accommodate the use of marijuana or even engage in the interactive process related to the use of marijuana. (Even if the individual has a prescription)

During my review of your risk manual, I was surprised to find language specifically providing for the accommodation of marijuana. Certainly not in my years with Special District's Association of Oregon, have I come across a District that accommodates the medical use of marijuana through a written policy. Staff was of the same understanding in their research of the issue.

With this overview, I am of the opinion that TVWD amend Sections 1.10.3(D)&(E) to eliminate the specific "accommodation of medical marijuana." This certainly does not prevent staff from addressing specific requests or fact patterns, or seeking guidance from trained medical doctors, as necessary. In essence, staff will eliminate an absolute requirement while at the same time retain flexibility.

I appreciate the opportunity to assist your staff with this issue. I look forward to any questions that you may have.

Sincerely,

s/ Ronald W. Downs

Ronald W. Downs

TVWD-Beaverton Service Area Agreement Implementation Status

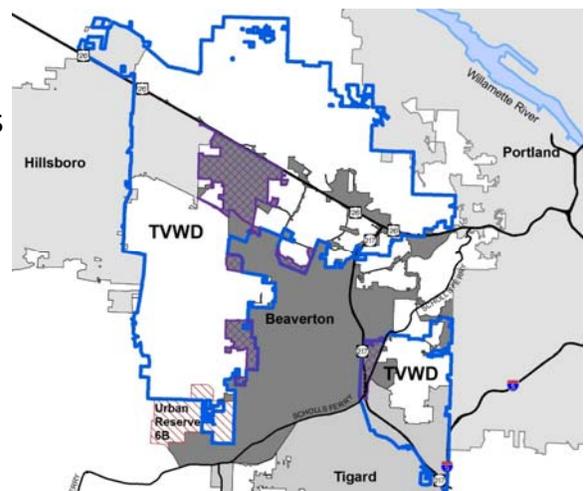
TVWD Board Work Session

August 7, 2018

Tualatin Valley Water District
Delivering the Best Water 💧 Service 💧 Value

Overview

- Key concepts
- A quick look back to February 2018
- Accomplishments and current status
- Work in progress
- Challenges thus far
- Next steps



Delivering the Best Water 💧 Service 💧 Value

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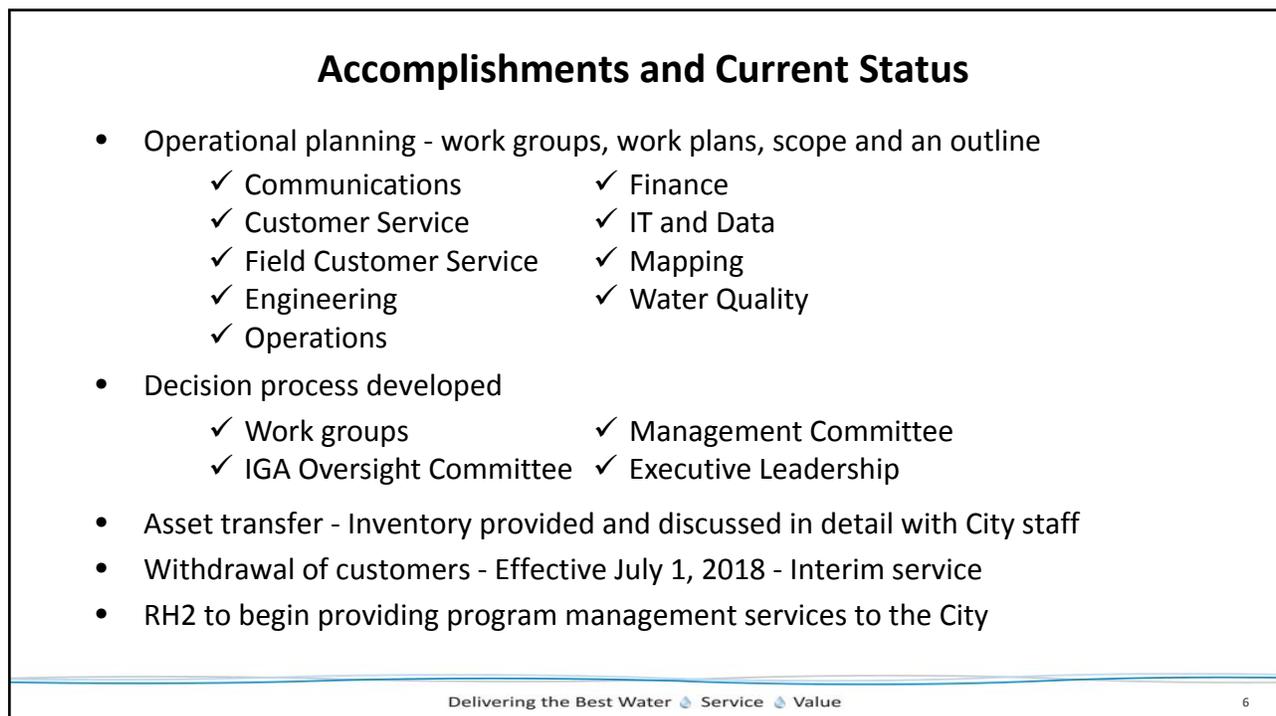
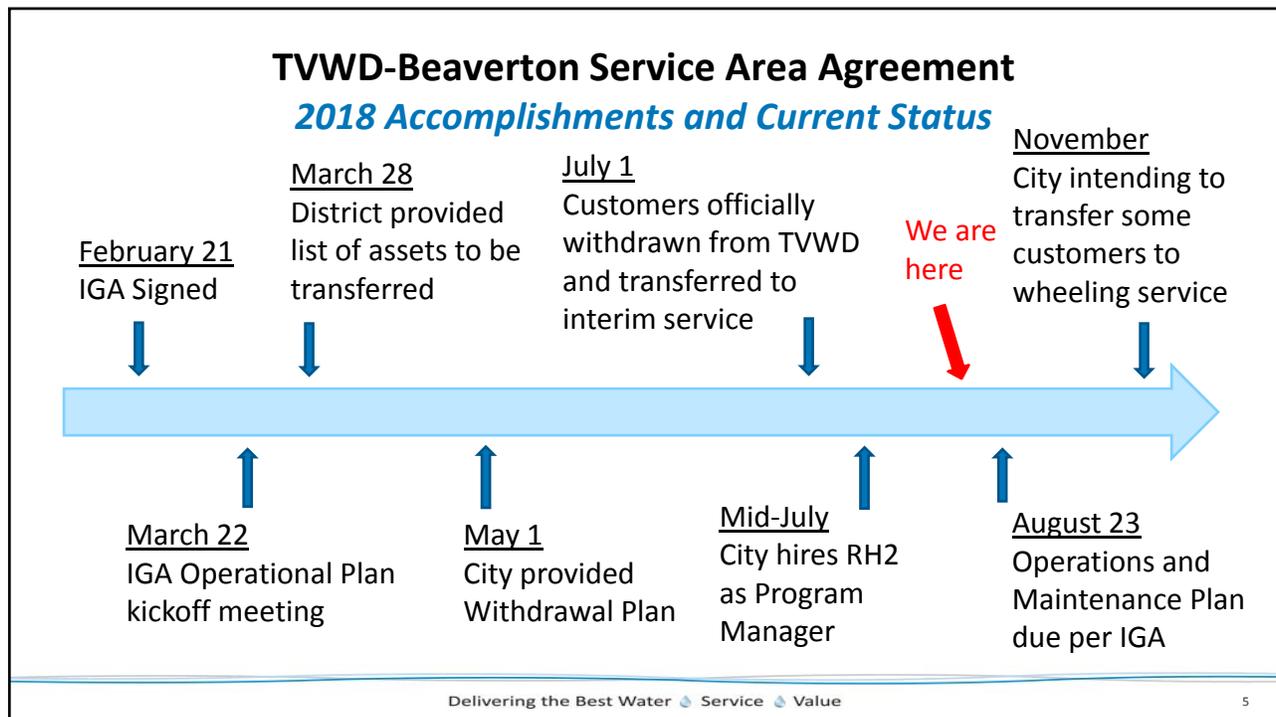
Key Concepts

- Progress has been made but there have also been challenges.
- Work is underway by staff from both organizations on developing operational guidelines.
- TVWD has performed all required tasks and provided all required information as per the intergovernmental agreement (IGA) as well as provided leadership and structure for the development of the operational guidelines.
- Recently, the City has hired RH2 as a Program Manager to lead its IGA implementation efforts.

Observations (from February 21, 2018 Board Meeting)

The TVWD-Beaverton IGA Creates a Legacy

- Implementation will be challenging
- Creates responsibilities to exercise leadership
 - Board sets tone and vision
 - Effective, durable and influential relationships
 - Management implements agreement
 - Efficient and reliable planning and system operations
- Creates expectations for ongoing planning, coordination and collaboration
 - Efficient execution of withdrawals and transfers of TVWD customers
 - Coordinate operations to meet wheeling obligations
 - Limits otherwise unneeded investments in public infrastructure
- Secures TVWD's role as a leader in the region



Operational Planning Outline

Beaverton IGA Implementation Operating Procedure

Document # [ID]	Title: [Procedure Name]	Print Date: [Date]
Revision # 1.0	Prepared By: [Author's Name]	Date Prepared: [Date]
Effective Date: [Date]	Reviewed By: [Reviewer's Name]	Date Reviewed: [Date]
Standard: [Standard, Law, or Regulation]	Approved By: [Approver's Name]	Date Approved: [Date]

Policy: Water Quality Sampling

Purpose: Clearly outline responsibilities matrix for provide water quality monitoring per OHA regulations.

Scope: [What areas of the company are affected by this SOP procedure?]

- Water Resources
- Customer Services
- Communications

Responsibilities:

[Who is listed in this SOP procedure and what are they required to do?]
 [Who else is listed in this procedure and what are they required to do?]
 [Who else is listed in this procedure and what are they required to do?]

Key Contacts:

[Who is listed in this SOP procedure and what are their contact info?]
 [Who else is listed in this procedure and what are their contact info?]

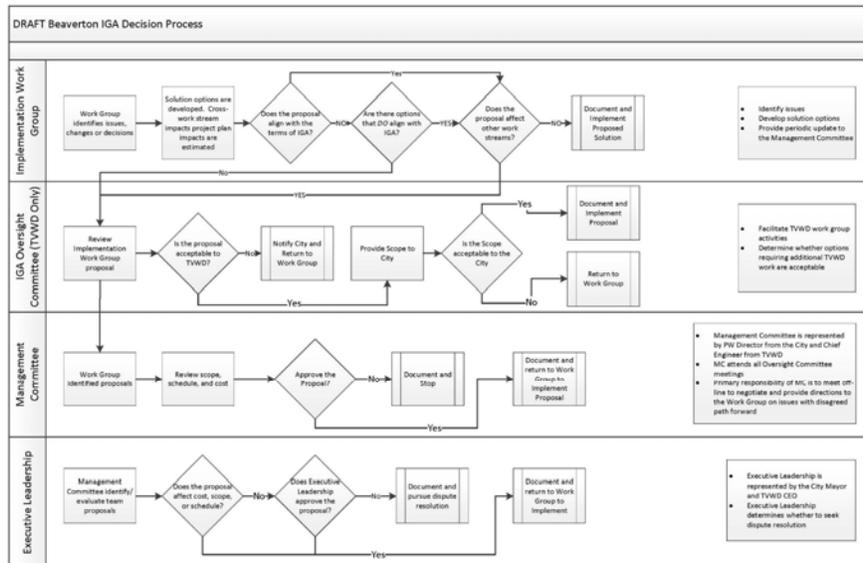
Definitions: [What words are used in this procedure that readers may not understand?]
 [What other words are used that readers may not understand?]

Procedure:

1.0 [FIRST PREPARATORY ACTIVITY - PLAN]
 1.1 [Who performs the first step of the activity and what do they do?]

[[[[Procedure Name] [Revision] page 1 of 4

Operational Planning Decision Process



Transition Challenges... and Mitigation Strategies

- Staff workload - City has retained RH2 to provide program management services and hired additional staff to support IGA implementation
- Operational guideline topics that span multiple work groups - District developed a decision process to escalate issues as needed
- “Opportunity” projects - Separate IGAs will be developed to address one-off projects
- Assets to be transferred - Detailed discussions with City staff about specific assets and their criticality to District operations

Work in Progress

- Operational planning – Draft plan due August 23
- Joint Water Commission supply wheeling methodology – Needed before retail wheeling can begin
- Transfer plans – City and RH2 developing plans to facilitate the transfer of customers from interim service to retail wheeling

Next Steps

- Operational planning - Must be finalized before wheeling can begin
- Wheeling rates - To be calculated after review and acceptance of City's transfer plan as well as agreement on the level of service to be provided
- Transition to retail wheeling – City has indicated they intend to transfer some customers to wheeling in November

Questions