REGULAR SESSION – 7:00 PM

CALL TO ORDER

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

Staff Present: Tom Hickmann, PE, Chief Executive Officer; Clark Balfour, General Counsel; Paul Matthews, Chief Financial Officer; Dave Kraska, PE, Water Supply Program Director; Andrew Carlstrom, Customer Service Manager; Carrie Pak, PE, Chief Engineer; Joe Healy, Senior Management Analyst; Collin Fleming, Facilities Supervisor; Debbie Carper, District Recorder

Other Attendees: David Schmidt

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Mr. Hickmann reported on the Cryptosporidium detections in Bull Run water over the past month, noted the submittal of the District’s Water Management and Conservation Plan to the Oregon Water Resources Department and said staff received bids for the Metzger North-South Fireflow Improvement Project (see attached memo). Ms. Pak indicated there was one recent issue with a valve in the project area which will not delay project completion.

Ms. Pak provided the safety minute on how to avoid and recover from getting a cold.

Ms. Pak outlined her department’s organizational structure before highlighting the asset management division in more detail (see attached presentation).

COMMISSIONER COMMUNICATIONS

A. Reports of meetings attended

Commissioners described and submitted a list of recently attended meetings (see attached forms).
B. Topics to be raised by the Commissioners

Commissioner Bagnall requested a future discussion on paperless meeting packets, and Mr. Hickmann said the discussion will be scheduled for the February 4 Board work session.

PUBLIC COMMENT

There was none.

1. CONSENT AGENDA

A. Approve the December 18, 2019 regular meeting minutes.

B. Approve the January 7, 2020 work session minutes.

C. Adopt Resolution 01-20, a resolution approving the Intergovernmental Agreement Between Washington County and Tualatin Valley Water District for Construction of Waterline Work on SW Tualatin Valley Highway from SW 211th Avenue to SW 209th Avenue.

D. Adopt Resolution 02-20, a resolution approving the Intergovernmental Agreement Between Washington County and Tualatin Valley Water District for Construction of Waterline Work on NW Cornell Road from NW 102nd Avenue to NW 113th Avenue.

Motion was made by Schmidt, seconded by Duggan, to approve the Consent Agenda as presented. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

2. BUSINESS AGENDA

A. Consider adopting Resolution 03-20, a resolution adopting the investment policy for the Tualatin Valley Water District. Staff Report – Paul Matthews

Mr. Matthews described key elements, guiding principles and proposed changes to the investment policy as well as highlighted the investment strategy and current unusual yield curve (see attached presentation).

Motion was made by Duggan, seconded by Doane, to adopt Resolution 03-20, a resolution adopting the investment policy for the Tualatin Valley Water District. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.
B. Consider adopting Resolution 04-20, a resolution amending system development charges for the Tualatin Valley Water District and declaring an effective date. Staff Report – Paul Matthews

Mr. Matthews gave an overview of the process and history regarding system development charge adjustments before going into greater detail about proposed adjustments this year (see attached presentation).

Motion was made by Duggan, seconded by Schmidt, to adopt Resolution 04-20, a resolution amending system development charges for the Tualatin Valley Water District and declaring an effective date. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

ADJOURNMENT

There being no further business, President Bagnall adjourned the meeting at 7:49 p.m.

_________________________________________  ______________________________________
Bernice Bagnall, President  Todd Sanders, Secretary
MEMO

Date: January 15, 2020
To: Tualatin Valley Water District Board of Commissioners
From: Tom Hickmann, CEO
Re: Chief Executive Officer and Management Staff Report

The following items will be covered during the report by the CEO:

1. **Portland Cryptosporidium Results** – Portland Water Bureau reported that in the 50 liters sampled daily, between Sunday, Jan. 5 and Wednesday, Jan. 8, one *Cryptosporidium* oocyst was detected in the sample collected on Jan. 6. *Cryptosporidium* was not detected in the samples collected on Jan. 5, Jan. 7 or Jan. 8. Prior to these detections, *Cryptosporidium* was last detected from the Bull Run Watershed intake on Dec. 16, 2019. The State has determined that the public does not need to take additional protections at this time. Portland Water Bureau will continue increased sampling four times per week until we have at least three weeks without any detections. Additional information can be found at [www.portlandoregon.gov/water/cryptoresults](http://www.portlandoregon.gov/water/cryptoresults).

2. **Water Management and Conservation Plan** – This week, TVWD submitted its five-year Water Management and Conservation Plan progress report to the Oregon Water Resources Department. This report outlines progress made since 2015 on specific water conservation and supply measures TVWD is required to perform, such as annual water loss audits, conservation-based billing (e.g., use of a block rate structure) and public outreach and communications methods. The next full report will be due in another five years, at which time TVWD will complete a comprehensive assessment of its conservation and water supply measures, including a water rights review along with any required actions TVWD must maintain or implement to continue using these rights.

3. **Notable CIP Project Update** – Bids for the Metzger North-South Fireflow Improvement Project were received earlier today. When complete, approximately 10,000 feet of waterline will help improve fireflow in the 498 pressure zone in Metzger, connecting the Taylors Ferry Reservoir site to the southern portion of the Metzger area. The project is anticipated to be complete by June 30, 2020.
4. **Safety Minute and Department Report** – Carrie Pak, Chief Engineer, will present the safety moment and department report this evening.
Engineering and Operations

Department Report

Carrie Pak, P.E.
Chief Engineer
January 15, 2020

Tualatin Valley Water District
Delivering the Best Water Service Value

Department Structure

Chief Engineer 1 FTE
Water Operations 33 FTEs
Engineering 11 FTEs
Water Resources 8 FTEs
Asset Management 8 FTEs
Functional Structure

Engineering & Operations

Engineering
- System Planning (Demand, Supply, Distribution)
- Capital Projects
- Development Services
- Resiliency

Asset Management
- Resiliency
- Facilities

Water Operations & Maintenance
- Distribution
- Maintenance
- Supply System O&M

Water Resources
- QI Regulatory Compliance
- Backflow Prevention
- Bulk Water Permits
- Source Water Management

Asset Management Division
Asset Management

• Budget: $2.29 M
• Contains
  – GIS (Geographic Information System)
  – CMMS (Computerized Maintenance Management System)
  – Facilities
  – Fleet

Asset Management

GIS/CMMS:

• Assessing, analyzing and documenting assets
• Customer support / map requests / data requests
• Emergency mapping response
• System inventory
• GPS

Emergency Earthquake Drill
Asset Management – Facilities

• Purpose:
  – Maintenance of the structures and landscape (non-water components) at over three dozen locations
  – Oversee custodial, HVAC and landscaping contracts
  – Manage non-water-distribution related utilities
• Supervisor and 2 FTE, plus up to five seasonal employees

Asset Management – Facilities

• Facilities CIP: $1.39M
• Challenges:
  – Growing facility count (TVWD and WWSS)
  – Growing District staff with proportional demands
  – Seasonality of workload
  – Complexity of sites
Asset Management – Fleet

- Purpose:
  - Maintain the District’s 128-unit fleet
  - Manage the Joint Fueling Facility
  - Fabricate specialty tools

- 1 Coordinator, 1 Technician

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>compact pickups</td>
<td>medium duty</td>
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</tr>
<tr>
<td>full-size pickups</td>
<td>heavy trucks</td>
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<tr>
<td>minivans/cars/SUVs</td>
<td>construction equipment</td>
<td></td>
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<tr>
<td>meter reading vehicles</td>
<td>powered equipment</td>
<td></td>
</tr>
<tr>
<td>generators and pumps</td>
<td>trailers</td>
<td></td>
</tr>
</tbody>
</table>

- Fleet CIP (vehicle purchases): $1.25M
- Challenges:
  - Alternative fuels
  - Technology and safety improvements
  - Diversity of the fleet
  - Regulatory environment
  - Aging fleet
2020 and Beyond

GIS and CMMS Upgrades

Fleet Management

Lobby Upgrade

HQ Facility Plan – next biennium

Boardroom AV Upgrade

Safety and Security Upgrades

Resolution Adopting the Investment Policy

Resolution 03-20

Paul Matthews
Chief Financial Officer

January 15, 2020
District’s Investment Policy

Key Elements

- District adopts Investment Policy annually
- Allows the District to invest in securities with maturities exceeding 18 months
- Required by ORS 294.135
- Recommendations by District’s professional investment advisor
- Investment objectives
- Authorized investments
- Requirements for portfolio diversification

Guiding Principles Remain Unchanged
Investment Strategy

Balancing Risk and Return

• Interest rate risk – market values of investments with longer maturities are more sensitive to changes in interest rates
• TVWD has stayed relatively shorter in the market
• TVWD generally holds securities to maturity (book yield)
• Focusing on benchmarks for duration helps the District avoid risks of trying to time markets

Yield Curve Comparison

Proposed Changes to the Investment Policy

What Changed?

• Aligned with Oregon Short Term Funds Board sample policy
• Minor edits and formatting changes

Proposed Changes to the Investment Policy

Additional Change

• Added Fitch Ratings as a Nationally Recognized Statistical Ratings Organization (NRSRO)

7. AUTHORIZED AND SUITABLE INVESTMENTS

7.1: Authorized Investments

- All investments of the District shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates) ORS.
- This policy recognizes S&P, and Moody’s, and Fitch Ratings as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).
Staff Findings and Recommendation

Findings
- Proposed Resolution 03-20 complies with ORS 294.135
- Follows Oregon Short Term Fund Board guidelines
- Incorporates changes recommended by the District’s Investment Advisor

Recommendation
- Staff recommends adopting Resolution 03-20, a resolution adopting the Investment Policy for the Tualatin Valley Water District

Questions

Resolution Adopting the Investment Policy

Tualatin Valley Water District
Delivering the Best Water • Service • Value
Annual Adjustment to the System Development Charge

Resolution 04-20

Paul Matthews
Chief Financial Officer

Overview

Overview of SDCs

• Process for adjustments
• History on adjustments

Proposed adjustments to SDCs

• Comparison to other communities
• Comparison to other SDCs and similar charges
Overview of SDCs

Ordinance 01-12

• Enacted by the Board, effective August 17, 2012
• Requires the District to review SDCs annually
• Adjustment in SDCs based on change in *Engineering News Record (ENR)* *Construction Cost Index (CCI) for Seattle*
• Complies with Oregon law

### Historical SDC Adjustments

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<tr>
<th>Year</th>
<th>SDC for 5/8-inch by 3/4-inch Meter</th>
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</thead>
<tbody>
<tr>
<td>Mar '12</td>
<td>$1,000</td>
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<tr>
<td>Mar '13</td>
<td>$2,000</td>
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<tr>
<td>Mar '14</td>
<td>$3,000</td>
</tr>
<tr>
<td>Mar '15</td>
<td>$4,000</td>
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<tr>
<td>Mar '16</td>
<td>$5,000</td>
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<tr>
<td>Mar '17</td>
<td>$6,000</td>
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<tr>
<td>Mar '18</td>
<td>$7,000</td>
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<tr>
<td>Mar '19</td>
<td>$8,000</td>
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<tr>
<td>Mar '20</td>
<td>$9,000</td>
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</table>

**Note:** The ENR CCI (Seattle) increased 4.98% from December 2018 to December 2019. All proposed SDCs (effective 3/1/2020), presented above and on the following slides, are based on this increase.
### Proposed SDCs
(Meters 1-1/2-inches or Less)

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<tr>
<th>Meter Size</th>
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<th>Proposed</th>
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<tr>
<td>5/8&quot; X 3/4&quot;</td>
<td>$7,419</td>
<td>$7,788</td>
<td>$369</td>
</tr>
<tr>
<td>3/4&quot; x 3/4&quot;</td>
<td>$11,129</td>
<td>$11,682</td>
<td>$553</td>
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<tr>
<td>1&quot;</td>
<td>$18,548</td>
<td>$19,470</td>
<td>$922</td>
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<td>1-1/2&quot;</td>
<td>$37,095</td>
<td>$38,940</td>
<td>$1,845</td>
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*Note: Proposed SDCs based on a 4.98% increase in the ENR CCI (Seattle) from Dec. 2018 to Dec. 2019.*

### Proposed SDCs
(Meters Larger than 1-1/2-inches)

<table>
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<th>Component</th>
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<td>Peak-Day</td>
<td>$6,101</td>
<td>$6,404</td>
<td>$303</td>
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<td>Storage</td>
<td>$1,318</td>
<td>$1,384</td>
<td>$66</td>
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<tr>
<td>Total</td>
<td>$7,419</td>
<td>$7,788</td>
<td>$369</td>
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</table>

*Note: Proposed SDCs based on a 4.98% increase in the ENR CCI (Seattle) from Dec. 2018 to Dec. 2019.*
### TVWD SDC Comparison to Other Communities

- **West Linn**: $11,653
- **Hillsboro**: $10,900
- **Wilsonville**: $9,600
- **Sunrise**: $9,258
- **Tigard**: $9,000
- **TVWD Proposed**: $7,788
- **TVWD Current**: $7,819
- **Beaverton**: $6,295
- **Forest Grove**: $6,075
- **Sherwood**: $6,029
- **Clarkamas R. Wor**: $5,752
- **Tualatin**: $4,645
- **West Slope**: $3,655
- **Portland**: $3,062

### Comparison to SDCs for Other Services

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<th>Service</th>
<th>Charge</th>
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<td>Water</td>
<td>$7,788</td>
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<td>Sanitary Sewer</td>
<td>5,800</td>
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<td>Stormwater Management</td>
<td>560</td>
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<td>Transportation Development Tax</td>
<td>8,968</td>
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<tr>
<td>Parks and Recreation</td>
<td>10,800</td>
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<td><strong>Total</strong></td>
<td><strong>$33,916</strong></td>
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Staff Recommendation

- Staff recommends the Board adopt Resolution 04-20, a resolution amending system development charges for the Tualatin Valley Water District and declaring an effective date.

Questions

Annual Adjustment to the System Development Charge
Report of Meetings Attended

Commissioner Bernice Bagnall

<table>
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<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
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<tr>
<td>1/16/2020</td>
<td>JASC Policy meeting</td>
<td>Audit; regular session</td>
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<td>1/14/2020</td>
<td>CEO &amp; Dick Schmidt</td>
<td>Agenda; planning</td>
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<tr>
<td>1/15/2020</td>
<td>Board meeting</td>
<td>District business</td>
<td>50.00</td>
<td>Yes</td>
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ORS 198.190, "A member of the governing body of a district may receive, not to exceed $50.00 for each day or portion thereof as compensation for services performed as a member of the governing body. Such compensation shall not be deemed lucrative. The governing body may provide for reimbursement of a member for actual and reasonable traveling and other expenses necessarily incurred by a member in performing official duties." Please note that in accordance with ORS 294.331 (3) members of the budget committee shall receive no compensation for their services as members of such committee.

By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District’s Customer Emergency Assistance Program.
## Report of Meetings Attended

### Commissioner Jim Doane

<table>
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<tr>
<th>Date</th>
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<tr>
<td>1/14</td>
<td>Reg Mtg</td>
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<tr>
<td>1/10</td>
<td>JWC/BJCE</td>
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<tr>
<td>1/7</td>
<td>Work Session</td>
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<tr>
<td>1/9</td>
<td>Aloha Business Assoc</td>
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<tr>
<td>1/5</td>
<td>Other N.W. Dyke</td>
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$100 to Comm. Dean
$150 to Comp
OK to pay
Deaper

Date 1/15

Signed and approved

Date 1/15/2020

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Report of Meetings Attended

**Commissioner Jim Duggan**

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<tr>
<td>7 JAN 2020</td>
<td>TVWD WORKSESSION</td>
<td>FEE &amp; CHARGES S涨: WIP REP</td>
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<td>9 JAN 2020</td>
<td>WWSS BOARD MTG.</td>
<td>EXEC &amp; FEE MTD PERMAI CONT</td>
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Signed and approved

Date 15 JAN 2020

Date 1/15/2020

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J. Duggan Comp Sheet
Report of Meetings Attended

**Commissioner Todd Sanders**

<table>
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<th>Meeting or Function</th>
<th>Purpose</th>
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<th>Claimed</th>
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<tr>
<td>1/15/20</td>
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<td>1/17/20</td>
<td>Board Work Session</td>
<td>DWSU update</td>
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<tr>
<td>1/20</td>
<td>Meet w/ CEO (Ex)</td>
<td>Updated on missing</td>
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<td>□ Yes □ No</td>
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<tr>
<td></td>
<td></td>
<td>$150</td>
<td></td>
<td>□ Yes □ No</td>
</tr>
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Date 1/15/2020

Signed and approved

Date 1/15/2020

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**Commissioner Dick Schmidt**

<table>
<thead>
<tr>
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<th>Meeting or Function</th>
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<td>JWC</td>
<td>TP updates, financials</td>
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<td>01142020</td>
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<tr>
<td>01152020</td>
<td>Regular board</td>
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<td>50</td>
<td>☑ Yes</td>
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Signed and approved

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