REGULAR SESSION – 6:00 PM

CALL TO ORDER

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

Budget Committee Member Present: Marilyn McWilliams

Staff Present: Tom Hickmann, PE, Chief Executive Officer; Paul Matthews, Chief Financial Officer; Carrie Pak, PE, Chief Engineer; Clark Balfour, General Counsel; Dave Kraska, PE, Water Supply Program Director; Tim Boylan, IT Services Director; Andrew Carlstrom, Customer Service Manager; Joel Cary, Water Resources Division Manager; Nick Augustus, PE, Engineering Division Manager; Andrew Barrett, PE, Senior Project Engineer; Andrea Watson, Communications and Public Affairs Supervisor; Lisa Houghton, WWSP Finance Manager; Debbie Carper, District Recorder

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Mr. Hickmann reported on recent Cryptosporidium detections in Bull Run water (see attached memo) and shared that the west coast is facing a supply shortage of chlorine for water treatment due to equipment failure at a chlorine manufacturing facility. He noted the District has an ample water supply and the water remains safe to drink. Oregon utilities are working with the Governor’s Office, Oregon Office of Emergency Management, Oregon Health Authority, Department of Environmental Quality, the Oregon Water/Wastewater Agency Response Network and federal authorities. Staff at the Joint Water Commission water treatment plant is considering conservation methods and alternative treatment options.

In response to questions, staff said:

- The District is considering operational changes that will make chlorine supplies last longer.
- Staff is exploring other disinfection options.
- Joel Cary will serve as the District’s spokesperson and point of information dissemination.
- Estimates are that the manufacturing facility will resume production by the end of June.
- Staff will pursue additional supply options for the future.
- Agencies around the state are sharing information on chlorine supply in order to allow for possible chlorine disinfectant redistribution.

Mr. Hickmann continued his announcements, asking the recently reelected Commissioners how they would like to handle taking their oaths of office for their new terms. Commissioners
indicated setting up appointments with the District Recorder would work best. Finally, Mr. Hickmann shared his upcoming vacation dates and coverage assignments in his absence.

Mr. Kraska presented the safety moment on fireworks. Next, he gave the department report on the latest updates to Willamette Water Supply Program activities (see attached presentation).

Mr. Hickmann made an additional announcement that the District has been working with the Special Districts Association of Oregon and reaching out to state legislators to request that recent federal funding, awarded to cities and counties within the state, also be allocated to special districts. As of today, he received notice that $6 million of that funding will go towards utility assistance, a portion of which the District can request to help customers in need.

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

There were none.

1. PUBLIC HEARINGS

A. Consider adopting Resolution 06-21, a resolution adopting the budget and making appropriations for the Tualatin Valley Water District for the 2021-23 biennium.

Staff Report – Paul Matthews

Mr. Matthews reviewed the presentation from the Budget Committee meeting, including information on Oregon local budget law/process, the District's budget/financial planning process, the status of the District, strategic goals for the coming biennium and details of each fund within the 2021-23 Approved Budget (see attached presentation).

Commissioner Bagnall opened the public hearing and asked for testimony in support or opposition. There was none. The public hearing was closed.

Motion was made by Doane, seconded by Schmidt, to adopt Resolution 06-21, a resolution adopting the budget and making appropriations for the Tualatin Valley Water District for the 2021-23 biennium. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.
Mr. Matthews noted that the District’s financial performance update presentation is attached and that the District has experienced a stabilization and improvement of revenues in the past few months.

B. Acting as the Local Contract Review Board, consider adopting Resolution 07-21, a resolution declaring an exemption from competitive bidding for the Taylors Ferry Reservoir Replacements and Pump Station project and authorize proceeding with a Construction Manager/General Contractor (CM/GC) contract. **Staff Report – Andrew Barrett**

Mr. Barrett provided the background and overview of the project, described the site plan and the need to keep one reservoir operational at all times, discussed the need for alternative delivery and evaluation methods staff used as well as the legal authority to pursue alternative delivery (see attached presentation). He noted that an additional firm, bringing the total to 11, has expressed interest in the project.

Commissioner Bagnall opened the public hearing and asked for testimony in support or opposition. There was none. The public hearing was closed.

Motion was made by Duggan, seconded by Sanders, to, acting as the Local Contract Review Board, adopt Resolution 07-21, a resolution declaring an exemption from competitive bidding for the Taylors Ferry Reservoir Replacements and Pump Station project and authorize proceeding with a Construction Manager/General Contractor (CM/GC) contract. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

**PUBLIC COMMENT**

There was none.

**2. CONSENT AGENDA**

A. Approve the May 19, 2021 regular meeting minutes.

B. Approve the May 25, 2021 Budget Committee meeting minutes.

C. Approve the June 1, 2021 work session minutes

D. Authorize the Board President to sign the certification of election results for the May 18, 2021 Regular District Election.

E. Approve the appointments of Board officers and internal and external committee assignments for the 2021-22 fiscal year as found in the proposed Board Appointments and Assignments document.
Motion was made by Doane, seconded by Schmidt, to approve the Consent Agenda as presented. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

3. BUSINESS AGENDA

   A. None.

ADJOURNMENT

There being no further business, President Bagnall adjourned the meeting at 7:43 p.m.

_____________________________             _______________________________
Todd Sanders, President                  Jim Doane, Secretary
MEMO

Date: June 16, 2021
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 – For the month of May 2021, the Portland Water Bureau reported no Cryptosporidium oocyst detections in water samples collected from the Bull Run Headworks. Complete results of Portland’s Cryptosporidium monitoring are posted on the City’s website: https://www.portland.gov/water/water-quality/test-results#toc-cryptosporidium.

2. Commissioner Oaths of Office – Typically, Commissioners take an oath of office at the July Board meeting. Commissioners Bagnall, Duggan, and Schmidt were recently re-elected to serve on the TVWD Board and need to complete their oaths. There is no requirement that the oaths must be conducted during a public meeting. Since the Board has not yet resumed in-person public meetings, do Commissioners prefer to schedule appointments with the District Recorder to fulfill their oaths?

3. CEO Schedule – I will be taking some vacation time in the coming weeks. Paul Matthews will serve as Acting in Capacity for the Chief Executive Officer June 21-23, although I will be participating in a few morning meetings each of those days. Chief Engineer, Carrie Pak, will serve as Acting in Capacity July 2-16.

4. Safety Minute and Department Report – Dave Kraska, Willamette Water Supply Program Director, will present the safety minute and department report this evening.
Current WWSP Activities Overview

- **Progressing procurements**
  - PLM_4.1 – Bids opened, MEI low bidder, WCLUT contracting
  - WSI – Water testing units delivered to TVWD
  - Materials Testing Services – RFQ responses received June 15, evaluation and notifications by June 29
  - CMMS Integration RFI completed; RFP development underway
  - PLM_1.3 Special Procurement document development
- **Completed STAG LOI, Baseline 6.1 implementation planning, draft steel market analysis**
- **Addressing Owner-requested changes**
- **Advancing remaining designs**
- **Constructing projects**

<table>
<thead>
<tr>
<th>7 Pipelines</th>
<th>WTP_1.0</th>
<th>RES_1.0</th>
<th>DCS_1.0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pipelines</strong></td>
<td><strong>PLM_1.1, PLM_4.1, PLM_5.1, PLM_5.2, PLW_1.3, MPE/COB_1.1, MPE/COB_1.2</strong></td>
<td><strong>WTP_1.0</strong></td>
<td><strong>RES_1.0</strong></td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td><strong>WRF_1.0</strong></td>
<td><strong>PLM_1.3</strong></td>
<td><strong>WTP_1.0</strong></td>
</tr>
</tbody>
</table>

- **Coordinating projects delivery**

- **Progressing planning**

Excludes IGAs/MOUs, ROW, and Permits
Construction Update
Projects currently in construction

Current and Planned Major Activities:
• Completed pipe ram at Arrowhead Creek; removing spoils from casing.
• Continued concrete construction for new flow meter vault at Upper Site.
• Continued installation of 66-inch Raw Water line through park area.
• Core drilling openings in west wall of Raw Water Pump Station for WWSS pump discharge header piping.
• Continued backfill of access road used for ground improvement work.
• Removed tree protection sheet pile shoring.
Construction Photos – RWF_1.0

Placing concrete for flow meter vault walls

Construction Photos – RWF_1.0

66-inch Raw Water pipeline progress through park
Construction Photos – RWF_1.0

Core drilling wall penetrations for new WWSS Raw Water pump discharge header. CLSM cap transition zone in foreground.

Trenchless Crossing of Arrowhead Creek

- 84-inch Casing Section
- Pipe Ram Equipment
- Sending Shaft
- 270 LF
- Receiving Shaft
Construction Photos – RWF_1.0

Video of pipe ram breakout at receiving shaft
From social media: LinkedIn

JWF (Fowler) the General Contractor for the Arrowhead Creek crossing posted this from their LinkedIn account. The post recognizes the safe, successful achievement accomplished by the team and the risks averted by its successful completion.

PLW_1.3

Contractor: Tapani, Inc.
Designer: Kennedy/Jenks

Current and Planned Activities:
• 30-inch TVWD Turnout pipe along SW Rosedale Rd and SW 209th Ave is complete
• SW 209th road closure reopened on Saturday June 5th
• Started installation of Farmington meter vault
• 66-inch pipe installation from Rosedale Rd. to north
• Butternut Creek crossing – microtunneling 60% complete
Construction Photos – PLW_1.3

Friday Night Lights - Weekend closure for crossing SW 209th Ave. at Farmington Rd.

Construction Photos – PLW_1.3

Microtunneling operation – setting new casing section
MPE_1.1

Partner: City of Beaverton  
Contractor: Moore Excavation Inc.  
Designer: Brown & Caldwell

Current and Planned Activities:
• Pre-construction meeting held 5/13/2021
• Erosion control, initial clearing and grubbing underway
• Franchise utility relocation and coordination
• Utility potholing

MPE_1.1 Notable Topics

• Partner Coordination
  – Shared field trailer with City of Beaverton to be set up by July
• Potential Claims
  – None
• Delivery Challenges
  – Steel Pipe and Butterfly Valve Fabrication Schedule
MPE_1.2

Contractor: Emery & Sons
Designer: Brown & Caldwell

Current and Planned Activities:
• Pre-construction Meeting held 5/26/2021
• Submittals and RFIs
• Utility coordination

MPE_1.2 Notable Topics

• External Coordination
  – Meeting held with PGE to begin coordination of work around overhead lines

• Potential Claims
  – None

• Delivery Challenges
  – Staging area procurement by WWSP
QUESTIONS

2021-23 Biennial Budget Adoption

Board Regular Meeting
June 16, 2021
**Oregon Local Budget Law**

- Oregon Revised Statutes 294
- Standardizes Procedures
- Provides Opportunities for Public Input
- Budget Committee members should not deliberate outside of the formal meeting(s)
- Compliance is Mandatory

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**Oregon Local Budget Process**

- **Requested Budget**
  - Management develops department-level requests

- **Proposed Budget**
  - Budget officer prepares Proposed Budget for Budget Committee Action

- **Approved Budget**
  - Budget Committee approves budget in for consideration for adoption

- **Adopted Budget**
  - Board of Commissioners adopts budget and sets appropriations
Recap of Budget & Financial Planning Process

- Jan. 20: District Initiatives and Financial Plan
- March 17: Approve Financial Strategies
- March 23: Dept. Overviews
- April 8: Engineering /Ops, Customer Service, and Water Supply Program
- April 22: Admin, Finance and Non-dept., and Info Tech. Joint Venture Funds
- May 19: Approve Financial Plan
- May 25: Budget Comm. Meeting/ Public Hearing
- June 16: Budget Adoption

Budget Committee
Board of Commissioners

We are here

TVWD is in Transition

Suburban Water Provider Phase
- Serve customers water purchased under wholesale contracts
- Manage a complex transmission and distribution system
- Prepare for the WWSP Construction Phase

WWSP Construction Phase
- Serve customers water purchased under wholesale contracts
- Manage a complex transmission and distribution system
- Manage the construction of a $1.3 billion program
- Prepare for the Regional Operations Phase

Regional Operations Phase
- Serve customers water produced by WWSS/WIF
- Manage a complex transmission and distribution system
- Manage the newly created WIF and WWSS
**District's Unfamiliar Financial Situation**

<table>
<thead>
<tr>
<th>Unfavorable Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water sales are down</td>
</tr>
<tr>
<td>Revenues are down</td>
</tr>
<tr>
<td>SDCs are down</td>
</tr>
<tr>
<td>Collection problems are increasing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Favorable Developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses are lower</td>
</tr>
<tr>
<td>Partnerships are improving</td>
</tr>
<tr>
<td>Staff morale continues to be strong</td>
</tr>
</tbody>
</table>

**State of the District**

<table>
<thead>
<tr>
<th>Successes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Implemented new governance for WWSS</td>
</tr>
<tr>
<td>• WIFIA loan re-execution</td>
</tr>
<tr>
<td>• Operating under a pandemic</td>
</tr>
<tr>
<td>• Progress on DEI Initiative</td>
</tr>
<tr>
<td>• Development of the Leadership Team</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pandemic</td>
</tr>
<tr>
<td>• Revenue shortfalls</td>
</tr>
<tr>
<td>• Partnerships</td>
</tr>
<tr>
<td>• Implementing CIS</td>
</tr>
<tr>
<td>• Project risk and uncertainties</td>
</tr>
</tbody>
</table>
## Strategic Goals: Desired Results

### Tualatin Valley Water District Desired Results

1. The Water Supply Meets Community Needs and Expectations
2. The Community Is Confident in Our Water, Service and Employees
3. We Are Good Stewards of Our Financial Resources
4. We Are Good Stewards of Natural Resources
5. We Are Good Stewards of Our Own Assets and Resources (People & Physical Assets)

### 2019-21 Strategic Initiatives and Desired Results

<table>
<thead>
<tr>
<th>#</th>
<th>District Initiatives</th>
<th>Desired Results</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Water Needs &amp; Expectations</td>
</tr>
<tr>
<td>1</td>
<td>Program for Management and Operation of the WWSS</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>Debt Program</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Strategic Communications Program</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>Develop and Implement CIS</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>District Resiliency Program</td>
<td>✓</td>
</tr>
<tr>
<td>6</td>
<td>Human Capital Strategy</td>
<td>✓</td>
</tr>
</tbody>
</table>
## Progress on 2019-21 Strategic Initiatives

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Dept. or Division</th>
<th>Target Date</th>
<th>Status</th>
<th>Status</th>
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<tbody>
<tr>
<td>1</td>
<td>Program for Management and Operation of the Willamette Water Supply System</td>
<td>Admin</td>
<td>June 2026</td>
<td>G</td>
<td>✔</td>
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<tr>
<td>2</td>
<td>Debt Program</td>
<td>Finance</td>
<td>June 2021</td>
<td>C</td>
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<tr>
<td>3</td>
<td>Strategic Communications Program</td>
<td>Communications &amp; Public Affairs</td>
<td>December 2021</td>
<td>Y</td>
<td>✔</td>
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<tr>
<td>4</td>
<td>Develop and Implement CIS</td>
<td>Customer Service</td>
<td>February 2022</td>
<td>Y</td>
<td>✔</td>
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<tr>
<td>5</td>
<td>District Resiliency Program</td>
<td>Risk</td>
<td>June 2021</td>
<td>C</td>
<td>✔</td>
</tr>
<tr>
<td>6</td>
<td>Human Capital Strategy</td>
<td>HR</td>
<td>June 2021</td>
<td>C</td>
<td>✔</td>
</tr>
</tbody>
</table>

**KEY:**
- Completed (C)
- On Schedule (G)
- Some issues slowing this down (Y)
- Significantly off schedule (R)

### Developing 2021-23 Strategic Initiatives

1. **Prepare Bottom-Up SWOT Analyses**
2. **Leadership Team Review Bottom-Up SWOT Analyses**
3. **Leadership Team Creates Top-Down SWOT Analysis**
4. **Major Themes Identified**
5. **Proposed Specific Initiatives**
6. **Proposed Initiatives Evaluated with Alignment to Desired Results**
7. **Initiatives Presented to Board of Commissioners**
Major Themes from SWOT Analysis

### Human Investment
- Prepare employees to be successful in meeting the future requirements of the District.

### Intergovernmental Relations
- Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource.

### Business Intelligence
- Improve planning and the District’s ability to respond by developing actionable information from disparate sources of data.

### Efficiency Through Modernization
- Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so.

### Current Initiatives
- Successfully execute and complete the initiatives currently underway.

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Strategic Initiatives and Desired Results

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Desired Results</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Water Needs &amp; Expectations</td>
</tr>
<tr>
<td>Mission, Vision, and Values</td>
<td>✓</td>
</tr>
<tr>
<td>Conduct Classification / Compensation Study</td>
<td>✓</td>
</tr>
<tr>
<td>Government Affairs</td>
<td>✓</td>
</tr>
<tr>
<td>Business Decision Data</td>
<td>✓</td>
</tr>
<tr>
<td>Modernization</td>
<td>✓</td>
</tr>
<tr>
<td>Existing Initiatives</td>
<td>✓</td>
</tr>
</tbody>
</table>
Mission, Vision, and Values

Objectives
- Develop District-wide buy-in into our mission, vision, and values
- Integrate TVWD’s mission, vision, and values into TVWD’s culture
- Update TVWD’s strategic planning process

Key Elements
- Refine/update the District’s mission, vision, and values
- Integrate team-oriented training into District’s culture
- Implement DEI Initiative

Conduct Class/Compensation Study

Objective
- Prepare TVWD’s workforce for the transition to the WWSS/WIF managing agency/operator
- Modernize TVWD’s compensation structure to better align with current market conditions

Key Elements
- Assess TVWD’s compensation structure against current needs
- Identify job classification and compensation challenges in the modern labor market
- Prepare an implementation and change management plan
Governmental Affairs

Objectives
- Improve relationships with other local governments
- Develop better information on how TVWD’s efforts affect its partners and customers
- More fully integrate the communications functions

Key Elements
- Develop/implement government affairs strategy
- Reorganize communications
- Implement new survey protocols

Business Decision Data

Objectives
- Improve management decision making
- Reduce apparent data inconsistencies
- Embrace technology to reduce costs of doing business

Key Elements
- Develop common data warehouse
- Implement management dashboards
- Develop data-informed processes
Modernization

Objectives
- Reduce costs of maintaining or improving service levels for customers
- Align TVWD’s efforts with those activities providing greatest return to customers
- Manage risks

Key Elements
- Develop AMI strategy
- Develop/implement project management center
- Mature asset management strategy

Complete Existing Initiatives

Objectives
- Successfully complete important initiatives that carry over from prior efforts

Key Elements
- Implement WWSS and WIF
- Develop plan for wind-down of the PMO
- Implement CIS
- Invest in critical infrastructure
- Complete TVWD branding strategy
- Decommission on-premises SharePoint
New Requested Staff Positions

- SCADA staff member
- Water Works Operator

Proposed 2021-23 Budget by Fund

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Key Infrastructure Investments

Six-Year Capital Improvement Plan
Projects by Category (In-District only)

- Source (TVWD)
- Storage
- Pump Stations
- Pipeline
- Facilities
- Fleet Replacements
- Information Tech.
- Meters & Services

Note: Legend aligns with column areas - top to bottom.

Key Infrastructure Investments

Six-Year Capital Improvement Plan
Joint Venture Project Costs (District shares only)

- WIF
- WWSS
- JWC

Note: Legend aligns with column areas - top to bottom.
Key Infrastructure Investments

Total Six-Year Capital Improvement Plan Costs
(including District shares of Joint Ventures)

- Six-Year Total: $718 million

TVWD’s Fund Structure

<table>
<thead>
<tr>
<th>Six Funds Directly Support the Water Utility</th>
<th>Three Funds Manage Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund (01)</td>
<td>Willamette Water Supply System Fund - WWSS (45)</td>
</tr>
<tr>
<td>Capital Improvement Fund (11)</td>
<td>An ORS chapter 190 Joint Venture with the cities of Beaverton, Hillsboro, and TVWD. TVWD serves as the managing agency providing administration, operations, project management and accounting services.</td>
</tr>
<tr>
<td>Capital Reserve Fund (18)</td>
<td>Willamette Intake Facilities Fund - WIF (44)</td>
</tr>
<tr>
<td>Debt Proceeds Fund (22)</td>
<td>An ORS chapter 190 Joint Venture with the cities of Beaverton, Hillsboro, Sherwood, Tigard, Wilsonville, and TVWD. TVWD serves as the managing agency providing general administration, project management, and accounting services.</td>
</tr>
<tr>
<td>Revenue Bond Debt Service Fund (31)</td>
<td>Willamette River Water Coalition Fund - WRWC (41)</td>
</tr>
<tr>
<td>Customer Emergency Assistance Fund (43)</td>
<td>An ORS chapter 190 Joint Venture with the cities of Sherwood, Tigard, Tualatin, and TVWD. TVWD serves as the managing agency providing general administration and accounting services.</td>
</tr>
</tbody>
</table>
## Proposed 2021-23 Appropriations

![Chart showing proposed appropriations]

## General Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
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</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$43,536,650</td>
<td>$42,330,036</td>
<td>$(1,206,614)</td>
<td>-2.8%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>42,131,196</td>
<td>47,640,836</td>
<td>5,509,640</td>
<td>13.1%</td>
<td>6.3%</td>
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<tr>
<td>Capital Outlay</td>
<td>212,200</td>
<td>705,950</td>
<td>493,750</td>
<td>232.7%</td>
<td>82.4%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>21,446,000</td>
<td>1,625,000</td>
<td>$(19,821,000)</td>
<td>-92.4%</td>
<td>-72.5%</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>78,491,222</td>
<td>83,500,000</td>
<td>5,008,778</td>
<td>6.4%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Contingency</td>
<td>14,370,642</td>
<td>20,000,000</td>
<td>5,629,358</td>
<td>39.2%</td>
<td>18.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$200,187,910</td>
<td>$195,801,822</td>
<td>$(4,386,088)</td>
<td>-2.2%</td>
<td>-1.1%</td>
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</tbody>
</table>
General Fund

Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Water Sales</th>
<th>Right of Way Fees</th>
<th>Admin Fees</th>
<th>Other Resources</th>
<th>Interest Earnings</th>
<th>Contract Reimbursements</th>
<th>Overhead to Other Funds</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$37,376,583</td>
<td>$158,826,968</td>
<td>$1,625,000</td>
<td>$751,303</td>
<td>$1,088,435</td>
<td>$438,200</td>
<td>$2,436,000</td>
<td>$10,722,620</td>
<td>$213,265,109</td>
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<tr>
<td>Total Resources</td>
<td>$213,265,109</td>
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<td></td>
<td></td>
<td></td>
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Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Personnel Services</th>
<th>Materials &amp; Services</th>
<th>Capital Outlay</th>
<th>Special Payments</th>
<th>Interfund Transfers</th>
<th>Contingency</th>
<th>Total</th>
<th>Unappropriated</th>
<th>Total Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$42,330,036</td>
<td>$47,640,836</td>
<td>$705,950</td>
<td>$1,625,000</td>
<td>$83,500,000</td>
<td>$20,000,000</td>
<td>$195,801,822</td>
<td>$17,463,287</td>
<td>$213,265,109</td>
</tr>
</tbody>
</table>

Key Elements

- All personnel services budgeted in General Fund
- Purchased Water/Power is 51.5% of materials & services
- Available resources transferred to Capital Reserve Fund for capital projects and future use
- Special Payments appropriation for right-of-way fee pass-through

Capital Improvement Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>179,522,721</td>
<td>379,582,670</td>
<td>200,059,949</td>
<td>111.4%</td>
<td>45.4%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>$179,522,721</td>
<td>$379,582,670</td>
<td>$200,059,949</td>
<td>111.4%</td>
<td>45.4%</td>
</tr>
</tbody>
</table>
Capital Improvement Fund

**Resources**
- TVWD $376,262,670
- Other Partners $3,320,000

**Total Resources** $379,582,670

**Requirements**
- Materials & Services $0
- Capital Outlay $379,582,670
- Contingency $0

**Total Requirements** $379,582,670

---

**Key Elements**
- Capacity improvements
- Replacement
  - Condition assessment
  - Age
  - Resiliency
- Relocation – Agency Driven
- Metzger Pipeline East (MPE) budgeted here

---

**Joint Ventures**
- Includes appropriations for District’s share of WWSS, WIF and Joint Water Commission capital projects

---

Capital Reserve Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>NA</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>179,522,721</td>
<td>376,262,670</td>
<td>196,739,949</td>
<td>109.6%</td>
<td>44.8%</td>
</tr>
<tr>
<td>Contingency Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td><strong>$179,522,721</strong></td>
<td><strong>$376,262,670</strong></td>
<td><strong>$196,739,949</strong></td>
<td><strong>109.6%</strong></td>
<td><strong>44.8%</strong></td>
</tr>
</tbody>
</table>
Capital Reserve Fund

Resources
- Beginning Balance: $56,508,462
- Interest Income: $431,000
- Contributions: $10,725,083
- Interfund Transfer: $309,500,000

Total Resources: $377,164,545

Requirements
- Interfund Transfer: $376,262,670
- Unappropriated: $901,875

Total Requirements: $377,164,545

Key Elements
- Accounts for financial reserves
- Transfers to the District Capital Improvement Fund
- Resources include SDC revenues, meter & services install fees, interest earnings, transfers-in from other funds

Debt Proceeds Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>25,000,000</td>
<td>226,500,000</td>
<td>201,500,000</td>
<td>806.0%</td>
<td>201.0%</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>$25,000,000</td>
<td>$226,500,000</td>
<td>$201,500,000</td>
<td>806.0%</td>
<td>201.0%</td>
</tr>
</tbody>
</table>
Debt Proceeds Fund

Key Elements

- Accounts for proceeds of borrowing
- Anticipated WIFIA draws during biennium
- Interfund transfers to the Capital Reserve Fund

Debt Proceeds Fund

<table>
<thead>
<tr>
<th>Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$  0</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>226,500,000</td>
</tr>
<tr>
<td>Total Resources</td>
<td>$ 226,500,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$  0</td>
</tr>
<tr>
<td>Interfund Transfer</td>
<td>226,500,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>0</td>
</tr>
<tr>
<td>Total Requirements</td>
<td>$ 226,500,000</td>
</tr>
</tbody>
</table>

Customer Emergency Assistance Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>41,400</td>
<td>531,035</td>
<td>489,635</td>
<td>1182.7%</td>
<td>258.1%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Total</td>
<td>$ 41,400</td>
<td>$ 531,035</td>
<td>$ 489,635</td>
<td>1182.7%</td>
<td>258.1%</td>
</tr>
</tbody>
</table>
Customer Emergency Assistance Fund

Key Elements

- Provides emergency relief to qualified customers through the Customer Emergency Assistance Program
- Qualification provided by third party
- Sources of Funds:
  - Customer donations
  - Commissioners and staff
  - Budgeted funds
  - Interest earnings remain within Fund
  - Request $250,000 per year to assist customers with emergency needs
- Working closely with Clean Water Services to match efforts

Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning Balance</th>
<th>Donations &amp; Interest</th>
<th>Transfers In</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 5,000</td>
<td>26,035</td>
<td>500,000</td>
<td>$ 531,035</td>
</tr>
</tbody>
</table>

Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Materials &amp; Services</th>
<th>Capital Outlay</th>
<th>Total Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 531,035</td>
<td>0</td>
<td>$ 531,035</td>
</tr>
</tbody>
</table>

Willamette Water Supply System Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>1,714,154</td>
<td>2,343,405</td>
<td>629,251</td>
<td>36.7%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>217,296,865</td>
<td>452,289,650</td>
<td>234,992,785</td>
<td>108.1%</td>
<td>44.3%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>173,000</td>
<td>235,000</td>
<td>62,000</td>
<td>35.8%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 219,184,019</td>
<td>$ 454,868,055</td>
<td>$ 235,684,036</td>
<td>107.5%</td>
<td>44.1%</td>
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</table>
Willamette Water Supply System Commission

Key Elements

- Joint venture of TVWD, and the cities of Beaverton and Hillsboro
- TVWD serves as managing agency
- TVWD’s share of operating expenses are budgeted in Administration Regional Partnerships
- The budget is set annually by the WWSS Commission Board
- Constructs and operates the Willamette Water Supply System

Resources

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$243,272,395</td>
</tr>
<tr>
<td>Other Partners</td>
<td>$211,595,660</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$454,868,055</strong></td>
</tr>
</tbody>
</table>

Requirements

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$2,343,405</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$452,289,650</td>
</tr>
<tr>
<td>Contingency</td>
<td>$235,000</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$454,868,055</strong></td>
</tr>
</tbody>
</table>

Willamette Intake Facilities Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>420,590</td>
<td>1,056,920</td>
<td>636,330</td>
<td>151.3%</td>
<td>58.5%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>8,113,208</td>
<td>6,533,736</td>
<td>(1,579,472)</td>
<td>-19.5%</td>
<td>-10.3%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>36,000</td>
<td>107,000</td>
<td>71,000</td>
<td>197.2%</td>
<td>72.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,569,798</strong></td>
<td><strong>$7,697,656</strong></td>
<td><strong>(872,142)</strong></td>
<td><strong>-10.2%</strong></td>
<td><strong>-5.2%</strong></td>
</tr>
</tbody>
</table>
Willamette Intake Facilities Commission

Key Elements

- Joint venture of TVWD, and cities of Beaverton, Hillsboro, Sherwood, Tigard, and Wilsonville
- TVWD serves as managing agency
- TVWD's share of operating expenses are budgeted in Administration Regional Partnerships
- The budget is set annually by the WIF Commission Board
- Constructs and operates the Willamette Intake Facilities on the Willamette River

<table>
<thead>
<tr>
<th>Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$ 3,523,945</td>
</tr>
<tr>
<td>Other Partners</td>
<td>$ 4,173,711</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$ 7,697,656</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$ 1,056,920</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>$ 6,533,736</td>
</tr>
<tr>
<td>Contingency</td>
<td>$ 107,000</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$ 7,697,656</strong></td>
</tr>
</tbody>
</table>

Willamette River Water Coalition Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>$ 167,000</td>
<td>$ 114,300</td>
<td>(52,700)</td>
<td>-31.6%</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>11,650</td>
<td>11,650</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 167,000</strong></td>
<td><strong>$ 125,950</strong></td>
<td><strong>(41,050)</strong></td>
<td><strong>-24.6%</strong></td>
<td><strong>-13.2%</strong></td>
</tr>
</tbody>
</table>
Willamette River Water Coalition

Key Elements

- Joint venture of TVWD, and cities of Sherwood, Tigard, and Tualatin
- TVWD serves as the managing agency
- TVWD’s dues are budgeted in Regional Partnerships
- The WRWC budget is set annually by its governing board
- Primarily focused on water rights on the Willamette River

Resources

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget</th>
<th>2021-23 Biennial Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$58,000</td>
<td></td>
</tr>
<tr>
<td>Other Partners</td>
<td></td>
<td>$67,950</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$125,950</td>
<td></td>
</tr>
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</table>

Requirements

<table>
<thead>
<tr>
<th></th>
<th>Revised Budget</th>
<th>2021-23 Biennial Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$114,300</td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
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<tr>
<td>Contingency</td>
<td>11,650</td>
<td></td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>$125,950</td>
<td></td>
</tr>
</tbody>
</table>

Appropriations Summary - Proposed 2021-23 Budget

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>2019-21 Biennial Revised Budget</th>
<th>2021-23 Biennial Proposed Budget</th>
<th>% Change from Revised 2019-21 Biennial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$170,406,943</td>
<td>$180,495,611</td>
<td>5.9%</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>$240,480,095</td>
<td>$472,586,886</td>
<td>96.5%</td>
</tr>
<tr>
<td>Total Revenues:</td>
<td>$410,887,038</td>
<td>$653,082,497</td>
<td>58.9%</td>
</tr>
<tr>
<td>Transfers In From Other Funds</td>
<td>$283,013,943</td>
<td>$686,262,670</td>
<td>142.5%</td>
</tr>
<tr>
<td>Debt Resources</td>
<td>$25,000,000</td>
<td>$226,500,000</td>
<td></td>
</tr>
<tr>
<td>Beginning Fund Balances</td>
<td>$132,950,815</td>
<td>$93,893,898</td>
<td>-29.4%</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>$851,851,796</td>
<td>$1,659,739,065</td>
<td>94.8%</td>
</tr>
</tbody>
</table>

| Uses of Funds                             |                                |                                  |
|-------------------------------------------|                                |                                  |
| Personnel Services                        | $43,536,651                    | $42,330,036                      | -2.8%                                  |
| Materials and Services                    | $44,391,964                    | $51,686,496                      | 16.4%                                  |
| Capital Outlay                            | $404,589,611                   | $839,112,006                     | 107.4%                                 |
| Special Payments                          | $21,446,000                    | $1,625,000                       | -92.4%                                 |
| Contingency                               | $15,209,000                    | $20,353,650                      | 33.8%                                  |
| Transfers Out To Other Funds              | $283,013,943                   | $686,262,670                     | 142.5%                                 |
| **Total Appropriations:**                 | $812,187,169                   | $1,641,369,858                   | 102.1%                                 |
| Ending Fund Balances                      | $39,664,627                    | $18,369,207                      | -53.7%                                 |
| **Total Uses**                            | $851,851,796                   | $1,659,739,065                   | 94.8%                                  |
Summary

2021-23 Presents New Challenges
- Unfamiliar financial position
- Continued large infrastructure investments

Proposed 2021-23 Budget
- Funds initiatives based on strategic plan
- Maintains current service levels with limited additions for strategic initiatives
- Recognizes impact of pandemic on customers by funding bad debt expense and Customer Emergency Assistance Program
- Funds District’s infrastructure investments
- Funds District transition to managing agency for the WWSS and WIF

Questions and Answers
Management Recommendation

Adopt Resolution 06-21

- Adopting the 2021-23 Biennial Budget
- Making appropriations for 2021-23 biennium

Update on Financial Performance

Paul L. Matthews
Chief Financial Officer

June 16, 2021
Overview of Tonight’s Presentation

Updates on:

• Update on unemployment rates
• TVWD’s Financial Performance
  ▪ Revenue
  ▪ Collections
  ▪ Expenses

Mixed Improvements in Labor Market

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Monitoring TVWD’s Financial Performance

Revenue
• Impact on future water sales

Collections
• Capacity for customers to pay their water bills

Expenses
• Effect on budget to respond to COVID-19

Water Deliveries Now Exceed 5-Year Average

[Graph showing water deliveries by month from January 2019 to May 2021, with a dotted line indicating the 5-year rolling average.]
**Customer Demands Remain Relatively Soft**

Comparison of Gallons Per Capita Per Day

---

**Good News: Favorable Variance in Water Sales**

---
Sizable Favorable Variance in System Development Charge

Revenue Trends by Customer Class

Revenue

• Diminishing volatility
• Biennium performance remains uncertain
• Latest forecast suggests unfavorable variance of $8.0 to $9.5 million for biennium

Challenges

• COVID-19’s impact on the economy
• Uneven variance in revenue by customer classes
• Bimonthly billing cycles
• Unbalanced billing cycles by month
Metric to Assess Trends

Approach

• Volume-based revenue per dollar of fixed charges
• Reduces the impact of seasonal variability in revenue
• Addresses the challenges of unbalanced billing cycles
• Provides meaningful trend data over time

Long-Term Trend By Customer Class
Volume Revenue per Dollar of Fixed Revenue

- Single Family
- Multifamily
- Commercial
- Production
- Irrigation
Commercial Volume Revenue per Dollar of Fixed Charges

$ Vol / $ Fixed

$16
$15
$14
$13
$12
$11
$10

May 2017 May 2018 May 2019 May 2020 May 2021

Commercial Linear (Commercial)

Commercial Volume Revenue per Dollar of Fixed Charges

$ Vol / $ Fixed

May 2020 August 2020 November 2020 February 2021 May 2021

Commercial Linear (Commercial)
Irrigation Volume Revenue per Dollar of Fixed Charges

$\text{Vol} / \$\text{Fixed}

May 2017 May 2018 May 2019 May 2020 May 2021

$18 $19 $20 $21 $22 $23 $24 $25 $26 $27 $28 $29 $30

Irrigation  Linear (Irrigation)
What We’ve Learned This Month

Revenue for May

- Outdoor water use may be increasing
- Commercial class remains down, but appears to be recovering
- Single-family residential sales seem to have stabilized at lower levels
- Multifamily residential sees slight improvement
- Production class remains strong

Monitoring TVWD’s Financial Performance

Revenue

- Impact on future water sales

Collections

- Capacity for customers to pay their water bills

Expenses

- Effect on budget to respond to COVID-19
Average Age of Accounts Receivable See Slight Decrease

Average Age of Accounts Receivable

AR aging decreased 4.3 days from 44.9 in April 2021 to 40.6 for May 2021. The gap in age of AR compared to the same month in the prior year decreased from 18.1 days in April to 12.7 days in May. This is the first decrease in that gap since last August.
Days Sales Outstanding

- Measures average number of days to collect on sales

\[ \text{Days Sales Outstanding} = \frac{\text{Account Receivable}}{\text{Total Sales}} \times 365 \]

- Increases in Days Sales Outstanding could indicate collections challenges
- Proposed basis is years of sales to account for seasonality of water sales
Locations of Struggling Customers

Heat map

- Based on District’s GIS
- Shows density of dollar balances of bills by location
- Areas of most concern are bluer in color

Monitoring TVWD’s Financial Performance

Revenue
- Impact on future water sales

Collections
- Capacity for customers to pay their water bills

Expenses
- Effect on budget to respond to COVID-19
Reminder on Bad Debt Expense

Recent Adjustments

- Allowance for doubtful accounts increased from 0.11% of sales to 0.85% of sales (historical rate has been about 0.20%)
- One-time bad debt expense of about $250 thousand to bring allowance to about $500 thousand

Future Adjustments

- Staff will continue to monitor collections and allowance for doubtful accounts

Cumulative Operating Expenditures

Note: These graphs are based on unaudited estimates.
Closing Thoughts

Final Thoughts

• Revenue seems to have stabilized at lower levels
• Likely to close the biennium with $8.0 to $9.5 million in unfavorable variance
• Taking actions to manage allowance for doubtful accounts

Questions and Comments

Update on Financial Performance

Paul L. Matthews
Chief Financial Officer
Taylors Ferry Reservoir Replacements and Pump Station Exemption for Alternative Delivery

June 16, 2021

Andrew Barrett, P.E.
Senior Engineer / Project Manager

Outline

• Taylors Ferry Reservoir Replacements and Pump Station Project Background
• Existing Condition
• Project Site Plan
• Alternative Project Delivery Evaluation
• Alternative Project Delivery Evaluation Results
• Board Action
Project Background

- Existing reservoirs not seismically resilient
- Lead-jointed cast iron piping not seismically resilient
- Only water storage reservoirs in the 498 pressure zone
- Zone serves 3,130 residents including large commercial areas
Project Background

A quick glance at existing condition and site:

Reservoir Interior Ceiling – Very Poor Condition, Severe Corrosion
**Project Site Plan**

**Legend:**
- Piping to be abandoned
- New piping, typical
- New storm sewer piping
- Existing piping

**Status:**
- Conceptual Design: Completed
- Land Use: Completed
- Completion good for 4 years; new requirements would impact layout

---

**Why Use Alternative Delivery?**

- Complex projects benefit from Alternative Delivery
  - Contractor buy-in
  - Appropriate risk allocation
  - Cost savings
  - Teamed approach to the project delivery
  - Understanding of project goals and objectives over plain scope execution
  - Ability to meet project timeline
Alternative Project Delivery Evaluation

- CM/GC preferred delivery method for this project
  - Complex project (Construction sequence, pumping, contractor buy-in, site to remain open to Operations)
  - Long lead items can be ordered early – such as pumps and backup power systems, scheduling of key subcontractors
  - Possibility of multiple phases of the work
  - Planning for project staging on relatively small site

Alternative Project Delivery Evaluation

- CM/GC
  - Hired based on combination of price and qualifications
  - Separate selections for designer and contractor
  - Price negotiations
  - Risk
    - Less unknowns
    - Less risk at GMP
Oregon Legal Authority

- ORS 279C.335 – competitive bidding exemptions
  - As required by 335.2, the District developed the findings that
    - The exemption is unlikely to encourage favoritism in awarding public improvement contracts or substantially diminish competition for public improvement contract
    - Awarding a public improvement contract under the exemption will likely result in substantial cost savings and other substantial benefits to the contracting agency
  - The findings addressed required items under 335.2.b
  - A public hearing is being held before the Board’s approval on June 16, 2021, as required by 335.5.a
  - Notification of the public hearing was published on May 26, 2021, a minimum of 14 days before the hearing, as required by 335.5.b

Firms and Services for CM/GC

- Encouraging competition for the project delivered by CM/GC
  - A solicitation of interest letter was sent to potential respondents
  - Request for Letters of Interest (RLOI) was published in Daily Journal of Commerce on May 12, 2021
  - 10 firms responded and expressed interest in the project
- The District is in the process of retaining a consultant to provide Engineering consulting and to act as the Owner’s Representative for CM/GC delivery of the project
- The District to use in-house counsel for legal assistance
Requested Local Contract Review Board Action

Acting as the Local Contract Review Board, consider adopting Resolution 07-21 declaring an exemption from competitive bidding for the Taylors Ferry Reservoir Replacements and Pump Station Project and approving a CM/GC delivery method.

*July 2024*
**Report of Meetings Attended**

**Commissioner Bernice Bagnall**

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<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
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<td>5/25/2021</td>
<td>Budget Committee meeting</td>
<td>Approve budget</td>
<td>0.00</td>
<td>□ Yes   X No</td>
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<tr>
<td>6/1/2021</td>
<td>Board Work session</td>
<td>Board Appts, WWSS, Water rate schedule</td>
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<td>6/8/2021</td>
<td>CEO and Board VP</td>
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<td>Board meeting</td>
<td>District Business</td>
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□ Yes □ No
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□ Yes □ No
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□ Yes □ No
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□ Yes □ No

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.
Debbie Carper

From: Todd Sanders
Sent: Wednesday, June 16, 2021 4:10 PM
To: Debbie Carper
Subject: Re: Commissioner Bagnall meetings attended form

I approve the May 2021 Meetings Attended Form for Commissioner Bagnall.

Todd Sanders

From: Debbie Carper <Debbie.Carper@tvwd.org>
Sent: Wednesday, June 16, 2021 12:55 PM
To: Todd Sanders <Todd.Sanders@tvwd.org>
Subject: Commissioner Bagnall meetings attended form

Hi Commissioner Sanders,

Could I please get your emailed approved for the attached form for Commissioner Bagnall?

Debbie Carper, MMC
District Recorder
1850 SW 170th Avenue, Beaverton, OR 97003
direct 503-848-3014
debbie.carper@tvwd.org
www.tvwd.org

Tualatin Valley Water District
Delivering the Best Water • Service • Value
Report of Meetings Attended

**Commissioner Jim Doane**

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Report of Meetings Attended

**Commissioner Jim Duggan**

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| Total Amount | $300 OK to pay DCarper |

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# Report of Meetings Attended

### Commissioner Todd Sanders

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Report of Meetings Attended

Commissioner Dick Schmidt

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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.
I approve these meetings attended for the 4 commissioners.

Bernice Bagnall

Hi Commissioner Bagnall,

Could you please send me your email approval of the attached meetings attended forms?

Thank you!

Debbie Carper, MMC  
District Recorder  
1850 SW 170th Avenue, Beaverton, OR 97003  
direct 503-848-3014  
debbie.carper@tvwd.org  
www.tvwd.org  

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