2021-23 Biennial Budget Committee Meeting

Workshop #1: March 23, 2021
Workshop #2: April 8, 2021
Workshop #3: April 22, 2021

Budget Committee Meeting and Public Hearing: May 25, 2021
Budget Committee Chair

Election

• Nominations
  ▪ Open
  ▪ Close
• Election of chair
• Transfer of virtual gavel
Approval of Budget Committee Workshop Minutes

Motion and Second to Approve

- March 23, 2021: Budget Committee Workshop
- April 8, 2021: Budget Committee Workshop
- April 22, 2021: Budget Committee Workshop
Presentation by Management

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Budget Committee Meeting Agenda

Management Presentations

• Questions from Workshops
• Chief Executive Officer’s Comments
• Proposed 2021-23 Budget and Budget Message Highlights
• Discussion of Deferred Projects from the WWSS
• Proposed 2021-23 Budget by Fund

Budget Committee

• Budget Committee Questions
• Public Hearing
• Discussions and Action on the Proposed 2021-23 Budget
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
Budget Committee Procedures

Things to Consider

• All members of the committee have equal authority
• The committee must have a majority of members present for a meeting
• Committee actions must have approval of a majority of its members (minimum 6 affirmative votes)
Questions from Workshops
Question from Workshops

**Leak Adjustments**
- How much is the current budget for leak adjustments

**Customer Base**
- Who are the biggest consumers
- Where is the water consumed

**Shutoffs**
- What are the shutoff statistics by customer class
Leak Adjustments

Budgeted Amounts

- 2019-21 Biennium: $731,270
- 2021-23 Biennium: $787,140

Methodology

- Based on recent history
- Change in rates and customers affect the budget request
Customer-Related Questions

Customer Base

- Who are the biggest consumers
- Both residential and commercial

Shutoffs

- Residential and commercial

<table>
<thead>
<tr>
<th>CUSTOMER</th>
<th>Fiscal Year 2019-20</th>
<th>Fiscal Year 2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Consumption (CCF)</td>
<td>Percent</td>
</tr>
<tr>
<td>Intel</td>
<td>353,607</td>
<td>3.89%</td>
</tr>
<tr>
<td>Maxim Integrated Products</td>
<td>325,900</td>
<td>3.58%</td>
</tr>
<tr>
<td>Nike</td>
<td>176,463</td>
<td>1.94%</td>
</tr>
<tr>
<td>Resers Fine Foods</td>
<td>121,190</td>
<td>1.33%</td>
</tr>
<tr>
<td>Providence Health Systems</td>
<td>69,571</td>
<td>0.77%</td>
</tr>
<tr>
<td>Panzer Nursery Inc</td>
<td>56,915</td>
<td>0.63%</td>
</tr>
<tr>
<td>Heritage Village Mobile Park</td>
<td>53,965</td>
<td>0.59%</td>
</tr>
<tr>
<td>Tualatin Hills Park &amp; Recreation District</td>
<td>53,900</td>
<td>0.59%</td>
</tr>
<tr>
<td>Simpson Property Group</td>
<td>49,749</td>
<td>0.55%</td>
</tr>
<tr>
<td>OHSU West Campus</td>
<td>45,477</td>
<td>0.50%</td>
</tr>
<tr>
<td>Tektronix</td>
<td>52,833</td>
<td>0.56%</td>
</tr>
<tr>
<td>All Other Consumers</td>
<td>1,306,427</td>
<td>14.38%</td>
</tr>
<tr>
<td></td>
<td>1,194,656</td>
<td>12.62%</td>
</tr>
<tr>
<td>Total</td>
<td>9,086,530</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>9,465,918</td>
<td>100%</td>
</tr>
</tbody>
</table>

[1] CCF = Hundred cubic feet = 748 gallons.
Water Delivery Density

- Includes all customers
- Significant demands for fewer, large industrial customers
Water Delivery Density

- Commercial and industrial customers only
- Significant demands for fewer, large industrial customers
Water Delivery Density

- Residential customers
  - Single-family residential
  - Multifamily residential
- Large multifamily complexes influence heatmap
Water Delivery Density

• Single-family residential customers only
• Less dense areas seem to have higher demands
Water Delivery Density

• Irrigation customers only
• Primarily commercial, multifamily properties
• Home-owner associations also significant
GIS-based Demand Information

Benefits

• Correlate demands to areas where outreach could better assist customers

Future

• New CIS will provide more robust information
• AMI will increase granularity of time
## Shutoffs by Class

<table>
<thead>
<tr>
<th>Description</th>
<th>Single-Family Residential</th>
<th>Multifamily Residential</th>
<th>Commercial</th>
<th>Irrigation</th>
<th>Temporary Irrigation</th>
<th>Fireline</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Accounts</td>
<td>1,789</td>
<td>19</td>
<td>26</td>
<td>13</td>
<td>4</td>
<td>5</td>
<td>1,856</td>
</tr>
<tr>
<td>Balance</td>
<td>$706,792</td>
<td>$10,943</td>
<td>$16,612</td>
<td>$65,718</td>
<td>$4,974</td>
<td>$10,078</td>
<td>$815,116</td>
</tr>
<tr>
<td>Average Balance per Account</td>
<td>$395</td>
<td>$576</td>
<td>$639</td>
<td>$5,055</td>
<td>$1,243</td>
<td>$2,016</td>
<td>$439</td>
</tr>
</tbody>
</table>
Questions on Proposed Budget

- Follow up from memo
- Confirmation of next steps
Comments from Chief Executive Officer

2021-23 Biennial Budget Committee Meeting

May 25, 2021
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

Unfavorable Developments
- Water sales are down
- Revenues are down
- SDCs are down
- Collection problems are increasing

Favorable Developments
- Operating expenses are lower
- Partnerships are improving
- Staff morale continues to be strong
# State of the District

## Successes

- Implemented new governance for WWSS
- WIFIA loan re-execution
- Operating under a pandemic
- Progress on DEI Initiative
- Development of the Leadership Team

## Challenges

- Pandemic
- Revenue shortfalls
- Partnerships
- Implementing CIS
- Project risk and uncertainties
Risks to Consider

Infrastructure Risks
- Failure of major facility
- Cost impacts of delaying investments

Operational Risks
- Effectiveness of operations
- Maintaining service levels
- Preparing for the WWSS

Financial Planning Risks
- Future revenue (higher or lower than planned)
- Interest rates and cost of borrowing
- Inflation
## Strategic Goals: Desired Results

<table>
<thead>
<tr>
<th>Tualatin Valley Water District Desired Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The Water Supply Meets Community Needs and Expectations</td>
</tr>
<tr>
<td>2. The Community Is Confident in Our Water, Service and Employees</td>
</tr>
<tr>
<td>3. We Are Good Stewards of Our Financial Resources</td>
</tr>
<tr>
<td>4. We Are Good Stewards of Natural Resources</td>
</tr>
<tr>
<td>5. We Are Good Stewards of Our Own Assets and Resources (People &amp; Physical Assets)</td>
</tr>
</tbody>
</table>
# 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>1</td>
<td>Program for Management and Operation of the WWSS</td>
<td>Water Needs &amp; Expectations</td>
</tr>
<tr>
<td></td>
<td></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>
</tr>
</thead>
<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>
</tr>
<tr>
<td>2</td>
<td>Debt Program</td>
<td>Finance</td>
<td>June 2021</td>
<td>C</td>
<td>✓</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>
</tr>
<tr>
<td>4</td>
<td>Develop and Implement CIS</td>
<td>Customer Service</td>
<td>February 2022</td>
<td>Y</td>
<td></td>
</tr>
<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)
Updated Strategic Planning Process

- Conduct SWOT Analysis
- Compare to Adopted Desired Results
- Develop Major Themes
- Identify District Initiatives that support Major Themes
- Verify priorities with the Board of Commissioners
- Further develop proposed initiatives
- Present initiatives in Budget Committee Workshops
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.
Proposed 2021-23 Biennial Budget and Budget Message Highlights

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Budget Message Organization

Key Elements

- Budget process, format, and basis
- District strategic initiatives
- Financial policies and long-term planning
- 2021-23 Biennium Budget Summary
- Six-Year Capital Improvement Plan
  - District improvements
  - Joint ventures
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 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
Five Major Themes Drive Budget

Key Budget Drivers

• Human Investment
• Intergovernmental Relations
• Business Intelligence
• Efficiency Through Modernization
• Current Initiatives
## Strategic Initiatives and Desired Results

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Water Needs &amp; Expectations</th>
<th>Community Confidence in TVWD</th>
<th>Stewards of Financial Resources</th>
<th>Stewards of Natural Resources</th>
<th>Stewards of People and Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission, Vision, and Values</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Conduct Classification / Compensation Study</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Government Affairs</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Business Decision Data</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Modernization</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Existing Initiatives</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</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
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
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
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
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
Changes made to WWSS for Baseline 6.1

• Deferred construction of one of the two planned 15-MG reservoirs
• Deferred construction of PLW_2.0 except portion through OWNP and the adjacent old ODOT Rail berm property
• Deferred installation/commissioning of fiber cable in the finished water system and installing conduit for constructed pipelines
• Changed WTP bid deduct items to bid additive items
WIFIA Program Approves WWSS Project Deferrals

...The changes are consistent with the Loan Agreements between EPA and TVWD and the City of Hillsboro and constitute a logical evolution of a complicated project typical of what we see in big infrastructure undertakings. The proposed baseline budget does not change the definition of the Project as presented in the Loan Agreements...
New Requested Staff Positions

Engineering and Operations

• SCADA staff member
• Water Works Operator
Financial Policies and Long-term Planning

TVWD’s Financial Policies
- Financial Management Policies
- Investment Policies

Long-term planning
- Financial Strategies
- Financial Plan

Delivery
- Financial performance
- Operational performance
- Infrastructure investment
Proposed 2021-23 Budget by Fund

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Budgetary Changes Since Workshop #3

### Budget Items
- Revised display of Purchase Water Costs
- Board’s Amendment 2019-21 Biennial Budget

### Staffing
- Finance plans to fill vacancy
- No impact on Personnel Services

### Risks Identified
- Consumer Price Index increased significantly in April
- Personnel Services budget sensitive to CPI for May (Released June 10th)
- May require holding of vacancies during biennium or Board action on contingency
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

![Bar chart](chart.png)

**Six-Year Capital Improvement Plan**

**Joint Venture Project Costs** (District shares only)

- **Millions**
  - FY 22 Proposed
  - FY 23 Proposed
  - FY 24 Projected
  - FY 25 Projected
  - FY 26 Projected
  - FY 27 Projected

- **Legend**
  - 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><strong>General Fund (01)</strong>&lt;br&gt;Administration, operations, and maintenance activity. All District staff are budgeted in this fund.</td>
<td><strong>Willamette Water Supply System Fund - WWSS (45)</strong>&lt;br&gt;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><strong>Capital Improvement Fund (11)</strong>&lt;br&gt;Accounts for the resources and expenditures used for acquisition or construction of major capital facilities not funded by bond proceeds.</td>
<td><strong>Willamette Intake Facilities Fund - WIF (44)</strong>&lt;br&gt;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><strong>Capital Reserve Fund (18)</strong>&lt;br&gt;Holds resources for current and future capital improvement and water supply projects.</td>
<td><strong>Willamette River Water Coalition Fund - WRWC (41)</strong>&lt;br&gt;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>
<tr>
<td><strong>Debt Proceeds Fund (22)</strong>&lt;br&gt;Holds proceeds from the District’s debt portfolio including the revenue bonds, WIFIA loan proceeds, and other types of borrowings.</td>
<td></td>
</tr>
</tbody>
</table>
Proposed 2021-23 Appropriations

- **Capital Reserve Fund**, $376,262,670
- **Capital Improvement Fund**, $379,582,670
- **Debt Proceeds Fund**, $226,500,000
- **Willamette Intake Facilities Fund**, $7,697,656
- **Willamette River Water Coalition Fund**, $125,950
- **Customer Emergency Assistance Fund**, $531,035
- **General Fund**, $195,801,822
- **Willamette Water Supply System Fund**, $454,868,055
## General Fund

<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>$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>
</tr>
<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><strong>$200,187,910</strong></td>
<td><strong>$195,801,822</strong></td>
<td><strong>$(4,386,088)</strong></td>
<td><strong>-2.2%</strong></td>
<td><strong>-1.1%</strong></td>
</tr>
</tbody>
</table>

- 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

<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>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>179,522,721</td>
<td>379,582,670</td>
<td>200,059,949</td>
<td>111.4%</td>
<td>45.4%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
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<td>NA</td>
<td>NA</td>
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<tr>
<td>Contingency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 179,522,721</strong></td>
<td><strong>$ 379,582,670</strong></td>
<td><strong>$ 200,059,949</strong></td>
<td><strong>111.4%</strong></td>
<td><strong>45.4%</strong></td>
</tr>
</tbody>
</table>
Capital Improvement Fund

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

<table>
<thead>
<tr>
<th>Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$376,262,670</td>
</tr>
<tr>
<td>Other Partners</td>
<td>3,320,000</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>$379,582,670</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>Capital Outlay</td>
<td>379,582,670</td>
</tr>
<tr>
<td>Contingency</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>$379,582,670</td>
</tr>
</tbody>
</table>
# Capital Reserve Fund

<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>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>179,522,721</td>
<td>376,262,670</td>
<td>196,739,949</td>
<td>109.6%</td>
<td>44.8%</td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td></td>
<td></td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$56,508,462</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$431,000</td>
</tr>
<tr>
<td>Contributions</td>
<td>$10,725,083</td>
</tr>
<tr>
<td>Interfund Transfer</td>
<td>$309,500,000</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$377,164,545</strong></td>
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</table>

## Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfund Transfer</td>
<td>$376,262,670</td>
</tr>
<tr>
<td>Unappropriated</td>
<td>$901,875</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$377,164,545</strong></td>
</tr>
</tbody>
</table>

### 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

<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><strong>Total</strong></td>
<td><strong>$ 25,000,000</strong></td>
<td><strong>$ 226,500,000</strong></td>
<td><strong>$ 201,500,000</strong></td>
<td><strong>806.0%</strong></td>
<td><strong>201.0%</strong></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

<table>
<thead>
<tr>
<th>Debt Proceeds Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources</strong></td>
</tr>
<tr>
<td>Beginning Balance</td>
</tr>
<tr>
<td>Bond Proceeds</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Requirements</strong></td>
</tr>
<tr>
<td>Materials &amp; Services</td>
</tr>
<tr>
<td>Interfund Transfer</td>
</tr>
<tr>
<td>Contingency</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
## Customer Emergency Assistance Fund

<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><strong>Total</strong></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

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

<table>
<thead>
<tr>
<th>Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$531,035</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td>$531,035</td>
</tr>
</tbody>
</table>
## Willamette Water Supply System Fund

<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>
</tr>
</tbody>
</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

<table>
<thead>
<tr>
<th>Resources</th>
<th></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>

<table>
<thead>
<tr>
<th>Requirements</th>
<th></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

<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>$ 7,697,656</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>$ 7,697,656</td>
</tr>
</tbody>
</table>
# Willamette River Water Coalition Fund

<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>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>167,000</td>
<td>114,300</td>
<td>(52,700)</td>
<td>-31.6%</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Special Payments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
<td>-</td>
<td>11,650</td>
<td>11,650</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 167,000</td>
<td>$ 125,950</td>
<td>$(41,050)</td>
<td>-24.6%</td>
<td>-13.2%</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

<table>
<thead>
<tr>
<th>Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$58,000</td>
</tr>
<tr>
<td>Other Partners</td>
<td>$67,950</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$125,950</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirements</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$114,300</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>0</td>
</tr>
<tr>
<td>Contingency</td>
<td>$11,650</td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$125,950</strong></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><strong>Total Revenues:</strong></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><strong>Beginning Fund Balances</strong></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

<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>2019-21 Biennial Revised Budget</th>
<th>2021-23 Biennial Proposed Budget</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ 43,536,651</td>
<td>$ 42,330,036</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Materials and Services</td>
<td>44,391,964</td>
<td>51,686,496</td>
<td>16.4%</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>404,589,611</td>
<td>839,112,006</td>
<td>107.4%</td>
</tr>
<tr>
<td>Special Payments</td>
<td>21,446,000</td>
<td>1,625,000</td>
<td>-92.4%</td>
</tr>
<tr>
<td>Contingency</td>
<td>15,209,000</td>
<td>20,353,650</td>
<td>33.8%</td>
</tr>
<tr>
<td>Transfers Out To Other Funds</td>
<td>283,013,943</td>
<td>686,262,670</td>
<td>142.5%</td>
</tr>
<tr>
<td><strong>Total Appropriations:</strong></td>
<td>$ 812,187,169</td>
<td>$ 1,641,369,858</td>
<td>102.1%</td>
</tr>
<tr>
<td>Ending Fund Balances</td>
<td>39,664,627</td>
<td>18,369,207</td>
<td>-53.7%</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$ 851,851,796</td>
<td>$ 1,659,739,065</td>
<td>94.8%</td>
</tr>
</tbody>
</table>
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
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
Recommendation

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Management Recommendation

Budget Committee

• Approve TVWD’s 2021-23 Biennial Budget as proposed
• Recommend the Board of Commissioners Adopt the Approved Budget
Next Steps

• Future Meetings
  • Board of Commissioners Meeting Consider Adoption of 2021-23 Budget: Wednesday, June 16th at 6:00 pm

• Questions for the Team