



TUALATIN VALLEY
WATER DISTRICT

Board Meeting Minutes

December 20, 2023

REGULAR MEETING – 6:00 PM

CALL TO ORDER

Commissioners Present: Jim Doane, PE; Jim Duggan, PE; Carl Fisher; Elliot Lisac, Todd Sanders, PhD

Staff Present: Paul Matthews, Interim Chief Executive Officer; Clark Balfour, General Counsel; Justin Carlton, Interim Chief Financial Officer; Pete Boone, PE, Chief Operating Officer; Dave Kraska, PE, Water Supply Program Director; Andrew Carlstrom, Customer Service Manager; Justin Dyke, Communications Manager; Kylie Bayer, Human Resources Director; and Sam Kaufmann, District Recorder.

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Paul Matthews presented the CEO report and Dave Kraska presented his department update.

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.

None.

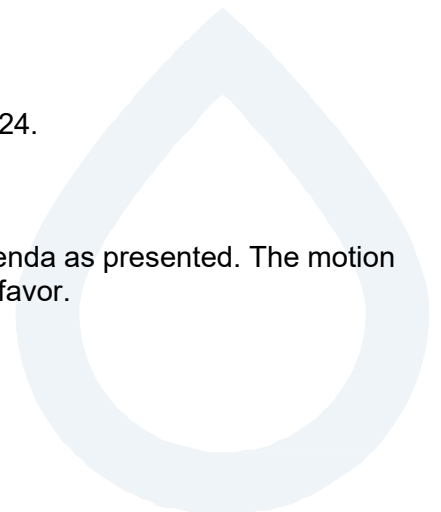
PUBLIC COMMENT

There were none.

1. CONSENT AGENDA

- A. Approve the November 7, 2023, work session minutes.
- B. Approve the November 15, 2023, regular meeting minutes.
- C. Approve the December 5, 2023, work session minutes.
- D. Consider a resolution establishing regular monthly meeting dates for 2024.
- E. Approval of Regional Water Providers Consortium IGA.

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



2. BUSINESS AGENDA

- A. Tualatin Valley Water District audit presentation and report acceptance. *Staff Report – Justin Carlton, Interim Chief Financial Officer; Julie Desimone, Partner, Moss Adams.*

Justin Carlton introduced Julie Desimone with Moss Adams. Julie Desimone presented an overview of Moss Adams' independent audit of the District's financial statements for the fiscal year ending June 30, 2024.

Motion was made by Lisac, seconded by Fisher, to accept the District's Annual Comprehensive Financial Report for the fiscal years ending June 30, 2023 and 2022. The motion passed unanimously with Doane, Duggan, Fisher, Lisac and Sanders voting in favor.

- B. Chief Executive Officer employment agreement. *Staff Report – Clark Balfour, General Counsel*

Clark Balfour presented his staff report on the Chief Executive Officer employment agreement.

Motion was made by Doane, seconded by Lisac, to adopt Resolution 23-23 to approve the Chief Executive Officer Employment Agreement between the Tualatin Valley Water District and Paul Matthews. The motion passed unanimously with Doane, Duggan, Fisher, Lisac and Sanders voting in favor.

ADJOURNMENT

There being no further business, President Sanders adjourned the meeting at 6:42 p.m.

3. EXECUTIVE SESSION

An executive session of the Board was called under ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Todd Sanders, President

Jim Doane, Secretary





1

TVWD SUPPLY UPDATE

TVWD has activated the “Backdown System” to bring Portland water into our distribution system over Sylvan Hill while the Washington County Supply Line is out of service for the WWSS MPE connection work in Beaverton-Hillsdale Highway.

The Backdown System has a capacity of approximately 7 MGD and delivers water to the Wolf Creek portion of the service area. Total demand in the Wolf Creek area is currently around 15 MGD, so the remainder is being supplied by the JWC.

Fluoridation in the Wolf Creek area has also been paused during this operational period. Metzger continues to receive about 1.5 MGD from Portland and remains unfluoridated.

2

CITY OF BANKS DRC SERVICES

The City of Banks requested Direct Responsible Charge (DRC) services from the District.

The District entered into a memorandum of understanding (MOU) with the City to provide those DRC services and other operational support services.

TVWD staff will assist the City's team and oversee the operation of its slow-sand filter plant, distribution system operations, and emergency response services.

JWC AND BARNEY BOARD ASSIGNMENTS

Officer elections will occur at the upcoming meetings of the Barney Reservoir Joint Operating Commission (BRJOC) and the Joint Water Commission (JWC).

TVWD is not scheduled to serve as the chair of either commission. Without Board action, our assignments will remain unchanged until July.

Our current assignments are:

JWC: Commissioner Sanders (Executive Committee Member), Commissioner Doane, and Commissioner Lisac

BRJOC: Commissioner Sanders (Voting Member), Commissioner Doane (Primary Alternate), and Commissioner Lisac (Secondary Alternate)

UPDATE ON PFAS CLASS ACTION SETTLEMENT

The District considered settlements of contamination from per- and polyfluoroalkyl substances (PFAS) as part of two separate class action lawsuits brought against manufacturers of PFAS, 3M and DuPont.

As discussed previously with the Board, District decided to “opt out” of the current class action settlements.

Most PFAS detections have been in groundwater but all community water systems in the US were automatically included in the settlements. Payments would be based on a formula of detection levels and barred from any future PFAS litigation against 3M and DuPont.

Given that TVWD has not had any PFAS detections its sources, including the Willamette, “opting out” made the most sense to preserve all rights to participate in future litigation should PFAS contamination become an issue for TVWD.

5 | CEO and Management Staff Report



5

DEPARTMENT REPORT

WWSP Program Director Dave Kraska will present the department report this evening.

6 | CEO and Management Staff Report



6

Willamette Water Supply
Our Reliable Water

WWSP Department Report Preparing Baseline 9.0

December 20, 2023

7

Outline

- Baseline Background and Components
- WWSP Contingency and Management Reserve
- Forecast Baseline 9.0 Budget

Willamette Water Supply
Our Reliable Water

8

8

What is the Baseline?



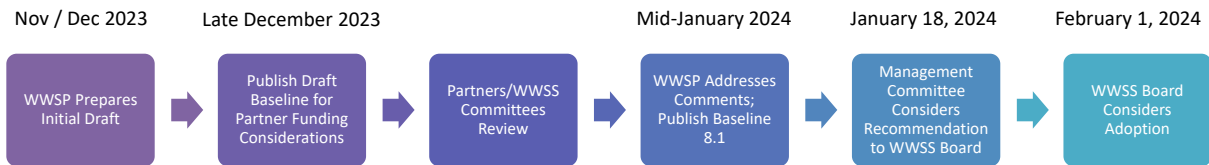
Why adopt a Baseline and when?

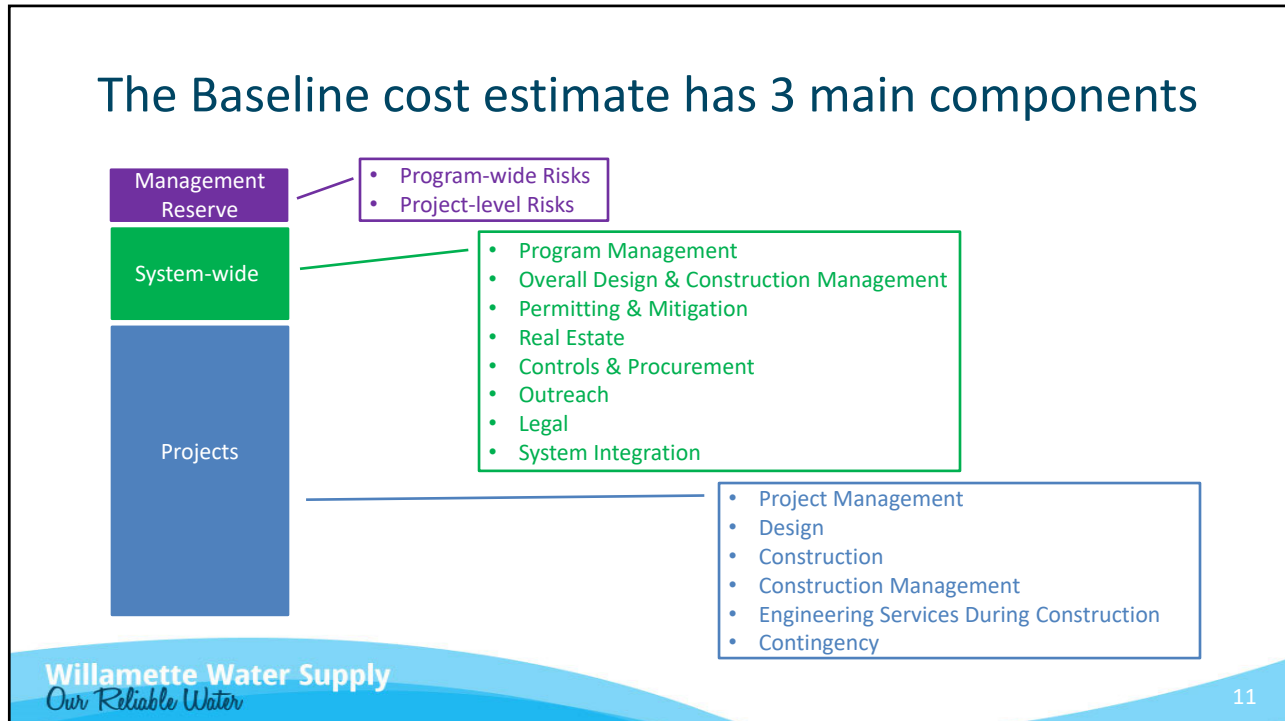
- Board to adopt a capital improvement plan (IGA Section 5 & 8)
- Component of WWSS Financial Procedures (IGA Exhibit 6)
- Part of WWSS governance (WWSS MAM)
- Updated annually and modified if needed

How is it used?

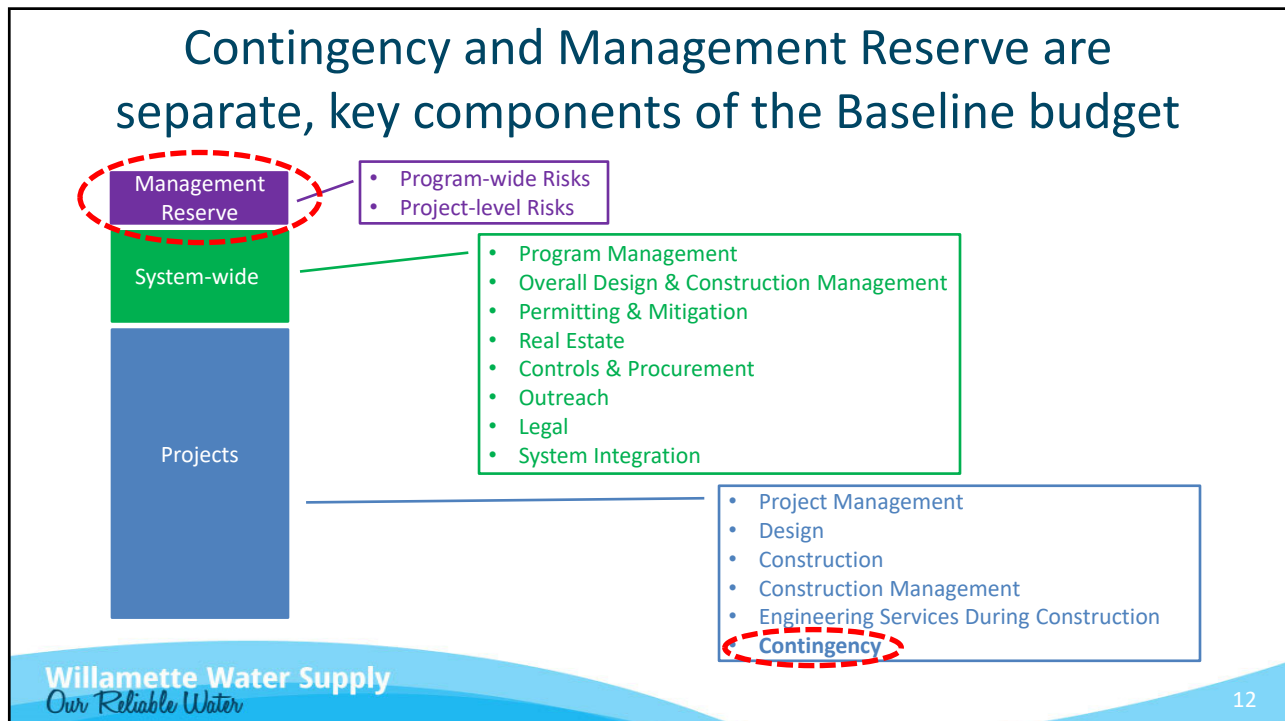
- Planning and managing work
- Establishing fiscal year budgets
- Detecting potential changes or variances
- Input to risk analysis and management
- Reporting to Board, Partners, WIFIA, and public
- Input to financial forecasting by Partners

Annual Baseline preparation and review schedule





11



12

Project Contingency versus Management Reserve

Project Contingency

Changes within the scope of the project, and minor price fluctuations

- MPE_1.2 – Change of work hours to accommodate Beaverton School District
- PLM_4.3 – Revisions to size and location of appurtenances
- PLM_5.2 – Added accessway, additional survey during construction

Management Reserve

Changes above Project Contingency intent/amount, changes to System-wide and IGA costs, and Owners' scope adds

- RWF_1.0 GMP 2 – Bid value significantly higher than anticipated
- Owners' Water Supply Integration Communications project
- Partnering costs on Washington County IGAs higher than anticipated

History Baseline Budgets

Year	Baseline	Total Budget (\$B)	Management Reserve (\$M)	Notes
2016	1.1	1.17	90.7	Management Reserve estimated
2017	2.1	1.23	75.0	WTP moved, RWF predesign completed
2018	3.1	1.23	57.0	RWF construction phased, added Blake St.
2019	4.1	1.26	43.3	Program refinements, MPE_1.0
2020	5.1	1.31	39.4	WTP & PLW_2.0 refinements, added COB_1.0
2021	6.1	1.29	52.9	WWSS MC & Board actions to control cost
2022	7.0	1.62	78.9	Budget increase from extreme inflation
2023	8.1	1.62	58.8	Draws from MR due to higher bids

History Baseline Budgets

Year	Baseline	Total Budget (\$B)	Management Reserve (\$M)	Notes
2016	1.1	1.17	90.7	Management Reserve estimated
2017	2.1	1.23	75.0	WTP moved, RWF predesign completed
2018	3.1	1.23	57.0	RWF construction phased, added Blake St.
2019	4.1	1.26	43.3	Program refinements, MPE_1.0
2020	5.1	1.31	39.4	WTP & PLW_2.0 refinements, added COB_1.0
2021	6.1	1.29	52.9	WWSS MC & Board actions to control cost
2022	7.0	1.62	78.9	Budget increase from extreme inflation
2023	8.1	1.62	58.8	Draws from MR due to higher bids
2024	9.0	1.62	TBD	TBD

15

QUESTIONS?

16

CONSENT AGENDA

- A. Approve the November 7, 2023, work session minutes.
- B. Approve the November 15, 2023, regular meeting minutes.
- C. Approve the December 5, 2023, work session minutes.
- D. Consider a Resolution establishing regular monthly meeting dates for 2024.
- E. Approval the of Regional Water Providers Consortium IGA.

17 |



17



18

OVERVIEW OF PRESENTATION

Tonight's Presentation

- Introductions and financial highlights
- Presentation by Moss Adams
- Staff closing remarks and recommendation



19



Tualatin Valley Water District

December 20, 2023, Board Meeting

2023 Audit Results

20

AGENDA

1. Engagement Team
2. Nature of Services Provided
3. Significant Audit Areas
4. Auditor Opinions / Reports
5. Required Communications
6. Audit Adjustments
7. Internal Control Matters



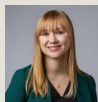
YOUR DEDICATED TEAM



Julie Desimone
Partner



Keith Simovic
Partner



Laurel Stevens
Audit Senior Manager



Ayde Alvarado
Manager, In-Charge Auditor



3



NATURE OF SERVICES PROVIDED

- | | |
|--|--|
| <p>1 Independent Auditors' Report on the individual and combined financial statements of Tualatin Valley Water District</p> | <p>2 Assistance with, and technical review of the financial statements for compliance with GAAP</p> |
| <p>3 Report of Independent Auditors' on Internal Control Over Financial Reporting and on Compliance in Accordance with <i>Government Auditing Standards</i></p> | <p>4 Disclosures and Independent Auditors' Comments Required by the Minimum Standards for Audits of Oregon Municipal Corporations</p> |
| <p>5 Report of independent auditors on compliance for the major federal programs and report on internal control over compliance as required by the Uniform Guidance</p> | <p>6 Communication to Those Charged with Governance</p> |



SIGNIFICANT AUDIT AREAS

- | | | | | |
|--|-------------------------------|---|--|--|
| | | | | |
| <p>WORK ORDERS-
CLASSIFICATION</p> | <p>IT SECURITY AND ACCESS</p> | <p>INVESTMENTS
AND COMPONENT
UNIT REPORTING</p> | <p>CONSISTENT
APPLICATION OF
INTERNAL
CONTROLS</p> | <p>COMPLIANCE
WITH FEDERAL
LAWS AND
REGULATIONS,
SINGLE AUDIT
AND OREGON
MINIMUM
STANDARDS</p> |



AUDIT OPINION/ REPORTS

Report Type	Result
Financial Statements	Unmodified (clean) opinion on financial statement
Government Auditing Standards Report	No findings
Oregon Minimum Audit Standards Report	No findings
Single Audit Report	No findings

TUALATIN VALLEY WATER DISTRICT

25

REQUIRED COMMUNICATION

- Auditor's responsibility under auditing standards
- Significant accounting policies
- Management judgements & accounting estimates
- Management's consultation with other accountants
- No disagreements with management
- No difficulties in performing the audit

TUALATIN VALLEY WATER DISTRICT

26

AUDIT ADJUSTMENTS

Audit Adjustments	Amount
None noted	
Passed Audit Adjustments	Amount
Passed adjustment made by management for three SBITA contracts:	Total asset and liability of approximately \$150,000



27



CONTACT US



+ Julie Desimone Julie.desimone@mossadams.com (503) 478-2101	+ Ayde Alvarado ayde.alvarado@mossadams.com (971) 313-5071
--	---



28




THANK
YOU

29

STAFF RECOMMENDATION

By motion of the Board, accept the report of the independent auditor and the District's Annual Comprehensive Financial Report for the fiscal years ended June 30, 2023 and 2022.



30





Report of Meetings Attended

Commissioner Todd Sanders

Date	Meeting or Function	Purpose	\$	Claimed
12/20	Monthly Board meeting	Monthly Board meeting	50	X Yes No
12/12	Board Agenda Setting Meeting	Set Dec Board Meeting	50	x Yes <input type="checkbox"/> No
12/13	Meeting with Norm Eder	Updates on intergovernmental Relations	50	X Yes No
12/7	Bi weekly Meeting with CEO	Meet with Paul Matthews	50	x Yes <input type="checkbox"/> No
12/5	Monthly Work session	Monthly work session	50	X Yes No
12/4	Meeting with Norm Eder	Updates on intergovernmental Relations	50	x Yes <input type="checkbox"/> No
11/30	Bi weekly Meeting with CEO	Meet with Paul Matthews	50	x Yes <input type="checkbox"/> No
11/28	Meeting with Norm Eder	Updates on intergovernmental Relations	50	x Yes <input type="checkbox"/> No
11/15	November Board Meeting	Monthly Board meeting	50	x Yes <input type="checkbox"/> No
11/14	Board Agenda Meeting	Set Nov Board Meeting	50	X Yes <input type="checkbox"/> No
11/13	Meeting with Norm Eder	Updates on intergovernmental Relations	50	X Yes <input type="checkbox"/> No
11/9	Bi weekly Meeting with CEO	Meet with Paul Matthews	50	X Yes <input type="checkbox"/> No
11/7	November Work Session	Monthly Work Session	50	X Yes <input type="checkbox"/> No
11/2	Meeting with CEO	Meet with Paul Matthews	50	X Yes <input type="checkbox"/> No

Date: 12/20/2023

Requested by: Todd Sanders

Commissioner

Date: 12/20/23

Approved by: 

President *Sec*



Report of Meetings Attended

Commissioner Todd Sanders

Date	Meeting or Function	Purpose	\$	Claimed
11/2	North Plains Meeting	Meet with Admin	50	X Yes No
10/31	Meeting with Norm Eder	Updates on Intergovernmental relations	50	x Yes <input type="checkbox"/> No
10/26	Meeting with CEO	Meet with Paul Matthews	50	X Yes No
10/25	Talking Water	Lunch Talking Water for Nov	50	x Yes <input type="checkbox"/> No
10/19	Meeting with CEO	Meet with Paul Matthews	50	XYes No

OK To Pay \$950.00 - SK

Date: 12/20/2023

Requested by: Todd Sanders
Commissioner

Date: 12/20/23

Approved by: [Signature]
President Sect

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



TUALATIN VALLEY
WATER DISTRICT

Report of Meetings Attended

Commissioner: Carl Fisher

Date: 12/20/2023

Date	Meeting or Function	Purpose	\$	Claimed
12/20/23	TVWD Boad Meeting	Regular Meeting	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12/13/23	WEA Event	Meet & Greet	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12/12/23	Agenda Planning Meeting	Met with Paul Mathews and Comm. Sanders to plan next board meeting	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12/05/23	TVWD Work Session	Regular Worksession	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

OK To Pay \$200.00 - SK

Date: 12/20/23

Approved by: 

President Secretary

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.*

In accordance with Board Policies, an amount equal to the unclaimed reimbursements for meetings will be transferred to the District's Customer Emergency Assistance Fund.



TUALATIN VALLEY
WATER DISTRICT

Report of Meetings Attended

Commissioner Doane

Date	Meeting or Function	Purpose	\$	Claimed
12/4	Mtg with Paul		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
12/5	Work Session		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
12/2- 0	Regular Myg		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

20 December 2023 _____

Requested by: Jim Doane
Commissioner *Jim Doane*

Date: 12/20/23

Approved by: _____
President

OK To Donate \$150.00 to CEAF - SK

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.*

In accordance with Board Policies, an amount equal to the unclaimed reimbursements for meetings will be transferred to the District's Customer Emergency Assistance Fund.



Report of Meetings Attended

Commissioner Jim Duggan

Date	Meeting or Function	Purpose	\$	Claimed
12/05/2023	TVWD Board Work Session	Updates – RWPC IGA	50	x Yes <input type="checkbox"/> No
12/07/2023	WWSS Board Mtg. & Exec. Sess.	WTP-1.0 GMP2 Contract	50	x Yes <input type="checkbox"/> No
12/12/2023	Wash. Co. CPO#1	Local Updates & X-ings	50	x Yes <input type="checkbox"/> No
12/20/2023	TVWD Board Mtg. & Exec. Sess.	Regular Monthly Mtg.	50	x Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No


Date: 12/20/2023

Requested by: James. J. Duggan

OK To Pay \$200.00 - SK

Commissioner

Date: 12/20/23

Approved by: 

President

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.*

In accordance with Board Policies, an amount equal to the unclaimed reimbursements for meetings will be transferred to the District's Customer Emergency Assistance Fund.



TUALATIN VALLEY
WATER DISTRICT

Report of Meetings Attended

Commissioner: Lisac

Date: 12/20/23

Date	Meeting or Function	Purpose	\$	Claimed
12/5/23	TVWD work session	District priorities	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12/20/23	TVWD Board Meeting	December meeting	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

OK To Pay \$100.00 - SK

Date: 12/20/23

Approved by: 

President Secretary

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.*

In accordance with Board Policies, an amount equal to the unclaimed reimbursements for meetings will be transferred to the District's Customer Emergency Assistance Fund.