

Tualatin Valley Water District



Delivering the Best Water 💧 Service 💧 Value

Board Work Session Minutes

October 6, 2020

This meeting was held by phone and the internet.

WORK SESSION – 7:01 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; Carrie Pak, PE, Chief Engineer; Dave Kraska, PE, Water Supply Program Director; Andrew Carlstrom, Customer Service Manager; Andrea Watson, Communications and Public Affairs Supervisor; Joe Healy, Senior Management Analyst; Robert Whitham, Emergency Program Coordinator; Mike Jacobs, Risk Management Coordinator (departed after the first discussion item); Katherine Lipari DeSau, Executive Assistant

ANNOUNCEMENTS

Ms. Pak gave an update on the District's response to the COVID-19 pandemic and provided information on the September 30 Emergency Preparedness Virtual Forum and the recently announced Certificate of Achievement for Excellence in Financial Reporting award (see attached memo). In response to a question, staff shared that this is Tualatin Valley Water District's (TVWD) 30th Government Finance Officer's Award for the Comprehensive Annual Financial Report.

Ms. Pak gave the safety moment on emergency preparedness tips.

1. DISCUSSION ITEMS

- A. District Initiatives Update and 2021 Goals Development. *Staff Report – Tom Hickmann*

Mr. Hickmann and staff provided a status update on 2019-2021 District Initiatives. The roles and purpose of TVWD strategic planning & District Initiatives were also reviewed (see attached presentation). Mr. Hickmann conveyed that COVID-19 impacted all of the initiatives and commended staff's ability to adapt and continue making progress on key District priorities.

Mr. Hickmann shared that his proposed 2021 CEO goals are focused on initiative numbers three through six and consist of obtaining effective customer feedback, considering advanced metering infrastructure to help the District obtain better data and drive decisions, developing comprehensive written standard operating procedures for the system, and expansion of diversity, equity, and inclusion training. In response to a Commissioner concern about data driven decisions, Mr. Hickmann clarified that both data and intellectual capital are critical decision making components.

B. Willamette Water Supply System Commission Update. *Staff Report – Dave Kraska*

Mr. Kraska described the October Willamette Water Supply System Commission Board meeting agenda, reviewed the latest details from the Approvals and Procurement Forecast, and updated the Board on recent Willamette Water Supply Program (WWSP) activities of note (see attached presentation).

In response to a request, Mr. Kraska explained that the Willamette Water Supply System's (WWSS) Thermal Trading Plan is a permit requirement. The plan will be administered by the Oregon Department of Environmental Quality. Staff are monitoring and will manage any challenges that arise. Commissioner Sanders expressed hope that the WWSS exceeds plan commitments. Mr. Kraska conveyed that there are other environmental benefits, as part of the overall program, that go above and beyond mitigation requirements. Communications about these efforts could be enhanced.

C. Customer Information System (CIS) Contract Elements. *Staff Report – Andrew Carlstrom*

Mr. Carlstrom gave an update on the District's Customer Information System (CIS) Project, including the key objectives, scope, schedule and budget. He provided an overview of the vendor contract with Open International LLC, the Implementation Statement of Work, the Operations Statement of Work, and next steps (see attached presentation). Commissioner Bagnall expressed appreciation for the level of detail and consideration of items in advance of implementation.

ADJOURNMENT

There being no further business, President Bagnall adjourned the meeting at 8:48 p.m.

Bernice Bagnall, President

Todd Sanders, Secretary



MEMO

Date: October 6, 2020
To: TVWD Board of Commissioners
From: Carrie Pak, Chief Engineer
Re: Announcements

The following Announcements will be covered during the work session:

1. **Be Sure to Unmute and Mute** – Just a reminder to please be sure to unmute whenever you are speaking and mute yourself when you are done during the work session this evening.
2. **COVID-19 Update** – Tualatin Valley Water District's (TVWD) Emergency Operations Center (EOC) has completed de-escalation work. Operations have transitioned into a sustained response to COVID-19, with the normalization of the protocols to prevent COVID-19 transmission. A core team of staff will continue to monitor the pandemic and remain on standby to reactivate the EOC if needed.
3. **Emergency Preparedness Virtual Forum** – On September 30th, Robert Whitham, Emergency Program Coordinator, led a virtual forum on the topic of Emergency Preparedness. The event was well attended with approximately 100 guests. The guests were all sent a follow up survey and additional information, including the opportunity to enroll to receive monthly emergency preparedness tips. Due to additional requests, TVWD will repeat this forum presentation on October 29.
4. **Government Finance Officer's Award** – On September 22nd, Tualatin Valley Water District received notification that it was awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The CAFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

5. **Board Communications Log** – There were no updates to the Board communications log this month.
6. **Safety Minute** – I will present tonight’s safety minute.

Status Update on District Initiatives for 2019-21

TVWD Board Work Session

October 6, 2020

Tom Hickmann

Chief Executive Officer

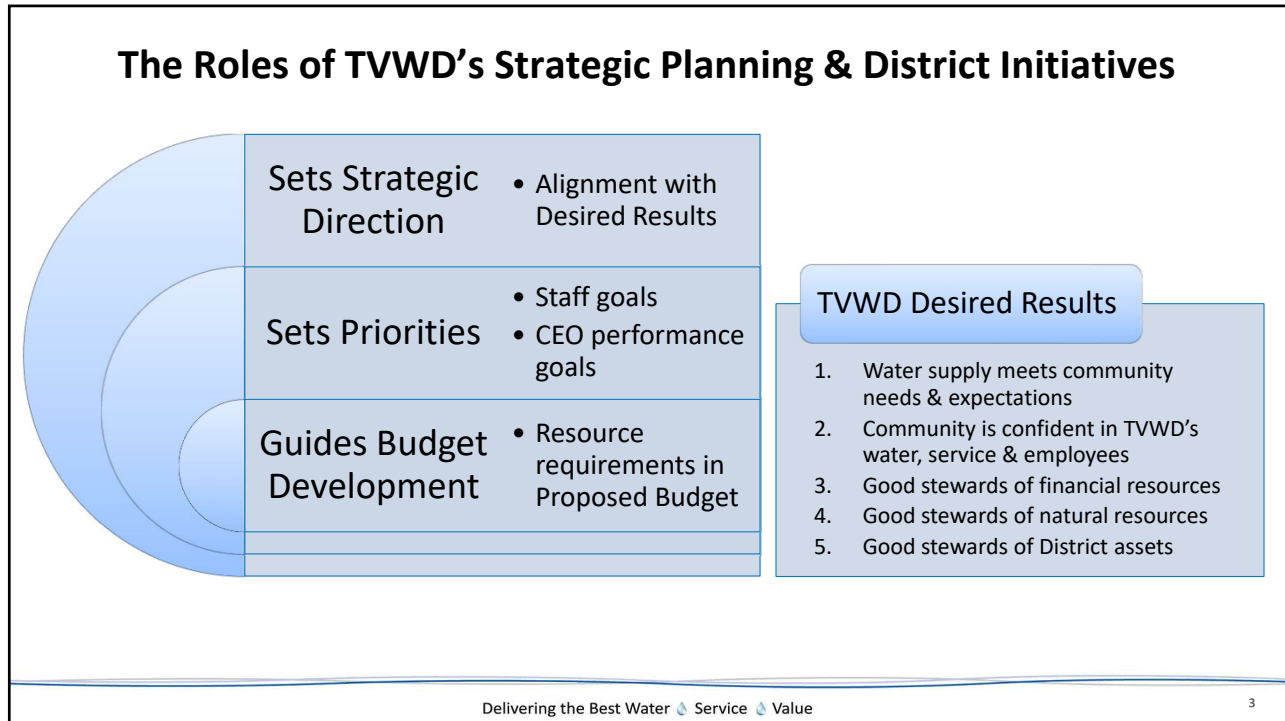


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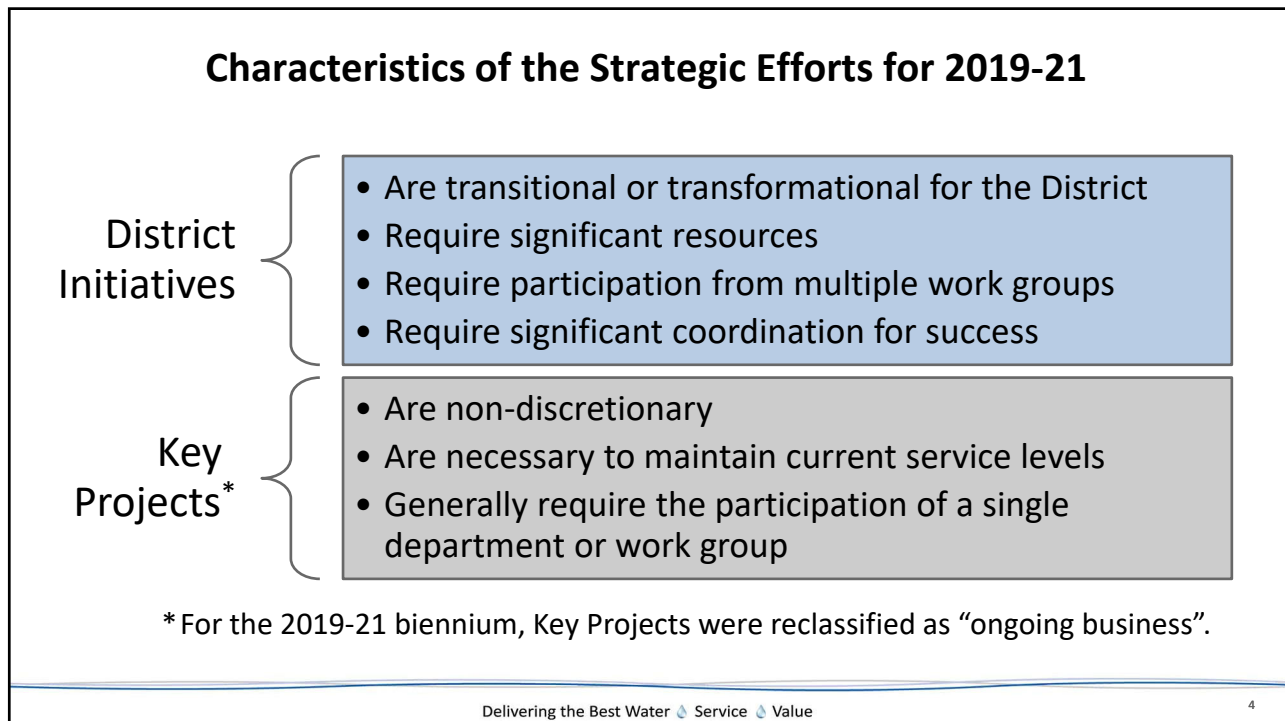
2019-2021 Strategic Planning Process

- Reflects District vision, mission, values and strategic direction
- Anticipates future trends and challenges
- Considers industry trends, regional issues, organizational strengths & challenges
- Produces strategic projects (i.e., initiatives and key projects) designed to achieve desired results
- Tracks progress in achieving District objectives
- Periodically reports progress to the Board

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District Initiatives for 2019-21

1. Program for Management and Operation of the Willamette Water Supply System
2. Debt Program
3. Strategic Communications Program
4. Develop and Implement CIS
5. District Resiliency Program
6. Human Capital Strategy

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1

Program for Management and Operation of the Willamette Water Supply System

Overview

- Plan for operations, maintenance, management and administration of the WWSS
- Develop a comprehensive plan and resource requirements
- Includes WWSS IGA, WWSS Commission, WIF Commission and staffing strategies for operations oversight

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Program for Management and Operation of the Willamette Water Supply System

Summary of 2020 Updates

- Resolved the reservoir cost allocation issue for the City of Hillsboro
- Addressed partner concerns regarding cost management matters
- Resolved true-up concerns required for the WWSS IGA adoption
- Advanced development of the WWSS Operations Plan and staffing plans
- Continued to advance all WWSP elements including five active construction projects
- Maintained WWSP controls for management of schedule, budget, and verified compliance with the Partners' WIFIA loan requirements

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Debt Program

Overview

- Build debt program to fund District's participation in the WWSP, JWC and fund in-District CIP
- Build the debt program's foundation to sustain the District's long-term financing needs while minimizing its cost of capital
- Includes financial planning, ratings, continuing disclosure, investor relations, continuity with partners, and a WIFIA loan application

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2 Debt Program

Summary of 2020 Updates

- Re-executed WIFIA Loan Agreement saving the District an additional \$122 million in repayment costs
- Responded to credit rating surveillance from Fitch and maintained the District's AA+ credit rating
- Prepared financial reporting process to monitor the District's financial health during the COVID-19 crisis

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3 Strategic Communications Program

Overview

- Implement the Strategic Communications Plan and Ratepayer Communications Strategy to increase outreach efforts
- Strengthen support for customers with affordability concerns while demonstrating the value of District investments
- Develop an emergency communications system and a responsive construction outreach program using current TVWD staff and support from consultant(s)

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3 Strategic Communications Program

Summary of 2020 Updates

- TVWD Communications staff has been directly involved in the Emergency Operations Center for the majority of 2020
- COVID-19 has also necessitated a major communication/outreach effort to reach customers that are in arrears with suspension of shut off
- Virtual customer outreach events have been well attended

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4 Develop and Implement CIS

Overview

- Continue progression from existing custom utility billing solution to a commercial off-the-shelf Customer Information System (CIS)
- This is a collaborative effort between TVWD and CWS, with both agencies sharing costs and project decisions
- Implement and stabilize new CIS

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4 Develop and Implement CIS

Summary of 2020 Updates

- Completed Implementation IGA with CWS (2nd of three IGAs), with the 3rd (ongoing operations agreement) required prior to go-live
- Selected CIS vendor; contract negotiated and is in process for execution
- Preparing for implementation, including addressing third party project resources; start date is November 16
- Establishing a data warehouse and addressing legacy system data
- Implementation goal is 14 months with go-live in early 2022; TVWD/CWS leadership prepared to prioritize CIS implementation and meet this goal

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5 District Resiliency Program

Overview

- Continue implementing the All Hazards Emergency Response Plan (ERP) adopted in 2014
- Establish departmental level of service goals, continuity of operations plans, and standard operating procedures that support resiliency
- Strengthen cooperative partnerships for effective emergency responses
- Develop preparedness plans (community and staff)
- Provide training and support for employees and families

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5 District Resiliency Program

Summary of 2020 Updates

- Risk and Resiliency Assessment completed per America's Water Infrastructure Act of 2018; certification sent to EPA in March 2020
- District's ERP reviewed by consultant, edits being reviewed internally; certification of review submitted to EPA the end of September 2020
- Since March, the EOC and other District task forces have been in constant coordination with county, regional, and state response teams regarding COVID-19 and recent wildfires
- Ongoing promotion of employee preparedness via trainings/programs (e.g., preparedness bags, "Preparedness Corner" SharePoint site)

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6 Human Capital Strategy

Overview

- Develop and implement new tools & methods to address changing workforce demographics and trends in a competitive labor market
- Meet current & future regulatory requirements; establish cross-training programs for key positions and leadership continuity
- Align strategic human capital with the District's mission and goals

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6 Human Capital Strategy






Summary of 2020 Updates

- Developed new policies & employee leave banks in response to COVID
- Expanded the Leave Donation Program
- Implemented portions of CARES Act with ICMA-RC (401k/457 plans)
- Conducted employee DEI trainings, considering next steps
- Researched top DEI consultants and DEI efforts at other public agencies
- Went live with NEOGOV PERFORM, a performance management software, to automate annual and probationary employee evaluations
- Implemented a limited version of NEOGOV eForms for employees to securely submit documents to HR while working remotely

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Status Update on 2019-21 District Initiatives

| # | Description | Status | Status |
|---|--|--------|---|
| 1 | Program for Management and Operation of the Willamette Water Supply System | G |  |
| 2 | Debt Program | G |  |
| 3 | Strategic Communications Program | Y |  |
| 4 | Develop and Implement CIS | G |  |
| 5 | District Resiliency Program | G |  |
| 6 | Human Capital Strategy | G |  |

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

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Willamette Water Supply Commission Update
TVWD Board Work Session

October 6, 2020

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Outline

Review October WWSS Commission Board Meeting Agenda → Review Approvals and Procurements Forecast → Update on WWSP Activities

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REVIEW OCTOBER WWSS COMMISSION BOARD MEETING AGENDA

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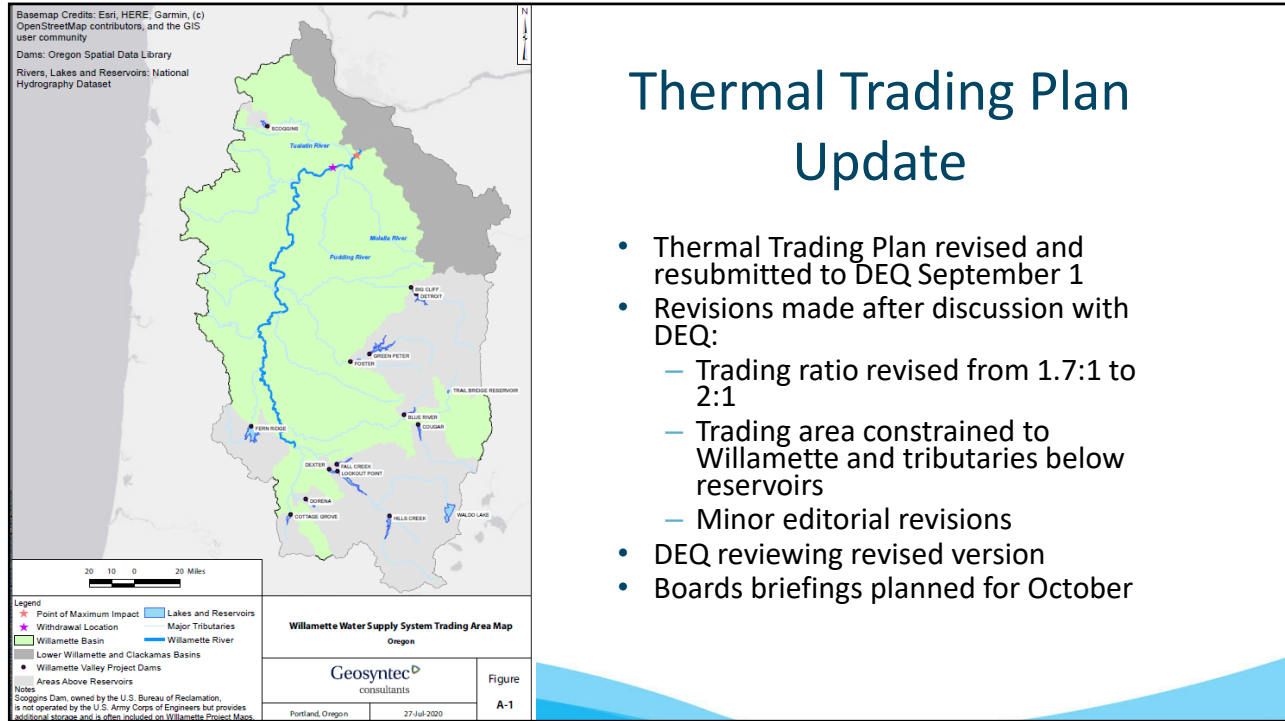
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Willamette Water Supply System October 1, 2020 Board Meeting Agenda

1. General Manager's Report
2. Public Comment
3. Consent Agenda
 - A. September 3, 2020 meeting minutes
4. Business Agenda
 - A. Adopt PLW_2.0 Supplemental Resolution of Public Necessity
 - B. Adopt Resolution Approving MPE_1.2/COB_1.2 City of Beaverton Construction IGA (SW Nimbus Avenue/SW Scholls Ferry to SW Western Avenue)
 - C. Acting as Local Contract Review Board: Adopt Resolution Approving the Use of Alternative Contracting Methods for Construction of a Phase of MPE_1.2/COB_1.2
 - D. Acting as Local Contract Review Board: Approve Public Notice of Findings for the Use of Alternative Contracting Methods for Construction of PLW_2.0
 - E. Approve PLM_1.0 Design Contract Amendment for Completing PLM_1.3
5. Information Items
 - A. Thermal Trading Plan Update
 - B. Planned November Business Agenda items

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Thermal Trading Plan Update

- Thermal Trading Plan revised and resubmitted to DEQ September 1
- Revisions made after discussion with DEQ:
 - Trading ratio revised from 1.7:1 to 2:1
 - Trading area constrained to Willamette and tributaries below reservoirs
 - Minor editorial revisions
- DEQ reviewing revised version
- Boards briefings planned for October

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REVIEW APPROVALS AND PROCUREMENTS FORECAST

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Approvals and Procurement Forecast for September 2020 – November 2020

Program Baseline or Related Plans

| Description | Program Director | WWSS Management Committee | WWSS Commission Board |
|---|------------------|---------------------------|-----------------------|
| PLW_2.0 Modify Baseline construction duration to accommodate traffic control requirements, resulting in increase to individual project budget | NA | 10/22/2020 | 11/5/2020 |

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Approvals and Procurement Forecast for September 2020 – November 2020

Real Estate

| Description | Program Director | WWSS Management Committee | WWSS Commission Board |
|---|------------------|---------------------------|-----------------------|
| PLM_5.3 Resolution of Need (3 rd supplemental) | NA | 8/20/2020 | 9/3/2020 |
| PLW_2.0 Resolution of Need (1 st supplemental) | NA | 8/20/2020 | 9/3/2020 |
| PLM_4.3 Resolution of Need (1 st supplemental) | NA | 8/20/2020 | 9/3/2020 |
| PLM_1.3 Resolution of Need | NA | 9/17/2020* | 10/1/2020* |
| PLM_5.3 Resolution of Need (4th supplemental) | NA | 9/17/2020* | 10/1/2020* |
| PLW_2.0 Resolution of Need (3 rd supplemental) | NA | 9/17/2020 | 10/1/2020 |
| PLM_1.3 Resolution of Need (1 st supplemental) | NA | 10/22/2020 | 11/5/2020 |

* - Delayed to future meeting

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Approvals and Procurement Forecast for September 2020 – November 2020

IGAs, MOUs, Permit Commitments

TVWD

- MPE_1.0 Project Management Services Agreement Amendment (September)
- PLW_1.2 Construction IGA to Relocate 18-inch TVWD Pipeline (November)

City of Wilsonville IGA for WRWTP Filtration Pilot Study Participation

- Cost sharing in filtration study to support design filter loading rates (September)

City of Beaverton

- COB_1.0 Design IGA Amendment 1 (August)
- MPE_1.1/COB_1.1 Construction IGA (October)
 - S.W. Western Ave. from S.W. Beaverton-Hillsdale Hwy. to S.W. Allen Blvd.
- MPE_1.2/COB_1.2 Construction IGA (October)
 - S.W. Nimbus/Scholl's Ferry to S.W. Beaverton-Hillsdale Highway

Washington County Land Use & Trans

- PLM_4.2 Design IGA Amendment 2 (November)

Approvals and Procurement Forecast for September 2020 – November 2020

Contracts

| Title | Goal | Value | Key Dates |
|---|--|---------|---|
| RES_1.0 and PLM_5.3 Project Construction Manager/General Contractor (CM/GC) | Procure CM/GC for RES_1.0 / PLM_5.3 combined project | ~\$120M | Publish RFP: 9/2/2020 WWSS Board Approval: 12/3/2020 Notice to Proceed: 12/4/2020 |

Approvals and Procurement Forecast for September 2020 – November 2020

Contract Amendments and Change Orders*

| Title | Goal | Value | Key Dates |
|---|---|----------|---|
| PLM_1.0 Design Contract Amendment for Completing PLM_1.3 | Amend contract for design services and engineering services during construction to accommodate PLM_1.3 design changes | \$0.618M | 9/17/2020 approval by WWSS MC 10/1/2020 approval by WWSS Board |
| PLW_2.0 Design Contract Amendment for Scope Modifications | Amend contract for design services and engineering services during construction to accommodate scope modifications | \$0.612M | 8/20/2020 approval by WWSS MC 9/3/2020 approval by WWSS Board |

*having values higher than the Program Director’s authority

Approvals and Procurement Forecast for September 2020 – November 2020

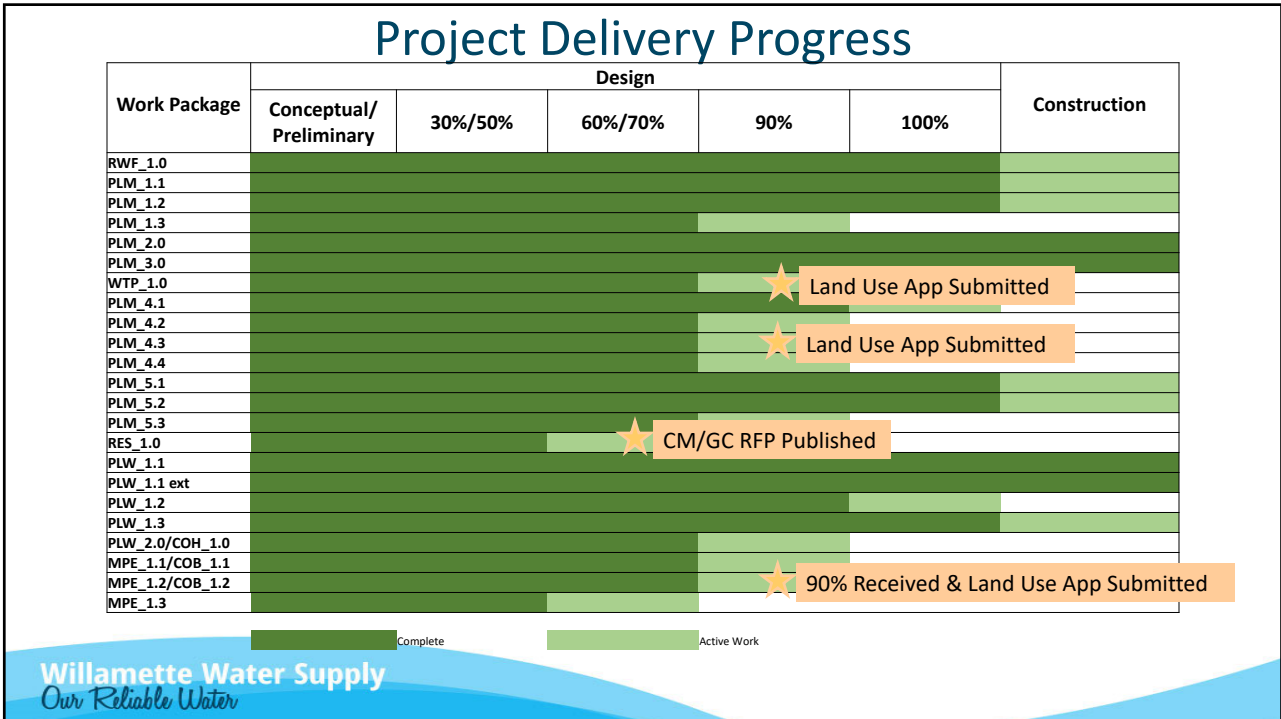
Local Contract Review Board Rule Exemption

| Title | WWSS Management Committee Approval | WWSS Board Informational Item | WWSS Board Consider Approval |
|--|------------------------------------|-------------------------------|------------------------------|
| Findings for the Use of Alternative Contracting Methods for Construction of a Phase of MPE_1.2/COB_1.2 | 7/23/2020 | 8/6/2020 | 10/1/2020 |
| Findings for the Use of Alternative Contracting Methods for Construction of PLW_2.0 | 9/17/2020 | 10/1/2020 | 11/5/2020 |

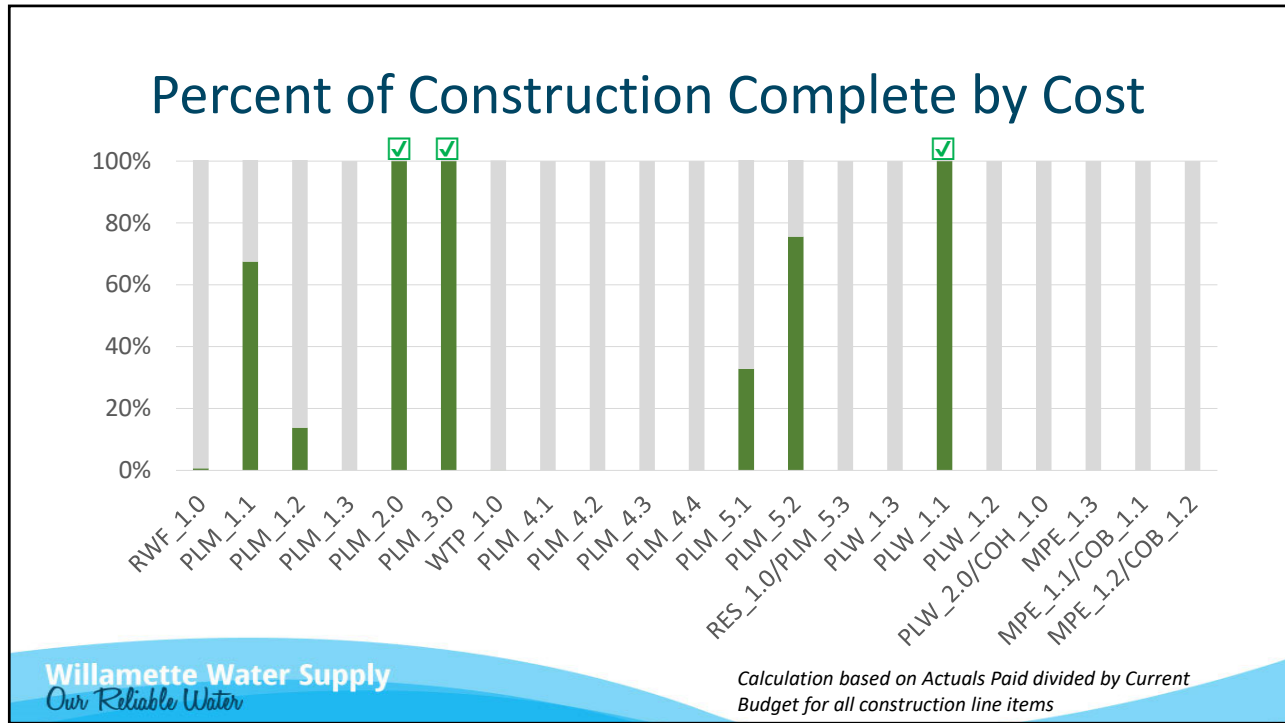
UPDATE ON WWSP ACTIVITIES

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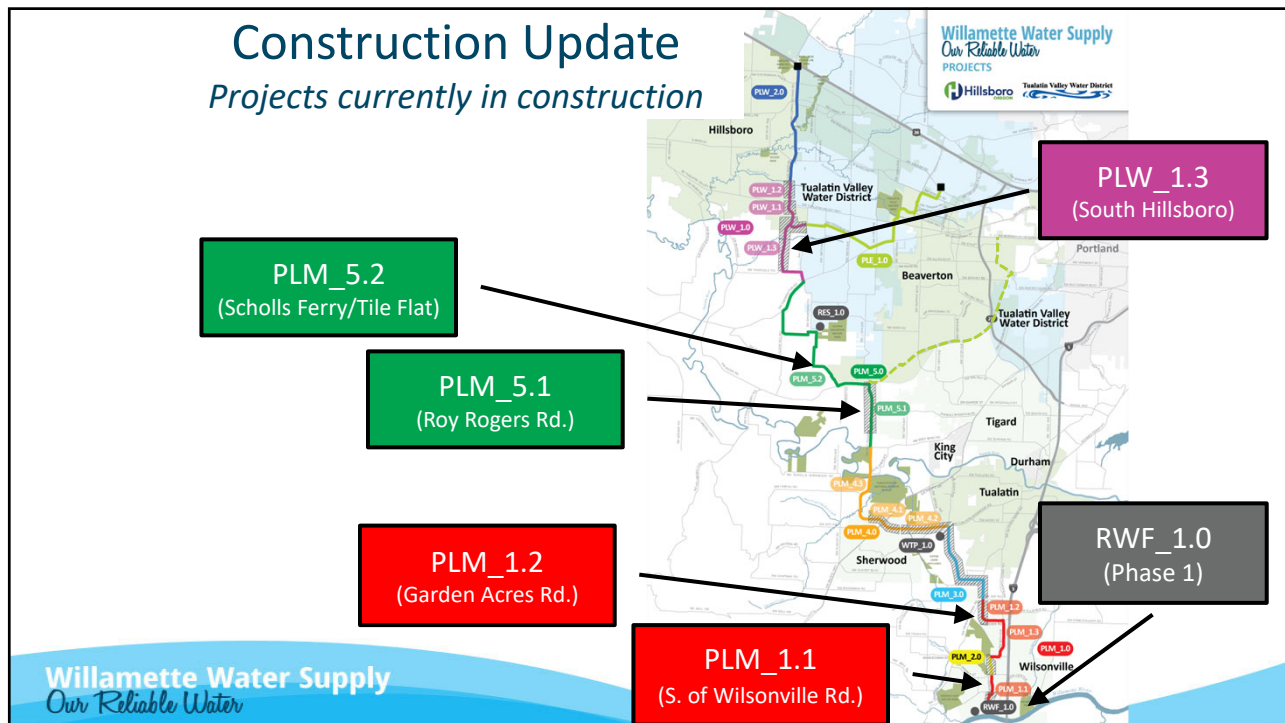
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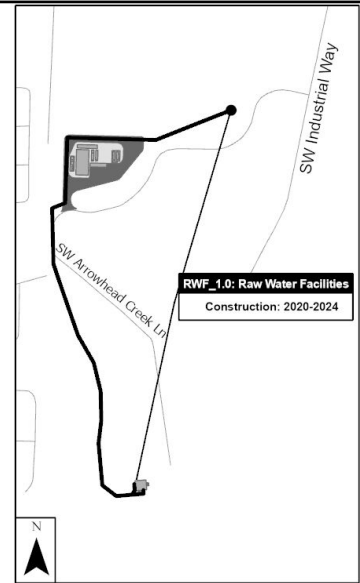
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RWF_1.0

Contractor: Kiewit Infrastructure West Co.
Designer: Black & Veatch

Current and Planned Activities:

- Began construction of lower site temporary access road
- Mobilizing DSM/jet grout equipment
- Completed upper site mass excavation and screen berms
- Continued with construction of temporary PGE power service to field trailers
- Continuing with critical submittals
- Beginning installing tree protection sheet piling and DSM spoils containment provisions



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Construction Photos – RWF_1.0

Lower Site pipeline corridor and temporary access road construction



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Construction Photos – RWF_1.0

Completed Upper Site mass excavation



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Construction Photos – RWF_1.0

Obtaining native soil samples at DSM block area south of RWPS

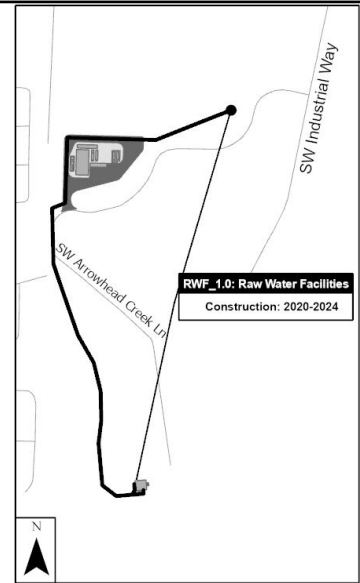


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RWF_1.0 Notable Topics

- External Coordination
 - Coord w/Wilsonville and Veolia on GAC Replacement Project and electrical upgrades project
 - Coord w/PLM_1.1 Industrial Way Road Crossing
 - Coordination with nearby neighbors and public
- Potential Claims
 - None
- Delivery Challenges
 - None

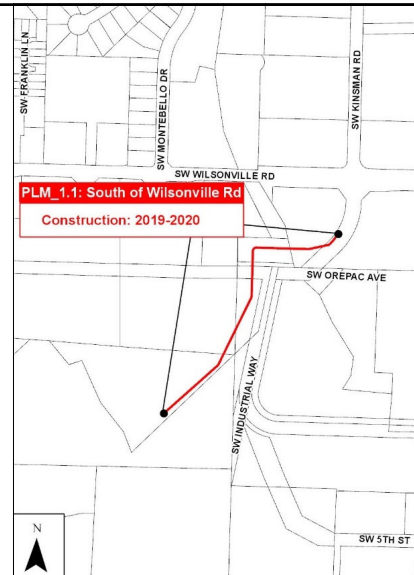


PLM_1.1

Contractor: James W. Fowler Co.
Designer: HDR

Current and Planned Activities:

- Pipe installed through Coffee Lake Creek to west side of Industrial Way. Only four pieces of pipe remain to be installed
- Complete backfill of 66" pipe through Coffee Lake Creek and across Industrial Way
- Begin Coffee Lake Creek restoration work
- Begin undercrossing of Wilsonville 63" waterline
- Complete final connection, begin testing



Construction Photos – PLM_1.1

Aerial overview of site, looking SE. Coffee Lake Creek Crossing in fore



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Construction Photos – PLM_1.1

Coffee Lake Creek Crossing work in progress



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Construction Photos – PLM_1.1

Coffee Lake Creek Crossing and Industrial Way shoo-fly traffic diversion

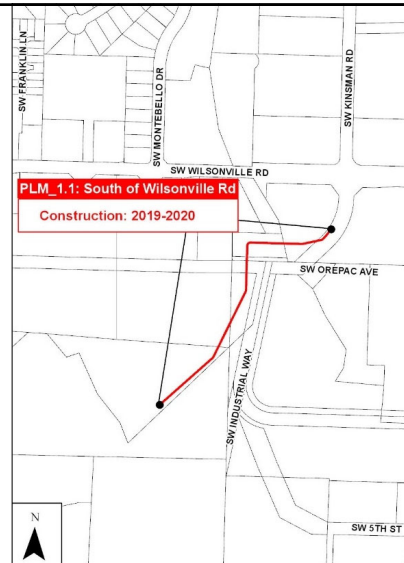


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PLM_1.1 Notable Topics

- External Coordination
 - Upcoming coordination with City of Wilsonville for roadway re-paving of Kinsman Rd
 - Continued traffic coordination on Industrial Way with RWF, WCP, OrePac.
- Potential Claims
 - None
- Delivery Challenges
 - Large boulders
 - Dewatering/CLSM quality issue required some rework. Likely schedule impact.



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PLM_1.2

Partner: City of Wilsonville
Contractor: Moore Excavation Inc.
Designer: HDR

Current and Planned Activities:

- Continued open cut pipe installation; 2,000 LF of WWSP pipe installed to date
- Completed steel casing installation for trenchless crossing of Day Rd.
- Completed trenchless casing contact grouting and began 66" carrier pipe installation
- Continued settlement monitoring for tunnel



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Construction Photos – PLM_1.2

Holiday Testing 66-in Pipe prior to flying in for fit up and installation



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Construction Photos – PLM_1.2

Installing carrier pipe for the Day Rd. trenchless crossing



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Construction Photos – PLM_1.2

Flying in 66" waterline for fit up and installation on Garden Acres Rd.

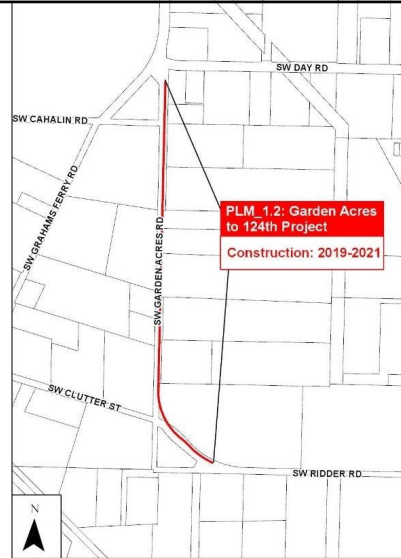


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PLM_1.2 Notable Topics

- Partner Coordination
 - Ongoing coordination with City of Wilsonville
- Potential Claims
 - None
- Delivery Challenges
 - None

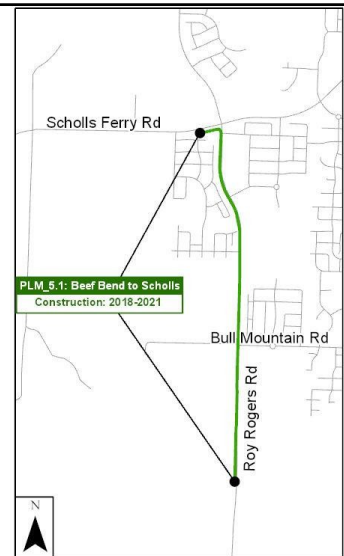


PLM_5.1

Partner: Washington Co.
 Contractor: Tapani, Inc.
 (Moore Excavation Inc. – Waterline Sub)
 Designer: Jacobs

Current and Planned Activities:

- Open cut pipe installation completed along northern end of alignment on Scholls Ferry Rd.
- Total of 2430 LF of 66" waterline now completed
- Upcoming installation includes 18" Tigard connection piping across Roy Rogers Rd.
- Continuing 66" pipe installation south of Jean Louise Rd.



Construction Photos – PLM_5.1

Drilling for placement of soldier piles for shoring systems at corner of Roy Rogers & Scholls Ferry Rd.



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Construction Photos – PLM_5.1

Fitting up and welding of 66" pipe at Roy Roger & Scholls Ferry Rd. intersection

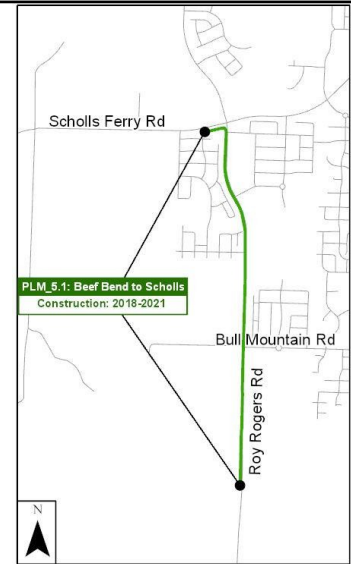


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PLM_5.1 Notable Topics

- Partner Coordination
 - Developer relocation of utilities ongoing on Roy Rogers Rd.
- Potential Claims
 - None
- Delivery Challenges
 - None

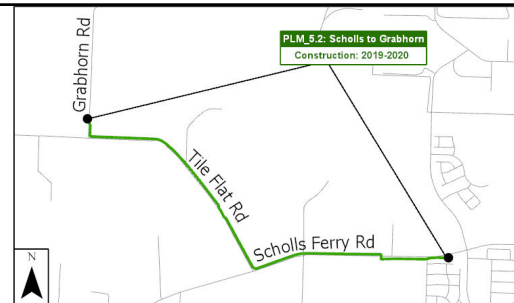


PLM_5.2

Contractor: Emery & Sons
Designer: Jacobs

Current and Planned Activities:

- Completed main pipeline hydrostatic testing
- Continue testing of appurtenances
- Continue Cathodic Protection and Locate Station installations and testing
- Continue property restoration



Construction Photos – PLM_5.2

Backfill at end of pipeline



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Construction Photos – PLM_5.2

Cathodic Protection Test Station Install



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PLM_5.2 Notable Topics

- External Coordination
 - Coordinating water use with City of Beaverton for disinfection
- Potential Claims
 - None
- Delivery Challenges
 - None



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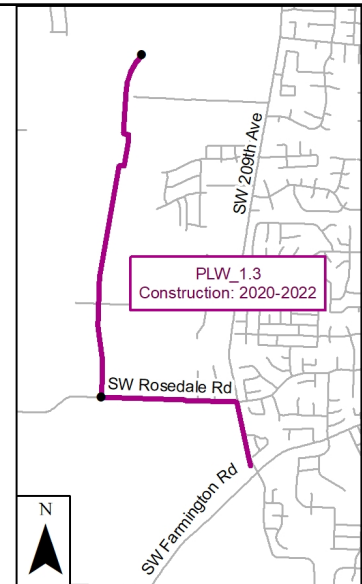
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PLW_1.3

Contractor: Tapani, Inc.
Designer: Kennedy/Jenks

Current and Planned Activities:

- Mobilization complete
- Completed potholing for underground utilities
- Completed grade cut at SW Rosedale Rd. access
- Continue clearing and grubbing
- Continue building haul road north to Butternut Creek



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Construction Photos – PLW_1.3

Potholing for underground utilities on SW 209th Ave.



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Construction Photos – PLW_1.3

Clearing and grubbing north towards Butternut Creek



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Construction Photos – PLW_1.3

Grade cut at Rosedale Rd.

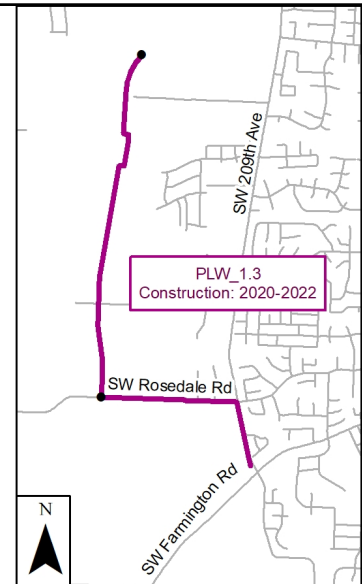


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PLW_1.3 Notable Topics

- External Coordination
 - Continued coordination with Reeds Crossing and Butternut Creek Developments
- Potential Claims
 - None
- Delivery Challenges
 - Access to the alignment north of Butternut Creek - coordination with Newland and COH for use of ROW in future Kinnaman Rd. or use of partially completed Cornelius Pass Rd.



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QUESTIONS

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Customer Information System (CIS) Contract Overview
Vendor: Open International LLC

October 6, 2020

Andrew Carlstrom
Customer Service Manager

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

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CIS Project Update Summary

- **Contract negotiations are completed; contract will be signed this week**
- **TVWD/CWS and vendor, Open, are preparing for the CIS implementation**
- **Implementation begins November 16**
- **Implementation schedule is fast**
- **New system go-live: early 2022**
- **TVWD and CWS remain committed to changing processes, not system: configuration, not customization**

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CIS Key Project Objectives

- 1. Address current and projected business needs**
- 2. Provide improved system reliability**
- 3. Increase customer satisfaction**
- 4. Improve supportability through:**
 - ✓ Minimizing (goal is zero) new system customization
 - ✓ Regular, vendor-provided technology updates
 - ✓ Complete legacy platform retirement
- 5. Provide greater integration with key business systems**
- 6. Manage risk through:**
 - ✓ Better controls
 - ✓ Data management, including customer information
 - ✓ Vendor support
- 7. Provide a sustainable, predictable support cost model**



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Scope, Schedule, Budget

- **Scope: The Essentials**
 - Solution include CIS, batch processing, customer self service portal.
- **Schedule: Fast Implementation**
 - Implementation will start November 16, 2020.
 - Implementation: 18 months, including four months of post-go-live stabilization.
 - Go-live to occur in early 2022.
- **Budget Estimated, Implementation Baseline Being Developed**
 - TVWD CIP project; estimate is \$9.51 million, as estimated prior to adoption of 2019-2021 budget.
 - Expenditures will be in both 2019-2021 and 2021-2023 biennial budget periods.
 - TVWD, CWS developing baseline project budget for implementation phase.
 - TVWD, CWS to share project expenses per intergovernmental agreement (IGA).

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Overview of Contract with Open International LLC

- **Parties**
 - Customer is defined as TVWD.
 - Clean Water Services is defined as a partner and its staff as authorized users.
- **General**
 - Establishes Open as service provider for Partners.
 - Describes contract administration, governance, order of precedence.
 - Provides contract change process.
 - Describes termination for convenience, insolvency, and cause.
 - Provides dispute resolution provisions.
 - Provides transition assistance for TVWD/CWS upon termination/expiration.
 - Describes consequences for delays in implementation.
 - Addresses consequences for data/security events.

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CIS Contract Overview (continued)

- **Term: Five-year initial term includes:**
 - 14 months of implementation and 4 months of post go-live stabilization
 - 42 months of operations of the SaaS hosted solution (begin month 19)
 - Two additional five-year renewal options at Customer's sole discretion
- **Total base costs, first 5-year term: \$5,376,592**
 - Includes fixed-charge for implementation: \$3,031,860
 - Does not include vendor travel and expenses.
 - Travel expected to be limited due to COVID-19; virtual project anticipated.
 - Includes 42 months of Software as a Service (SaaS) and related items.
 - Ongoing fees per month: \$55,117
 - Annual increase in fees: 2.5%

CIS Contract Overview (continued)

- **Contract Structure**
 - Master Services Agreement
 - Implementation Statement of Work (SOW)
 - Operations SOW
- **Other**
 - Vendor has established record in other markets, is establishing in US/Canada.
 - To address, contract provides financial and software escrow, release conditions.
 - Contract provides irrevocable guarantee on performance of Open International LLC, of all contractual obligations.

CIS Implementation Statement of Work Overview

- **General**
 - Detailed implementation performance framework, using framework for TVWD/CWS CIS selection consultant, AAC Utility Partners.
 - Provides for 14-month implementation and four months of post go-live support.
- **Scope**
 - Provides scope description – what functionality is in scope for project and how it will be further refined: customizations; clarifications; changes; data conversion; system architecture; environment descriptions; and facilities and space requirements.
- **Deliverables**
 - Provides: acceptance criteria and process; detailed deliverable descriptions; and description of project tools.
- **Conflict Resolution**
 - Provides: Initial conflict identification and resolution and conflict escalation processes.

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CIS Implementation SOW Overview (continued)

- **Organization**
 - Provides Customer and Vendor roles and responsibility.
- **Quality Requirements**
 - Provides: Steps the Partners will take to ensure quality delivery.
- **Project Metrics**
 - Provides: Metrics the TVWD/CWS will use to track and report on progress throughout the implementation.
- **Progress and Payments**
 - Provides: pricing; milestone payments and schedule; and financial controls.

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CIS Operations Statement of Work Overview

- **Services**
 - Open SmartFlex (OSF) will be provided as a Software as a Service (SaaS) environment based in data centers located in the United States.
 - Open has contracted with Auxis Consulting and Outsourcing to provide infrastructure management services.
- **Service Level Agreements (SLAs)**
 - Service levels will be tracked and reported to the Partners monthly
 - Each SLA has a list of exclusions (e.g. scheduled maintenance windows, Customer accuracy in submitting incident requests, etc.).
 - Failure to meet SLAs will incur penalties in the form of service credits.
 - SLAs include: system availability and response time for severity 1 and 2 incidents.
- **Data Privacy and Information Security**
 - The agreement contains provisions that obligate vendor to maintain appropriate physical, human resource, and cyber security protections.

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Next Steps

- **TVWD, Open CEOs are expected to execute contract documents this week.**
- **Both parties are already working on implementation preparations.**
- **The Board will receive regular implementation updates on the CIS project.**
- **Thank you for your support of this critical business transformation initiative.**

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Questions?