



TUALATIN VALLEY
WATER DISTRICT

Budget Workshop #2

Meeting Minutes

May 9, 2023

REGULAR SESSION – 6:00 p.m.

CALL TO ORDER

Commissioners Present: Jim Doane, PE (Excused at 8:10 p.m.); Jim Duggan, PE; Carl Fisher; Elliot Lisac, Todd Sanders, PhD

Budget Committee Members Present: Carlo Peratoner (Arrived at 6:22 p.m.), John Velehradsky, PE (Retired), Marilyn McWilliams, Mike Whiteley, PE

Budget Committee Members Excused: Craig Hopkins

Staff Present: Tom Hickmann, Chief Executive Officer; Paul Matthews, Chief Financial Officer; Pete Boone, PE, Chief Operating Officer; Dave Kraska, PE, Water Supply Program Director; Tim Boylan, IT Services Director; Sam Kaufmann, District Recorder

INTRODUCTIONS BY THE CHIEF EXECUTIVE OFFICER

Tom Hickmann welcomed the budget committee to the second Budget Committee workshop.

UPDATE FROM THE BUDGET OFFICER

Paul Matthews outlined the next steps in the budget process.

PRESENTATIONS BY DEPARTMENTS/DIVISIONS

- **ADMINISTRATIVE SERVICES – TOM HICKMANN, CHIEF EXECUTIVE OFFICER**

Tom Hickmann presented information on the Administrative Services Department and outlined his department's budgetary requests.

Shayna O'Doran presented information on the Human Resources Department.

Commissioner Doane asked for more information regarding the increase in insurance expenses. Paul Matthews replied he would follow up with Commissioner Doane after the workshop.

- **CUSTOMER SERVICE – PAUL MATTHEWS, BUDGET OFFICER**

Paul Matthews presented on behalf of Andrew Carlstrom, Customer Service Manager. Mr. Matthews presented information on the Customer Service Department and outlined the department's budgetary requests.

Mr. Matthews mentioned he will provide more information on the customer assistance program at the upcoming Budget Committee Meeting.

Tom Hickmann presented an informational overview Advanced Metering Infrastructure (AMI).

Commissioner Doane stated he would like more information on AMI before making a decision. Marilyn McWilliams asked for technical information on how AMI data is transmitted.

Mr. Hickmann replied he will follow up with Commissioner Doane and Ms. McWilliams after the workshop.

INFORMATION TECHNOLOGY SERVICES – TIM BOYLAN, INFORMATION TECHNOLOGY SERVICES DIRECTOR

Tim Boylan presented information on the Information Technology Services Department and outlined his department’s budgetary requests.

FINANCE/NON-DEPARTMENTAL – PAUL MATTHEWS, BUDGET OFFICER

Paul Matthews presented information on the Finance/Non-Departmental portion of TVWD’s biannual budget.

ADJOURNMENT

There being no further business, President Sanders adjourned the meeting at 8:37 p.m.

Todd Sanders, President

Jim Doane, Secretary

DRAFT





2023-25 Biennial Budget Committee Workshop

Tour: April 11, 2023

Workshop #1: April 18, 2023

→ *Workshop #2: May 9, 2023*

Budget Committee Meeting and Public Hearing: May 31, 2023

May 9, 2023

CEO Welcome

Two Issues to cover

1. Budget development direction to management staff
2. Efforts to manage effects on customers

CEO Priorities for Management Staff

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.

Pursuing Financial Assistance

- Bureau of Reclamation (\$5 million)
- Potential matching from State

AMI



- FEMA/BRIC (Approximately \$11 million)

Taylor's Ferry



- Congressionally Directed Spending (CDS)/STAG Program (\$4 million)
- Potential future CDS/STAG
- Potential State lottery bonds

WWSS



Budget Committee Workshop #2 Agenda

Update from Budget Officer

- Reminder about workshop rules
- Questions from last workshop
- Review District Financials

Overview of Department Requests

- Administrative Service
- Customer Service
- Information Technology Services
- Finance/Non-departmental

Closing

- Questions
- Next steps and adjournment

Administrative Issues



Reminder on Budget Committee workshop rules

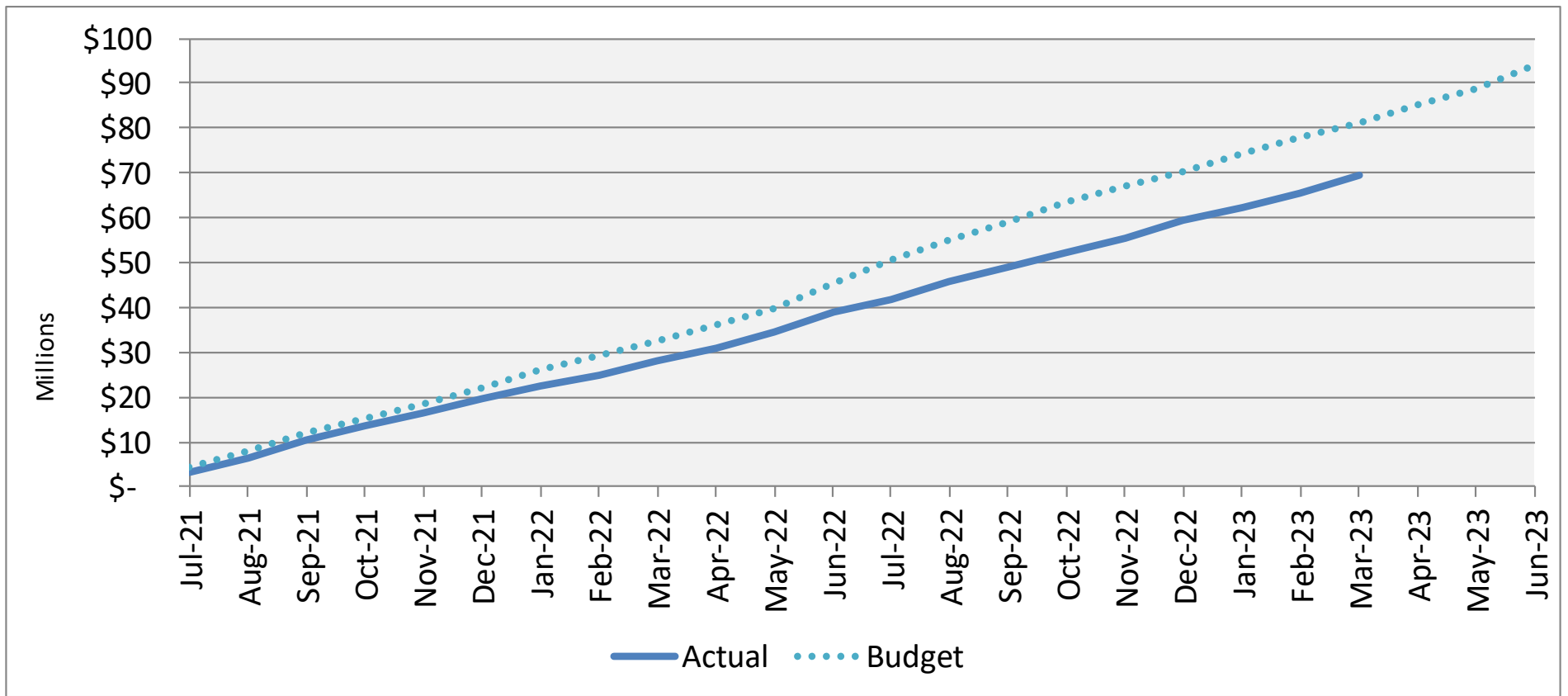
Public meeting open to all
No deliberations in workshop



Questions from last workshop

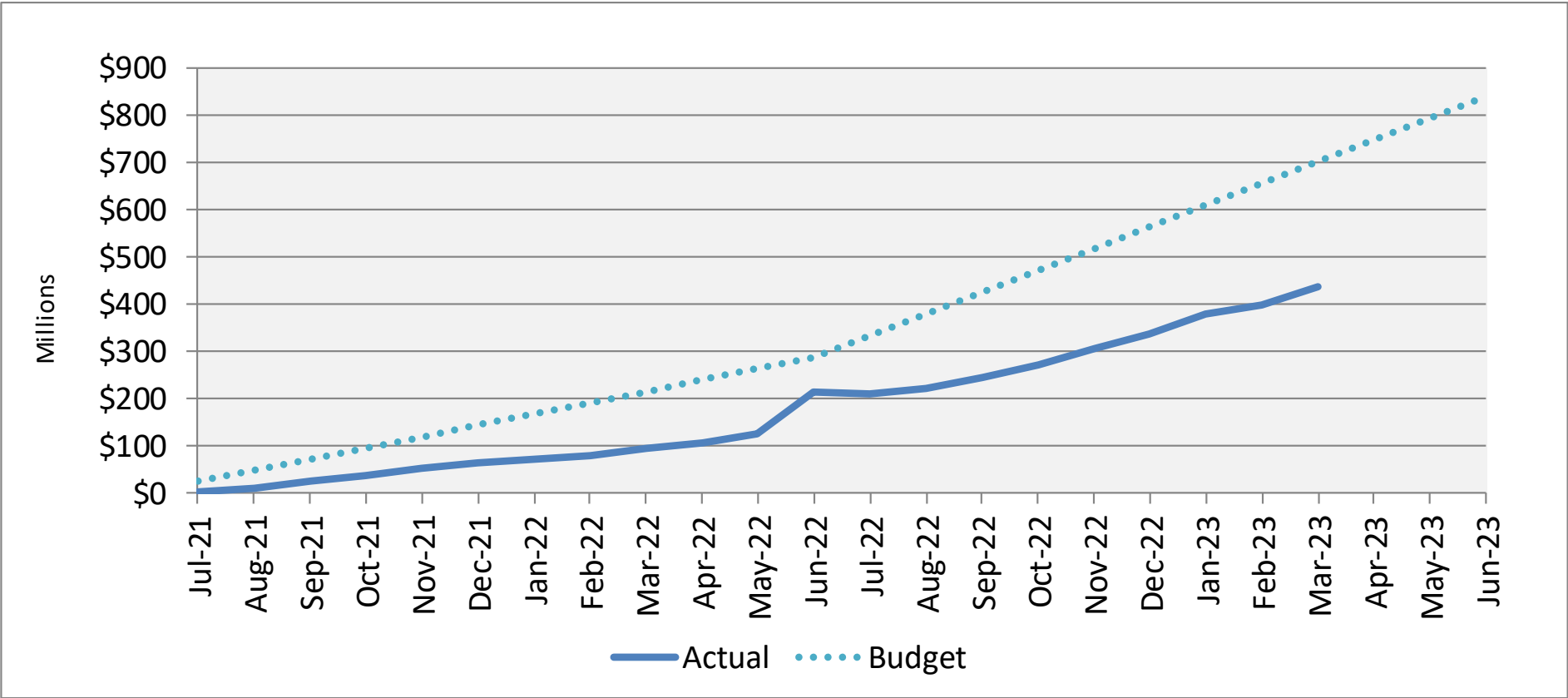
None submitted
Any tonight?

Cumulative Operating Expenditures



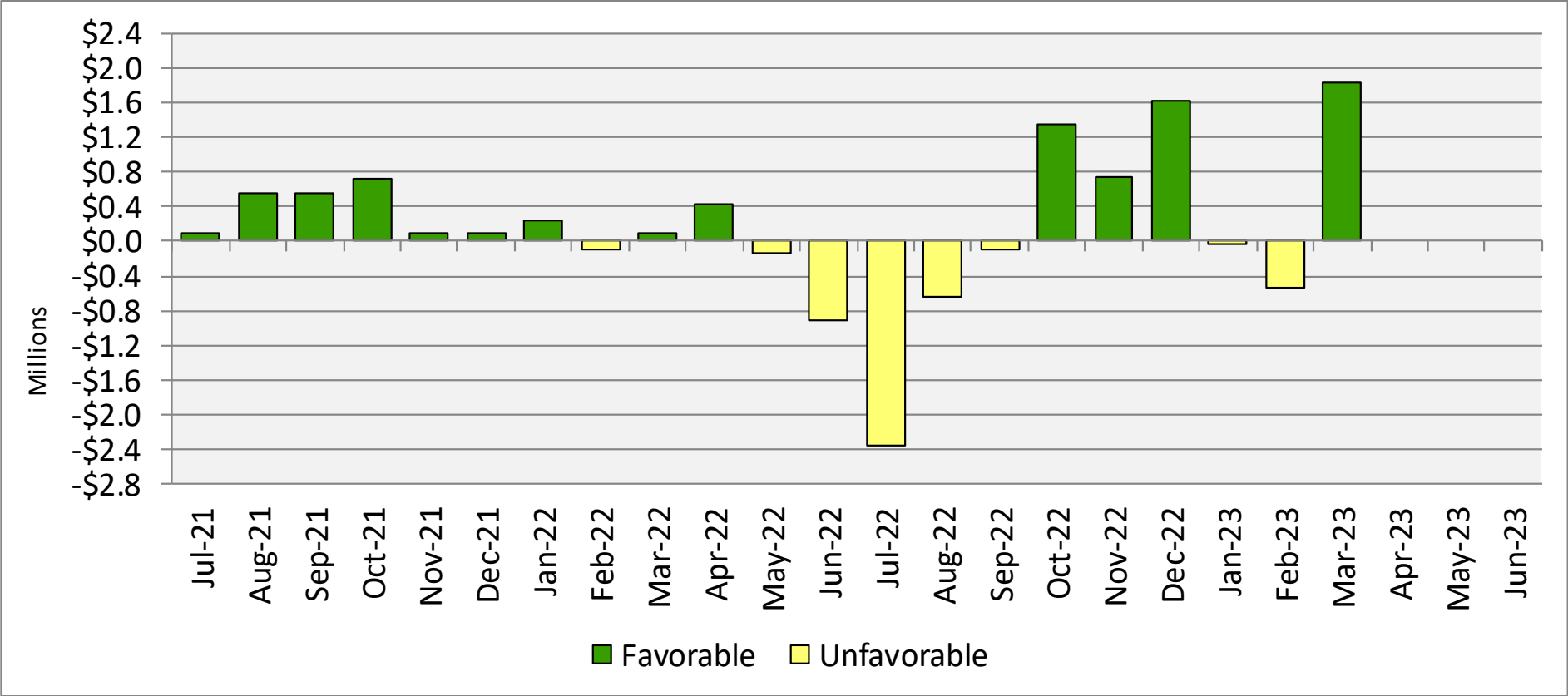
Source: TVWD unaudited financial report.

Cumulative Capital Expenditures



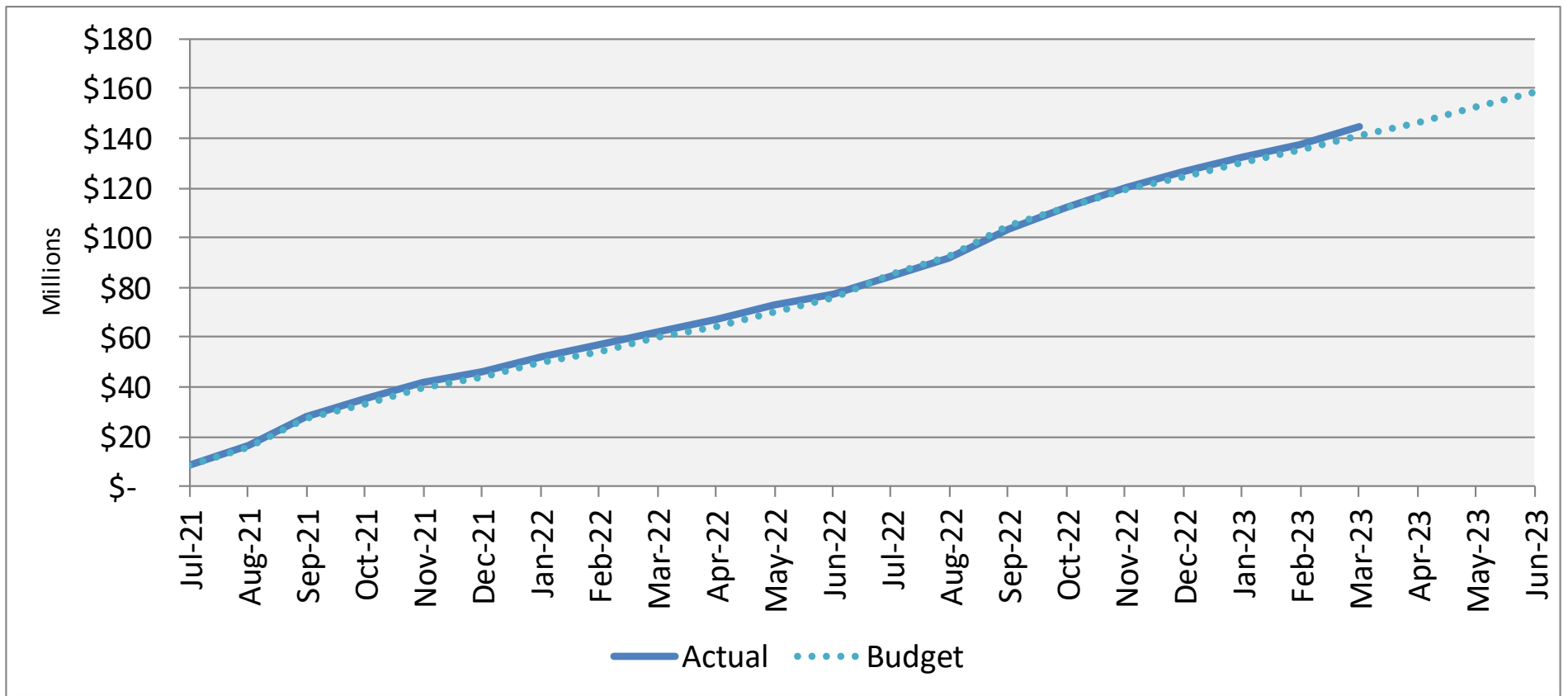
Source: TVWD unaudited financial report.

Revenue from Water Sales



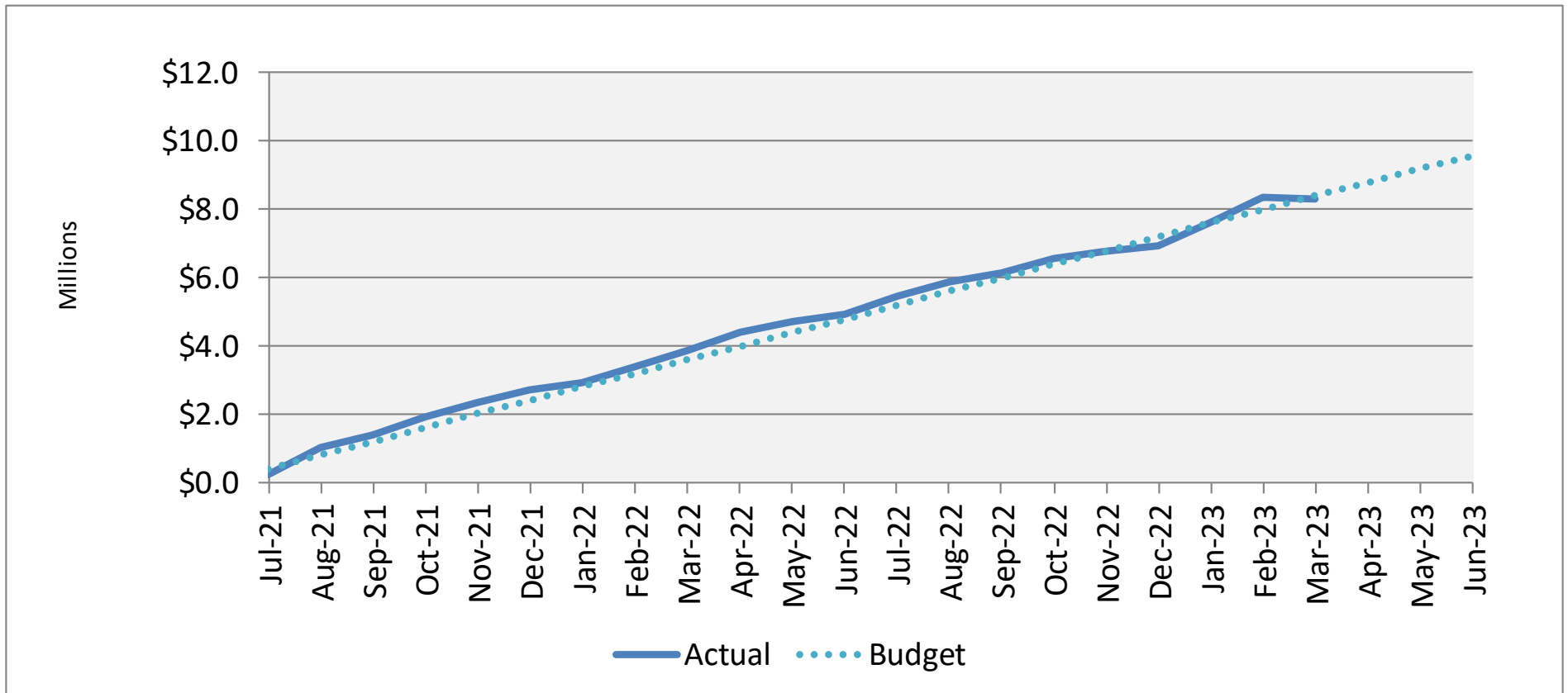
Source: TVWD unaudited financial report.

Cumulative Water Sales Revenue



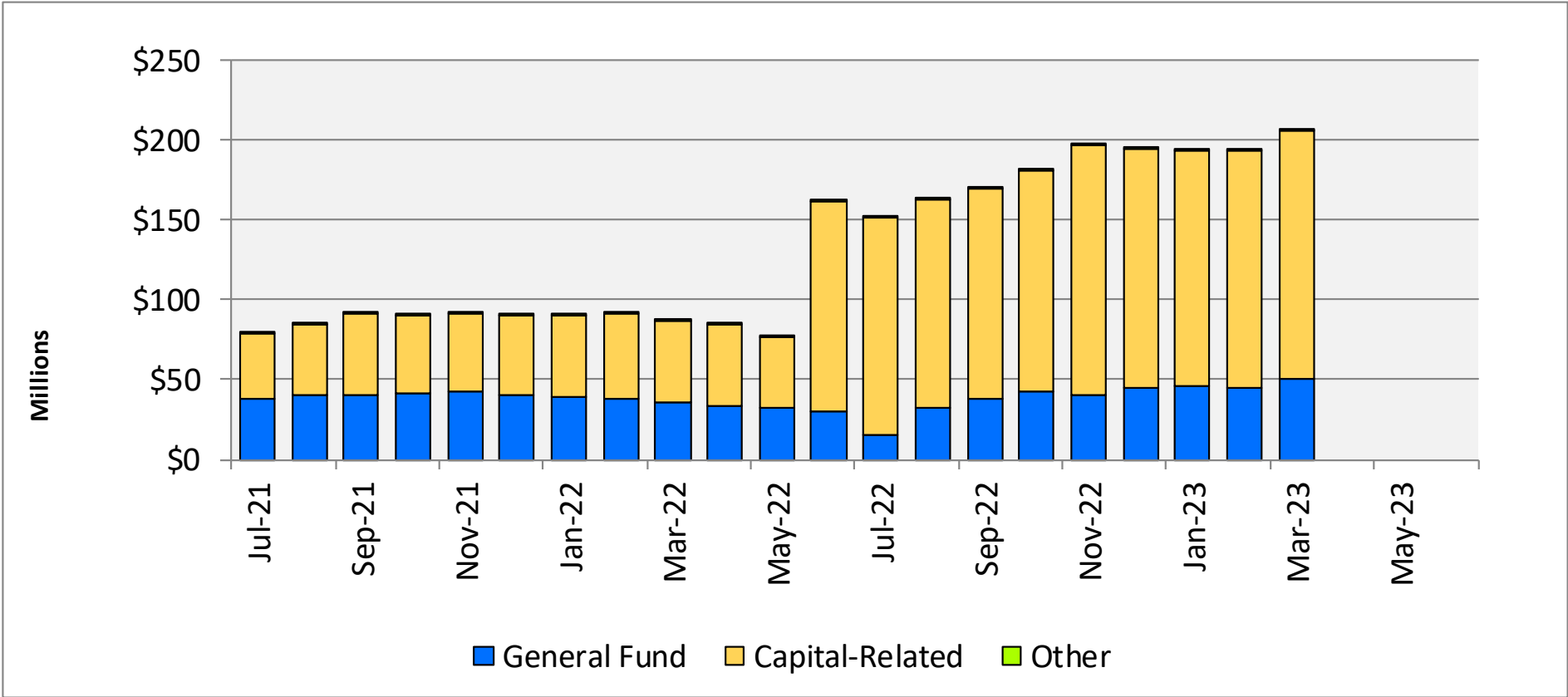
Source: TVWD unaudited financial report.

Cumulative System Development Charge Revenue



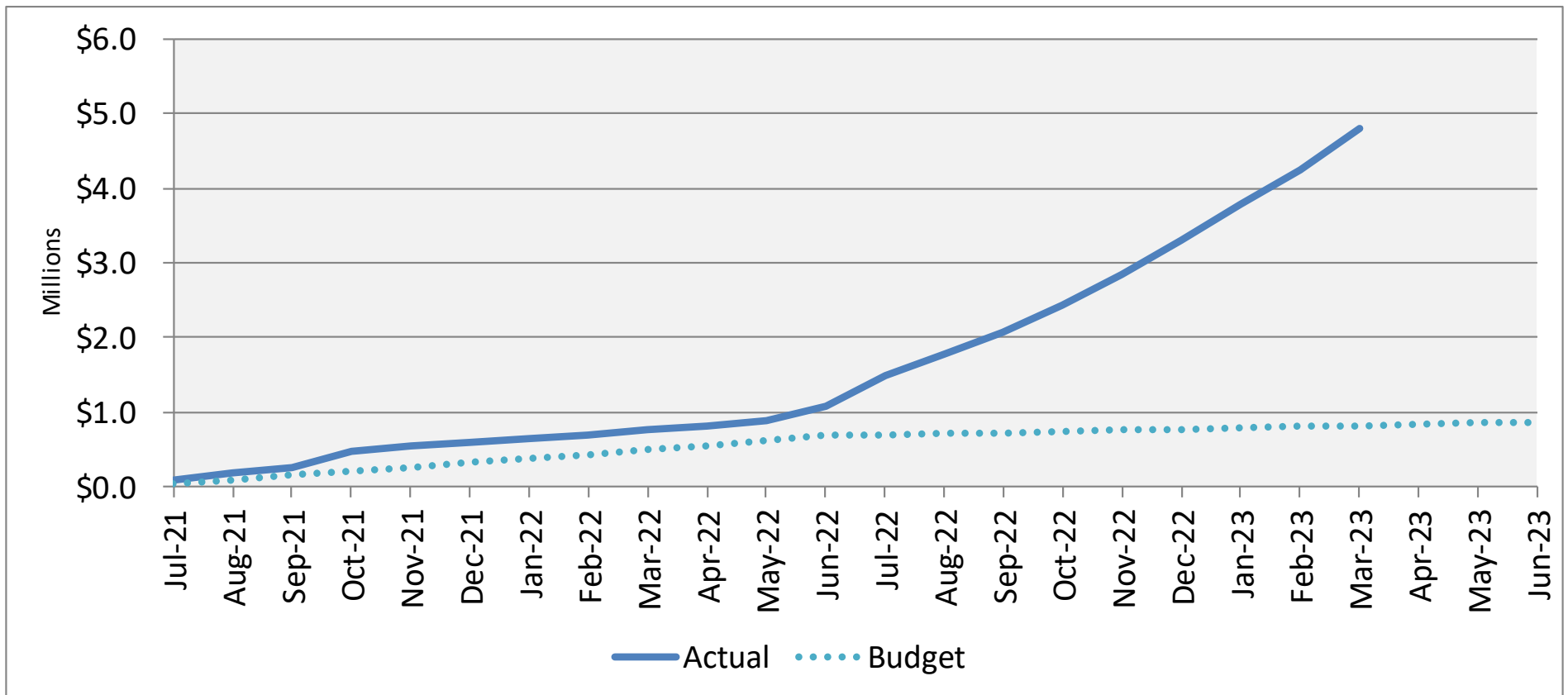
Source: TVWD unaudited financial report.

District's Cash Position



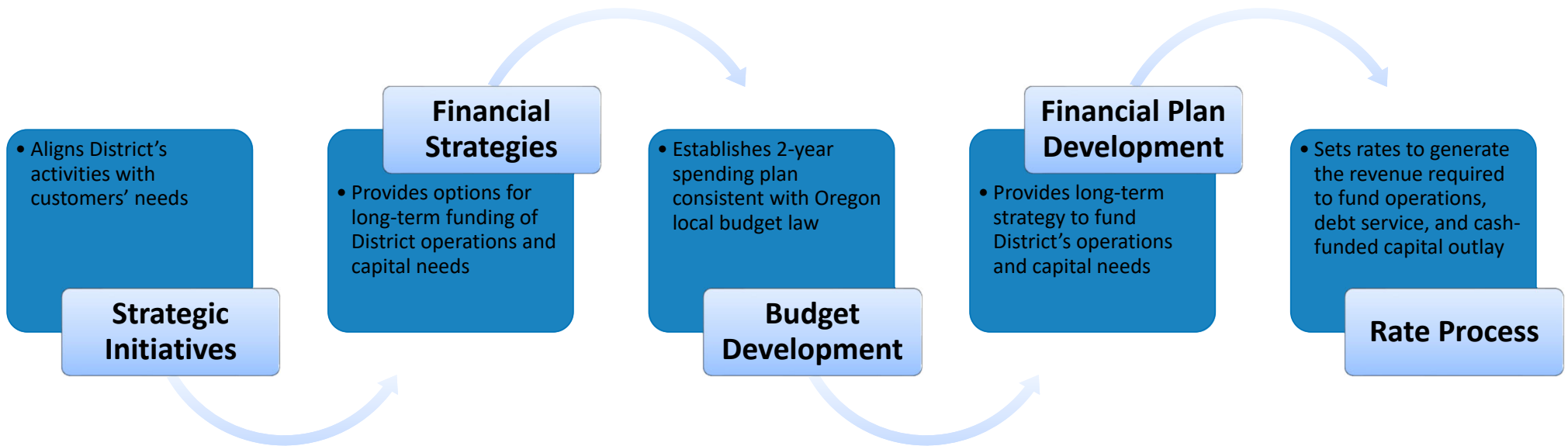
Source: TVWD unaudited financial report.

Cumulative Interest Earnings



Source: TVWD unaudited financial report.

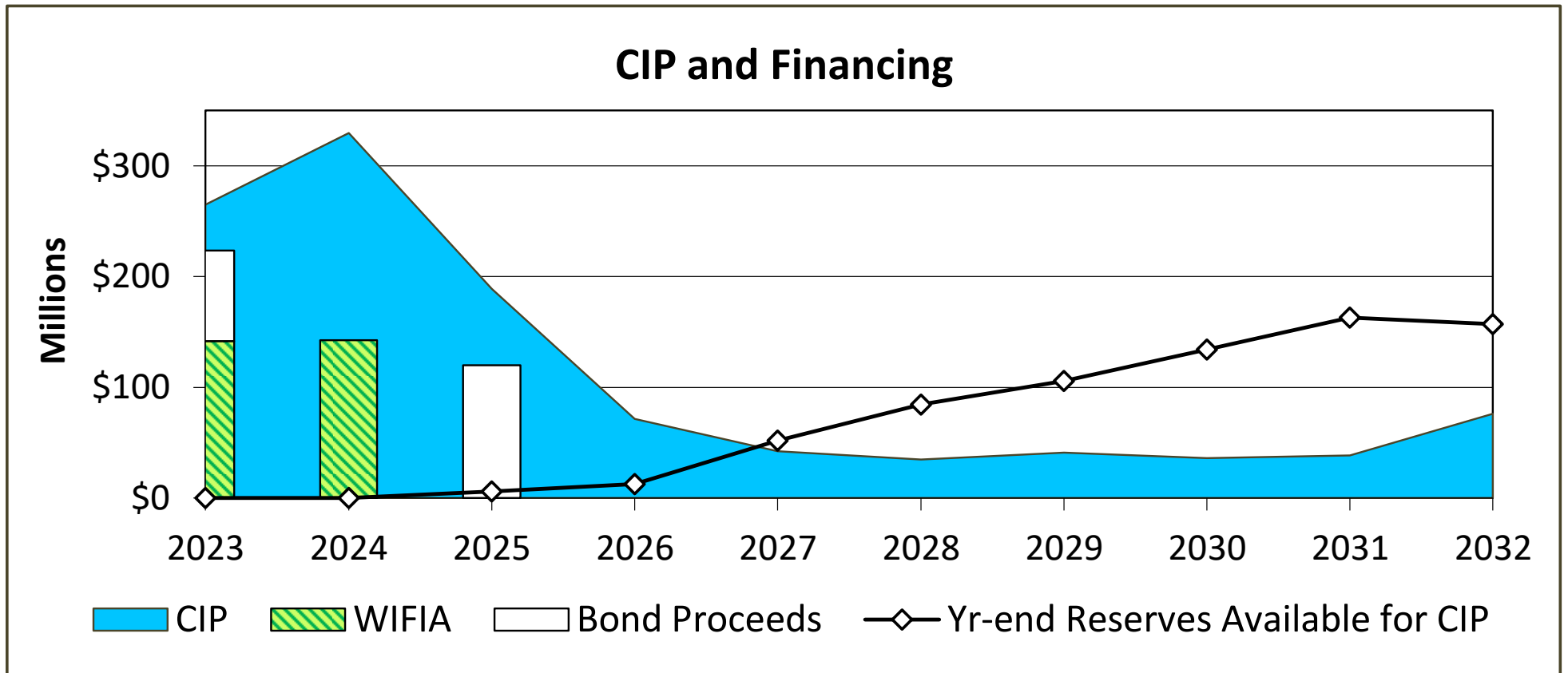
District Financial Management Process



Current Headwinds Facing the District

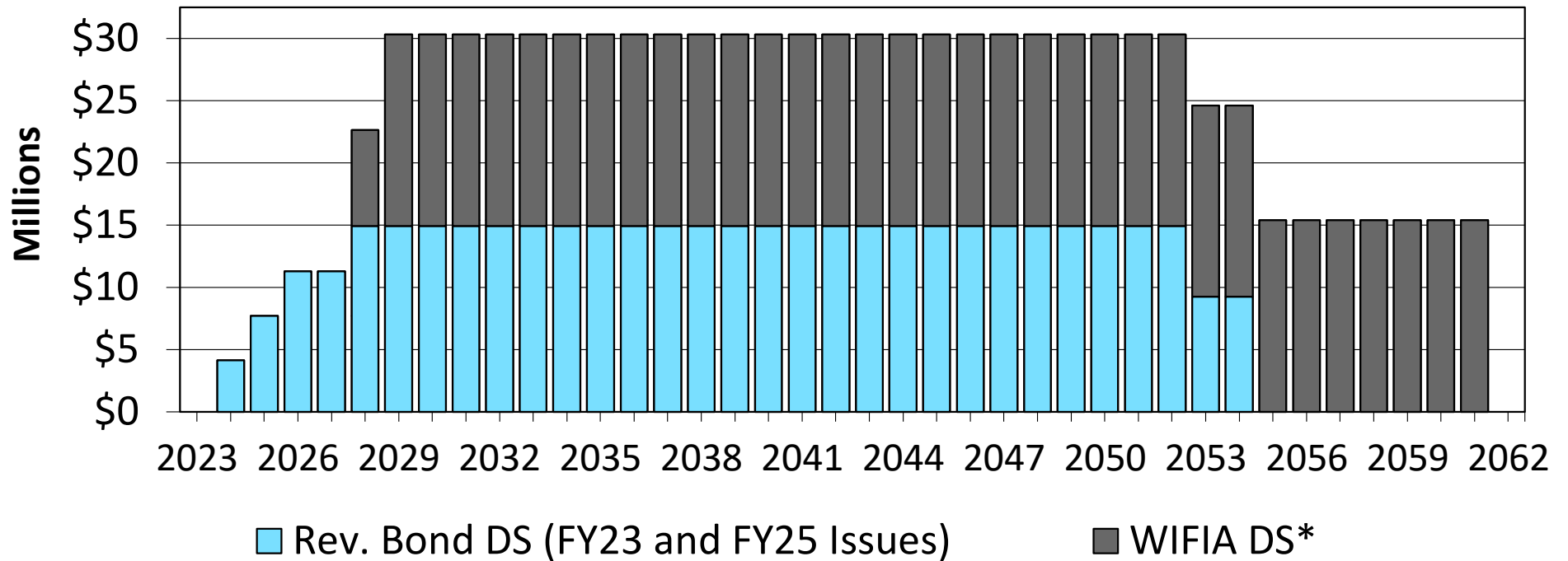
Description	Increase	Timing of Impact
Portland Water Bureau	26.1%	First-year, ongoing.
JWC	8.3%	First-year, ongoing.
Existing Staff	13.8%	Biennium, ongoing.
WWSS		
Project Cost Increases	\$200 Million	One-time with WWSS.
Integration Planning	\$6.3 million	One-time with WWSS.
Pumping Power	24.8%	Biennium, ongoing.

Current Financial Strategy

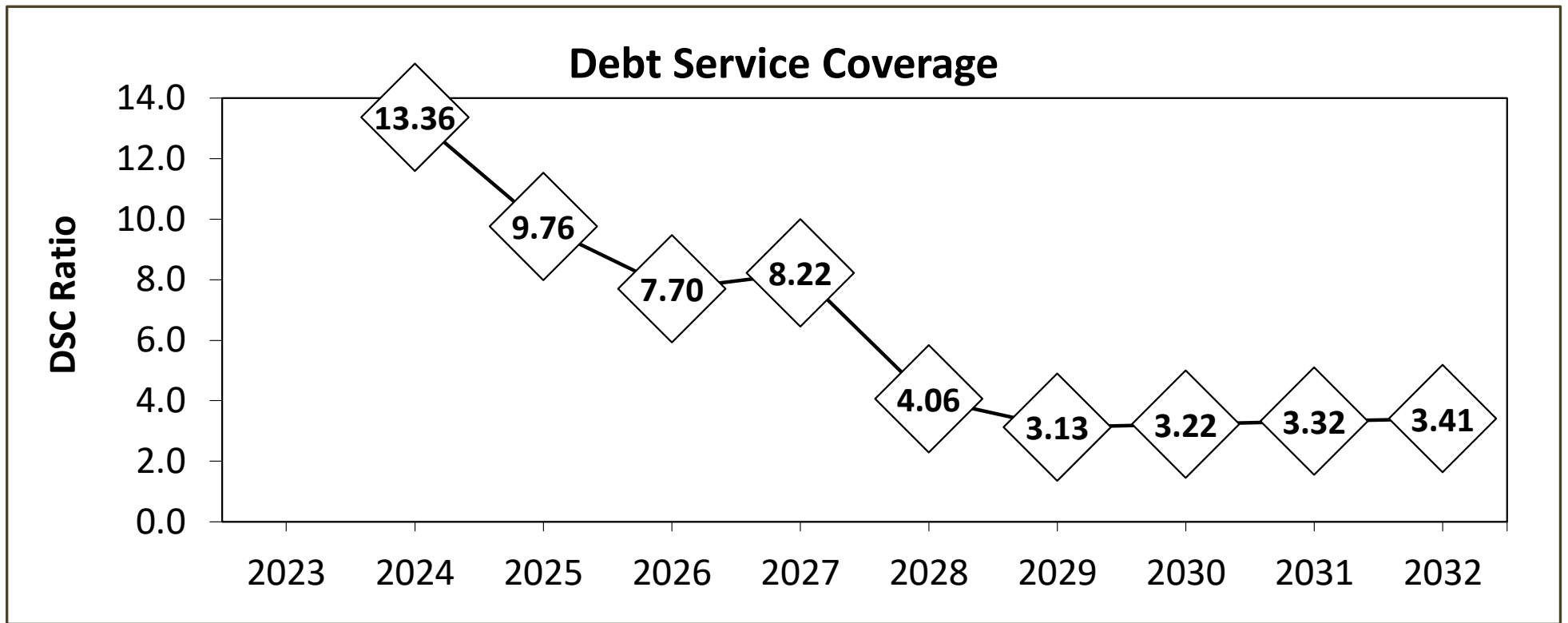


Current Financial Strategy

Annual Debt Repayments

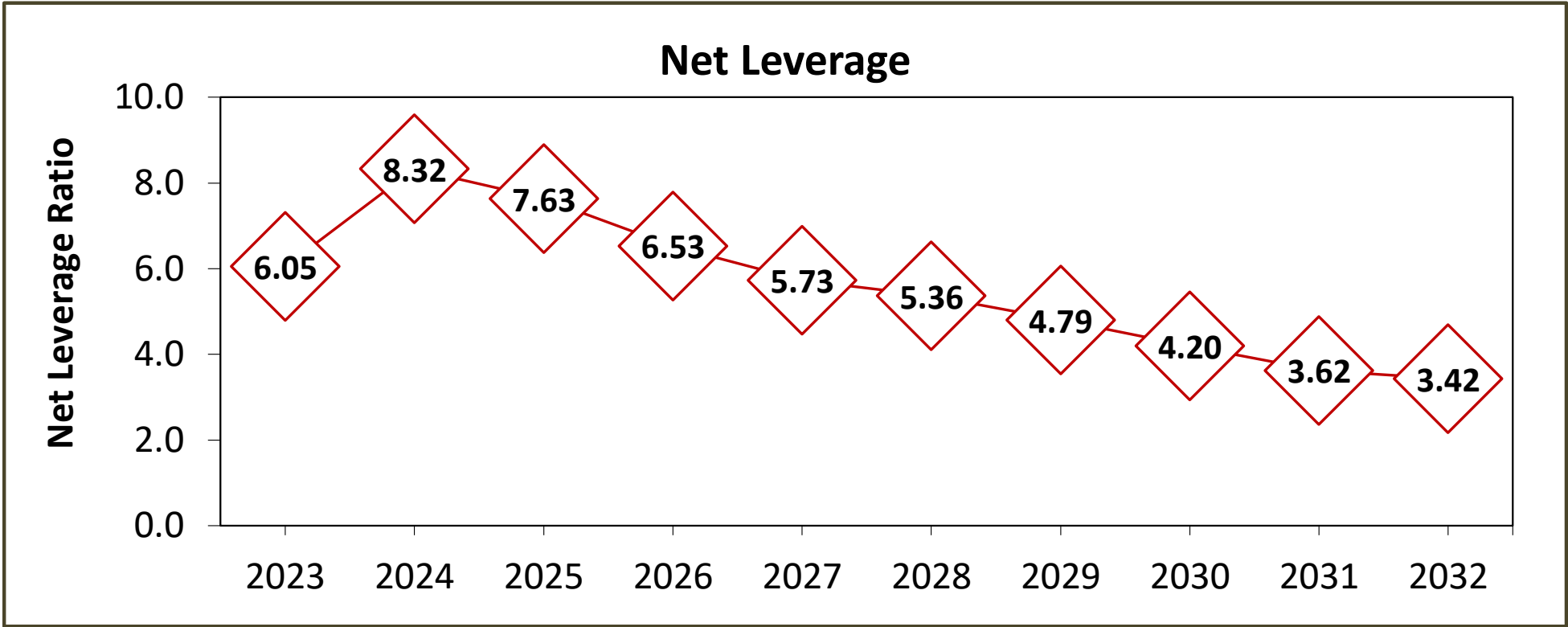


Current Financial Strategy



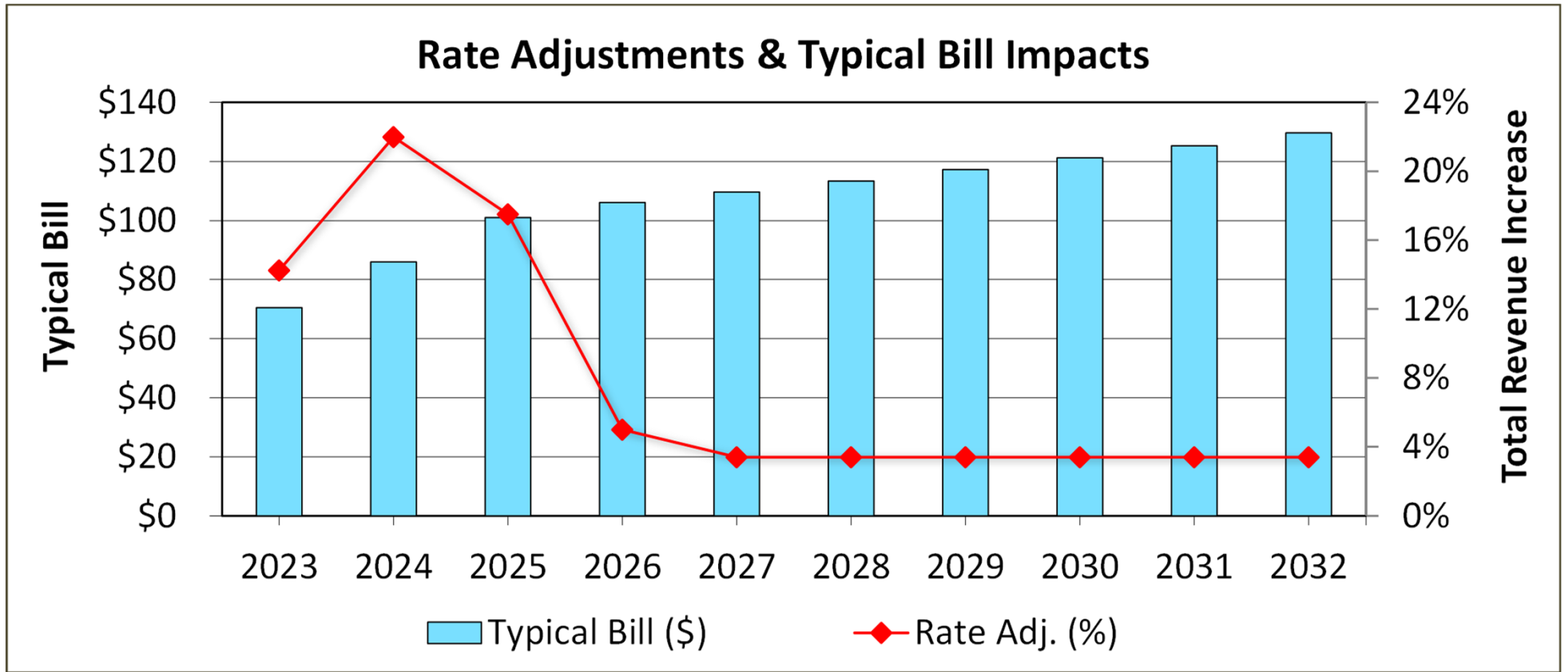
Note: A debt service coverage (DSC) ratio measures an entity's annual revenues (net of operating expenses) to total annual debt service. Target DSC ratios are set as a *minimum* bar to clear.

Current Financial Strategy



Note: A net leverage ratio measures cumulative debt outstanding to revenue (and other resources), and the target is set as a *maximum* “not-to-exceed” ratio.

Current Financial Strategy



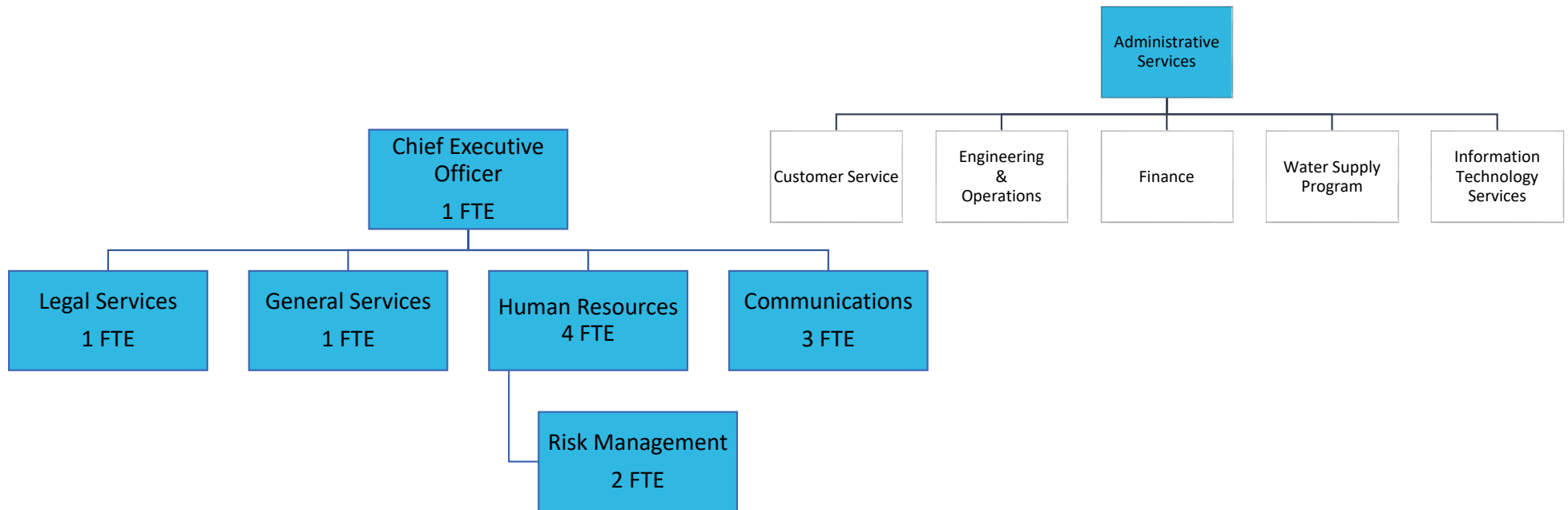


TUALATIN VALLEY
WATER DISTRICT

Administrative Services

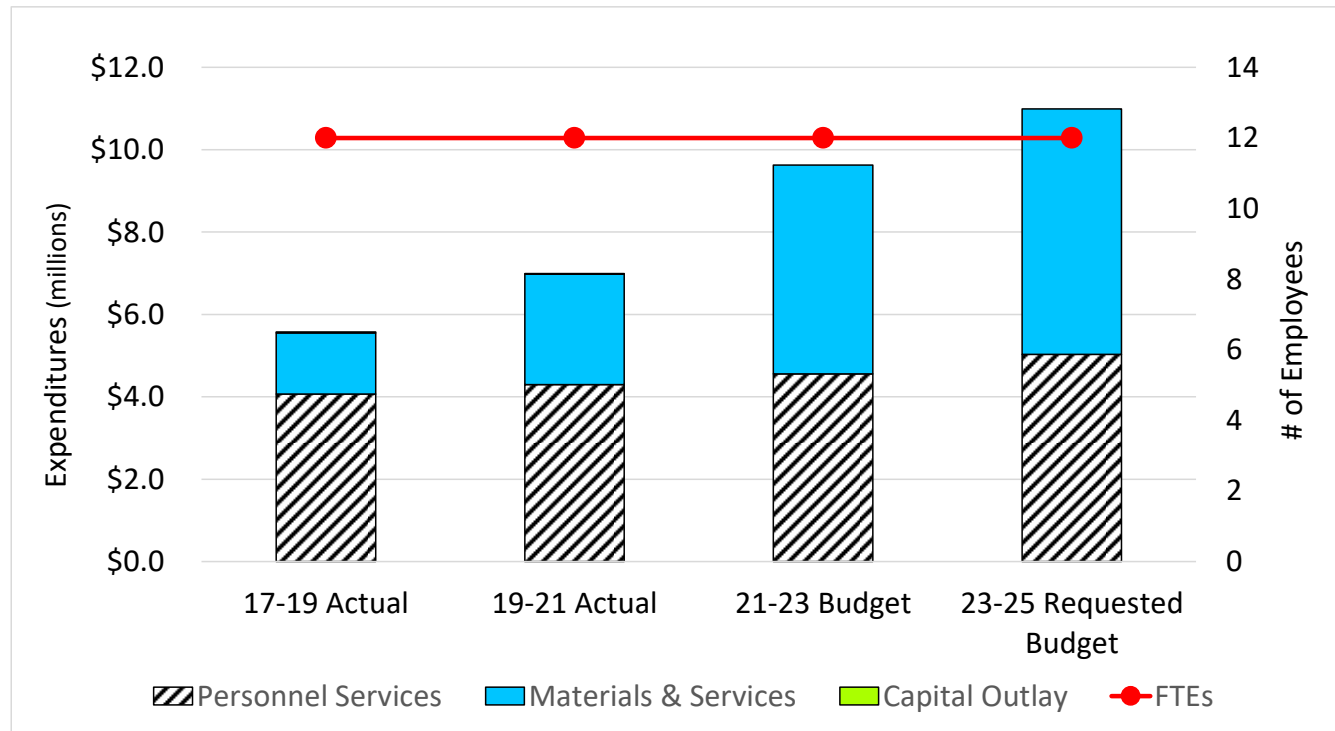
Tom Hickmann, P.E.
Chief Executive Officer

Administrative Services



Administrative Services Operating Budget

- Overall administration of the District
- Support to Board of Commissioners
- Oversight of Willamette Water Supply Program (WIF, WWSS)
- Legal Services
- Human Resources
- Risk Management
- Communications



Administrative Services Requested

Personnel Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$1,483,428	\$1,707,589	\$224,161	15.1%	7.3%
Human Resources	1,319,051	1,356,410	37,359	2.8%	1.4%
Risk Management	727,111	800,729	73,618	10.1%	4.9%
Communications	1,025,059	1,168,329	143,270	14.0%	6.8%
Department Totals	\$4,554,649	\$5,033,057	\$478,408	10.5%	5.1%

Requested Materials & Services

General Services Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Legal Fees	\$400,000	\$400,000	\$0	0.0%	0.0%
Professional Services Expense	463,600	632,970	169,370	36.5%	16.8%
Business Expense	54,953	147,312	92,359	168.1%	63.7%
Training & Education	135,545	205,300	69,755	51.5%	23.1%
Dues & Subscriptions	84,464	98,395	13,931	16.5%	7.9%
Other Sundry	10,400	7,800	(2,600)	-25.0%	-13.4%
Commissioner Fees	30,000	46,800	16,800	56.0%	24.9%
Election Expense	40,000	60,000	20,000	50.0%	22.5%
Miscellaneous	0	0	0	0.0%	0.0%
Regional Partnerships	2,137,169	1,897,123	(240,046)	-11.2%	-5.8%
Public Information	0	0	0	0.0%	0.0%
Temporary Help	20,000	20,000	0	0.0%	0.0%
Office Equipment Maintenance	27,363	17,628	(9,736)	-35.6%	-19.7%
Division Totals	\$3,403,494	\$3,533,326	\$129,832	3.8%	1.9%

Significant Accomplishments – HR

Current Initiatives

- Implemented DiSC Program
- Began classification/compensation project
- Began DEI initiative
- Changed health insurance provider

Human Investment

- Filled all department vacancies
- Managed health & safety program at TVWD and WWSP
- Created an in-house paid leave equivalent plan

Modernization

- Making full use of recruiting software
- Transitioned to electronic records management

Coming Challenges and Initiatives – HR

Current Initiatives

- Complete classification/compensation project
- Develop and implement DEI strategy

Human Investment

- Support staffing goals by filling vacancies swiftly
- Update personnel policy manual and employee handbook

Modernization

- Use technology to improve onboard program
- Maximize SharePoint capabilities

Requested Materials & Services

Human Resources Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Legal Fees	\$43,000	\$43,000	\$0	0.0%	0.0%
Professional Services Expense	466,500	344,500	(122,000)	-26.2%	-14.1%
Business Expense	17,690	20,890	3,200	18.1%	8.7%
Training & Education	48,170	81,260	33,090	68.7%	29.9%
Dues & Subscriptions	36,276	15,688	(20,588)	-56.8%	-34.2%
Miscellaneous	40,970	56,920	15,950	38.9%	17.9%
Division Totals	\$652,606	\$562,258	(\$90,348)	-13.8%	-7.2%

Requested Materials & Services

Risk Management Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Insurance Expense	\$616,940	\$1,004,650	\$387,710	62.8%	27.6%
Self-Insurance	23,000	21,500	(1,500)	-6.5%	-3.3%
Health Services	23,900	27,500	3,600	15.1%	7.3%
Safety Expense & Supplies	50,000	53,170	3,170	6.3%	3.1%
Security	79,480	82,500	3,020	3.8%	1.9%
Emergency Planning	3,500	11,500	8,000	228.6%	81.3%
Mobile Communications	0	0	0	0.0%	0.0%
Division Totals	\$796,820	\$1,200,820	\$404,000	50.7%	22.8%

Requested Materials & Services

Communications Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Professional Services Expense	\$102,000	\$482,000	\$380,000	372.5%	117.4%
Public Information	119,100	177,600	58,500	49.1%	22.1%
Division Totals	\$221,100	\$659,600	\$438,500	198.3%	72.7%

Administrative Services Requested Materials & Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$3,403,494	\$3,533,326	\$129,832	3.8%	1.9%
Human Resources	652,606	562,258	(90,348)	(13.8%)	(7.2%)
Risk Management	796,820	1,200,820	404,000	50.7%	22.8%
Communications	221,100	659,600	438,500	198.3%	72.7%
Department Totals	\$5,074,020	\$5,956,004	\$881,984	17.4%	8.3%

Administrative Services

No Capital Outlay Requested

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$0	\$0	\$0	0.0%	0.0%
Department Totals	\$0	\$0	\$0	0.0%	0.0%

Administrative Services Summary by Division

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$4,886,922	\$5,240,915	\$353,993	7.2%	3.6%
Human Resources	1,971,657	1,918,668	(52,989)	(2.7%)	(1.4%)
Risk Management	1,523,931	2,001,549	477,618	31.3%	14.6%
Communications	1,246,159	1,827,929	581,770	46.7%	21.1%
Department Totals	\$9,628,669	\$10,989,062	\$1,360,393	14.1%	6.8%

Administrative Services Summary by Appropriation Category

Appropriations Category	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$4,554,649	\$5,033,057	\$478,408	10.5%	5.1%
Materials & Services	5,074,020	5,956,004	881,984	17.4%	8.3%
Capital Outlay	0	0	0	0.0%	0.0%
Department Totals	\$9,628,669	\$10,989,062	\$1,360,393	14.1%	6.8%



Questions and Answers

Customer Services



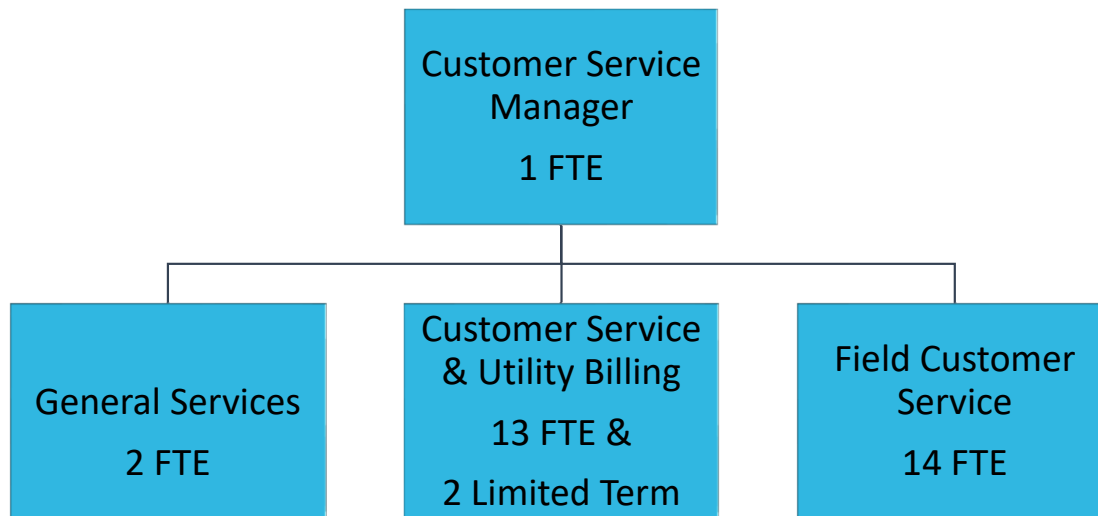
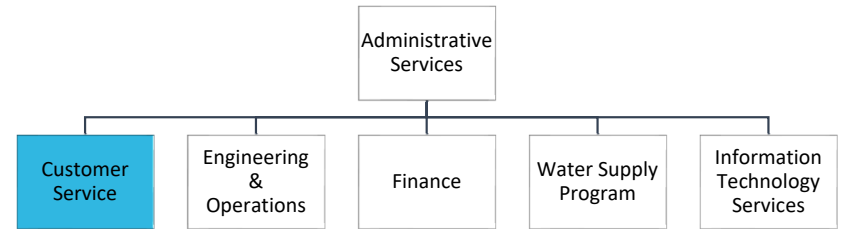


TUALATIN VALLEY
WATER DISTRICT

Customer Service Department

Andrew Carlstrom
Manager, Customer Service

Customer Service



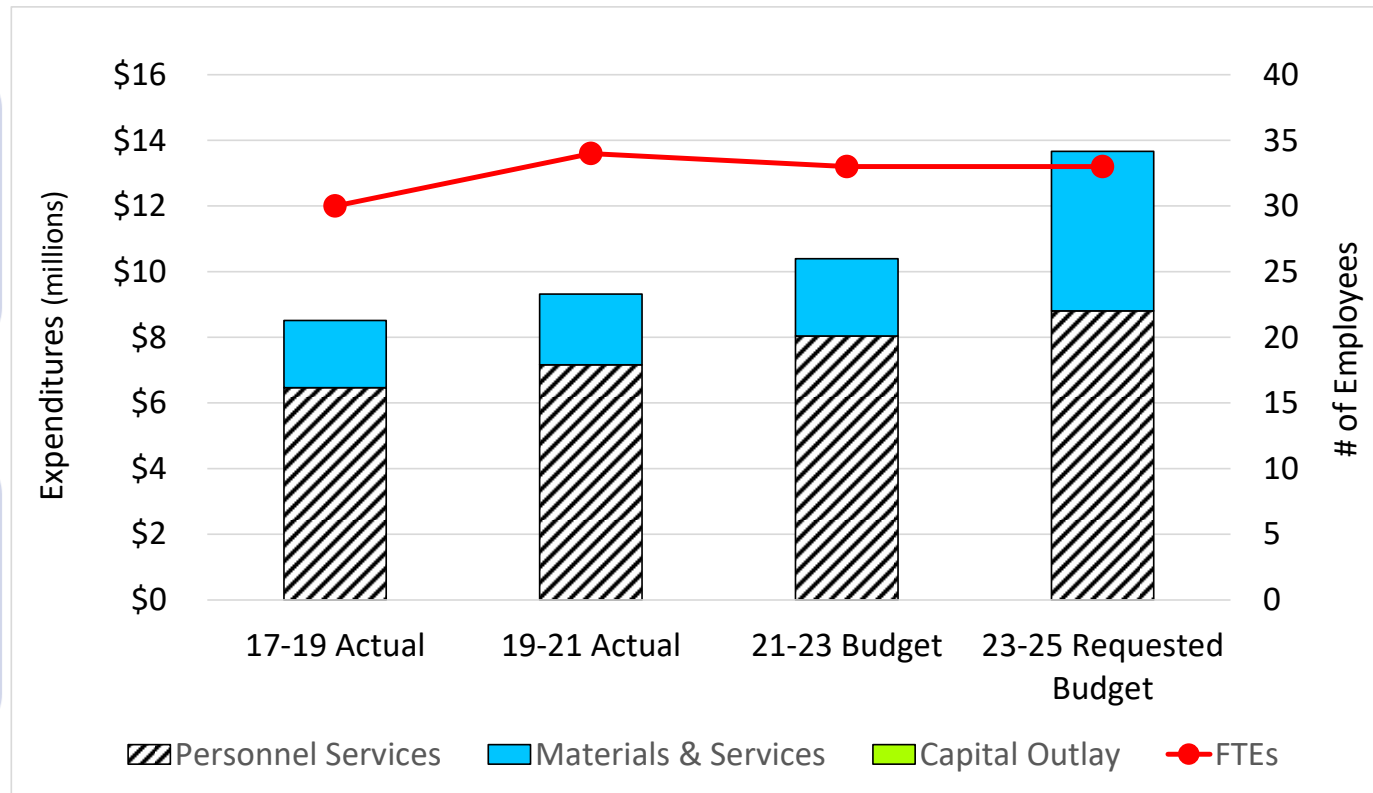
Customer Service Operating Budget

Modernization

- Meter to cash transformation
- CIS normalization
- Monthly billing pilot
- AMI implementation

Develop Staff

- Skills for transformation
- Internal training capacity



Significant Accomplishments

Current Initiatives

- Implemented and stabilized CIS
- Began long-term process of normalizing CIS
- Enhanced Customer Care during COVID-19

Human Investment

- In partnership with TVWD HR team, completed recruitments and onboarded new employees though a time of significant turnover

Modernization

- Developed AMI strategy
- Developed and began implementation of monthly billing strategy

Coming Challenges and Initiatives

Current Initiatives

- Continue long-term process of normalizing CIS
- Resume shutoffs for non-payment

Human Investment

- Assess staffing needs for growing portfolio of transformation projects and initiatives
- Increase staff skills and internal training capacity
- Examine organization of department to maximize benefits to customers and support modernization

Modernization

- Implement AMI strategy
- Implement new Customer Assistance Program
- Pilot test monthly billing strategy
- Support TVWD transition to new water supply

Requested Personnel Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$1,085,748	\$1,232,918	\$147,170	13.6%	6.6%
Customer Svc & Utility Billing	3,389,109	3,697,979	308,870	9.1%	4.5%
Field Customer Service	3,567,646	3,868,787	301,141	8.4%	4.1%
Department Totals	\$8,042,503	\$8,799,684	\$757,181	9.4%	4.6%

Requested Materials & Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$592,371	\$1,017,988	\$425,617	71.8%	31.1%
Customer Svc & Utility Billing	1,497,452	3,622,844	2,125,392	141.9%	55.5%
Field Customer Service	262,647	228,175	(34,472)	-13.1%	-6.8%
Department Totals	\$2,352,470	\$4,869,007	\$2,516,537	107.0%	43.9%

No Capital Outlay Requested

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$0	\$0	\$0	0.0%	0.0%
Department Totals	\$0	\$0	\$0	0.0%	0.0%

Customer Service Department Summary by Division

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$1,678,119	\$2,250,906	\$572,787	34.1%	15.8%
Customer Svc & Utility Billing	4,886,561	7,320,823	2,434,262	49.8%	22.4%
Field Customer Service	3,830,293	4,096,962	266,669	7.0%	3.4%
Department Totals	\$10,394,973	\$13,668,691	\$3,273,718	31.5%	14.7%

Customer Service Department Summary by Appropriation Category

Appropriations Category	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$8,042,503	\$8,799,684	\$757,181	9.4%	4.6%
Materials & Services	2,352,470	4,869,007	2,516,537	107.0%	43.9%
Capital Outlay	0	0	0	0.0%	0.0%
Department Totals	\$10,394,973	\$13,668,691	\$3,273,718	31.5%	14.7%



TUALATIN VALLEY
WATER DISTRICT

Monthly Billing Strategy

2023-25 Biennial Budget
Committee Workshop

Monthly Billing Strategy

Goal

- Reduce impact of bimonthly billing on our most vulnerable customers
- Implement pilot of monthly billing solution by August 2023

Key Features

- Begins with pilot of between 200 to 400 accounts
- Use existing GIS analysis to focus quickly on most vulnerable customers
- Read meters monthly in advance of AMI with existing reading resources
- Measure benefits for customers and impact on call center to inform future plans
- Expand monthly billing as AMI is implemented



Implement New Customer Assistance Program

2023-25 Biennial Budget
Committee Workshop

Customer Assistance Program

RAC Recommendation

- Maintain existing Customer Emergency Assistance Program
- Implement new CAP for low-income customers (family-size adjusted household income below 60% of Oregon median household income)
- Provides 20% discount on water bills
- Uses third-party to qualify customers and integrates with other assistance programs

Customer Assistance Program Features

- Who can qualify?
 - Single-family residential customers who qualify for the federal Low Income Home Energy Assistance Program (LIHEAP).
- How much assistance is available?
 - 20% discount to the customer's water bill
- How is it funded
 - Allocated proportionately to both fixed and volume charges



Customer Assistance Program Estimated Costs

Estimated Qualifying Households	9,000
Estimated Participation	3,000
Typical Discount Provided/Mo.	\$15.89
Estimated Annual Program	\$570,000

Note: Initial program needs are estimates only. The Board will have the discretion to adjust the program parameters as needed.

Implementation Plan

Responsible Department

- Customer Service Department manages the program
- Financial/budget management
- Partnership management
- Determine staffing needs

Third-Party Administrator

- Partnership with local agency to qualify customers and offer other services
- Excellent relationship with Community Action of Washington County – hope to continue that relationship

Transparency

- Track participation and report utilization to the Board monthly through TVWD's existing Month-in-Review
- Funding subject to TVWD's Citizen Budget Process

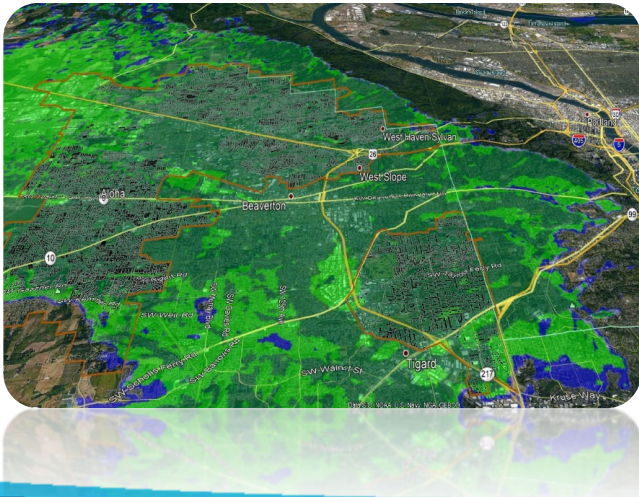
Funding

- Included in requested budget
- Board and Budget Committee will assess program needs and funding capacity on biennial basis
- Management will monitor needs and apprise the Board of any budget challenges



TUALATIN VALLEY
WATER DISTRICT

Advanced Metering Infrastructure (AMI)



2023-25 Biennial Budget
Committee Workshop

What is Advanced Metering Infrastructure, or AMI?

- **AMI is a system that generally logs hourly consumption readings**
- **Rather than collecting monthly or bi-monthly reads, an AMI system can gather meter data multiple times per day**
- **AMI benefits include:**
 - Hourly consumption data available to staff and customers
 - Automated meter reading
 - Minimized estimated reads and truck rolls to verify reads
 - Improved leak detection and alerts to staff and customers
 - Reduced theft and improved system security
 - Improved distribution system management
 - Supports transition to monthly billing and conservation efforts



Sources: Water Research Foundation, Report #4583, TVWD AMI Business Case

TVWD AMI Initiative

- **AMI is integral to modernizing TVWD's meter to cash cycle**
 - The purpose of the AMI initiative is to deliver an AMI technology solution that supports the data needs and expectations of TVWD customers and operations.
 - The new CIS is an integrated solution with AMI; providing essential Meter Data Management (MDM) functionality built into the product as well as a customer facing engagement portal.
 - AMI is the preferred path for TVWD to achieve implementation of monthly billing, a key recommendation of the Rate Advisory Committee.

TVWD AMI Initiative

- **An AMI implementation is a large, complex project and a multiyear effort.**
 - 2021–2023: \$200,000 budgeted, staff directed to develop AMI strategy.
 - Diameter Services Inc. hired as project consultants.
 - Findings, recommendations and cost estimates will be presented at the June 6 Board Work Session.
 - Like CIS, the AMI initiative will be a multidisciplinary effort within TVWD.
 - Conservation program staff serving in key project role for the AMI initiative, and changes to the existing conservation program, including rebates, are being planned during the AMI implementation.

Requested Project Budget

Project Budget

- Total project costs: \$22 million (today's dollars) evenly over 5 years
- Biennium request: \$9.3 million (includes assumed inflation)

Potential Grants/Assistance

- Bureau of Reclamation has notified the District of intent to award a \$5 million grant that comes with a 3-year implementation requirement.
- There is an additional \$5 million in State matching funds potentially available.
- Clean Water Services has verbally committed to fund 25% of project cost.

Questions and Answers

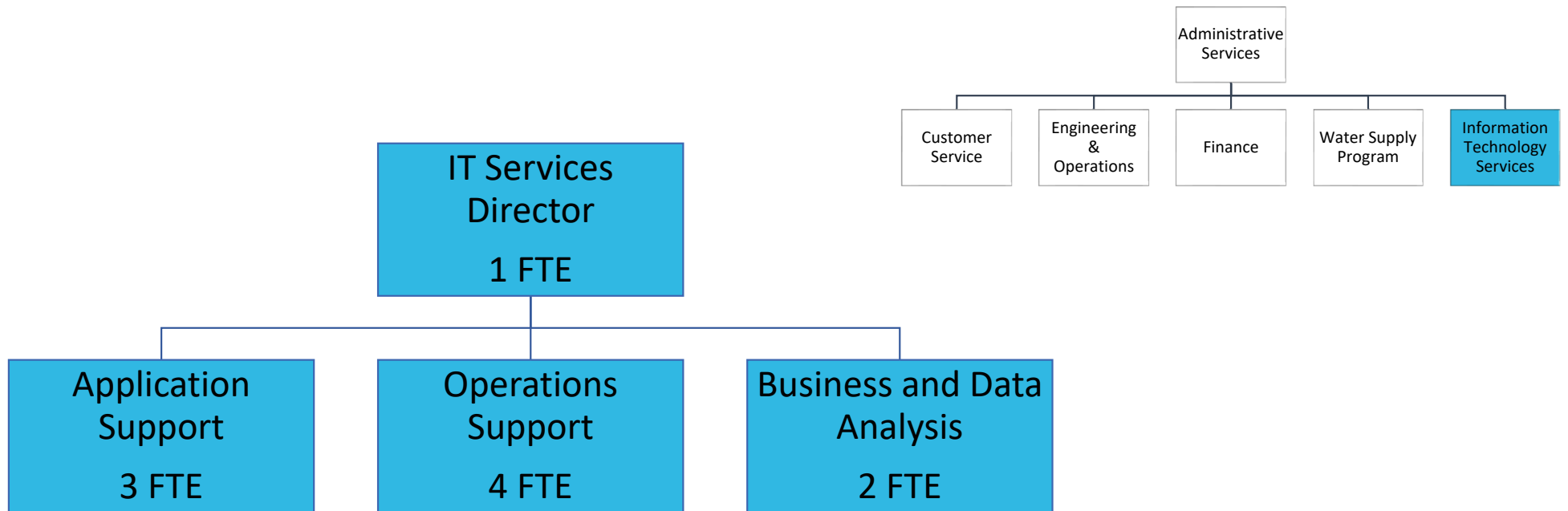




Information Technology Services

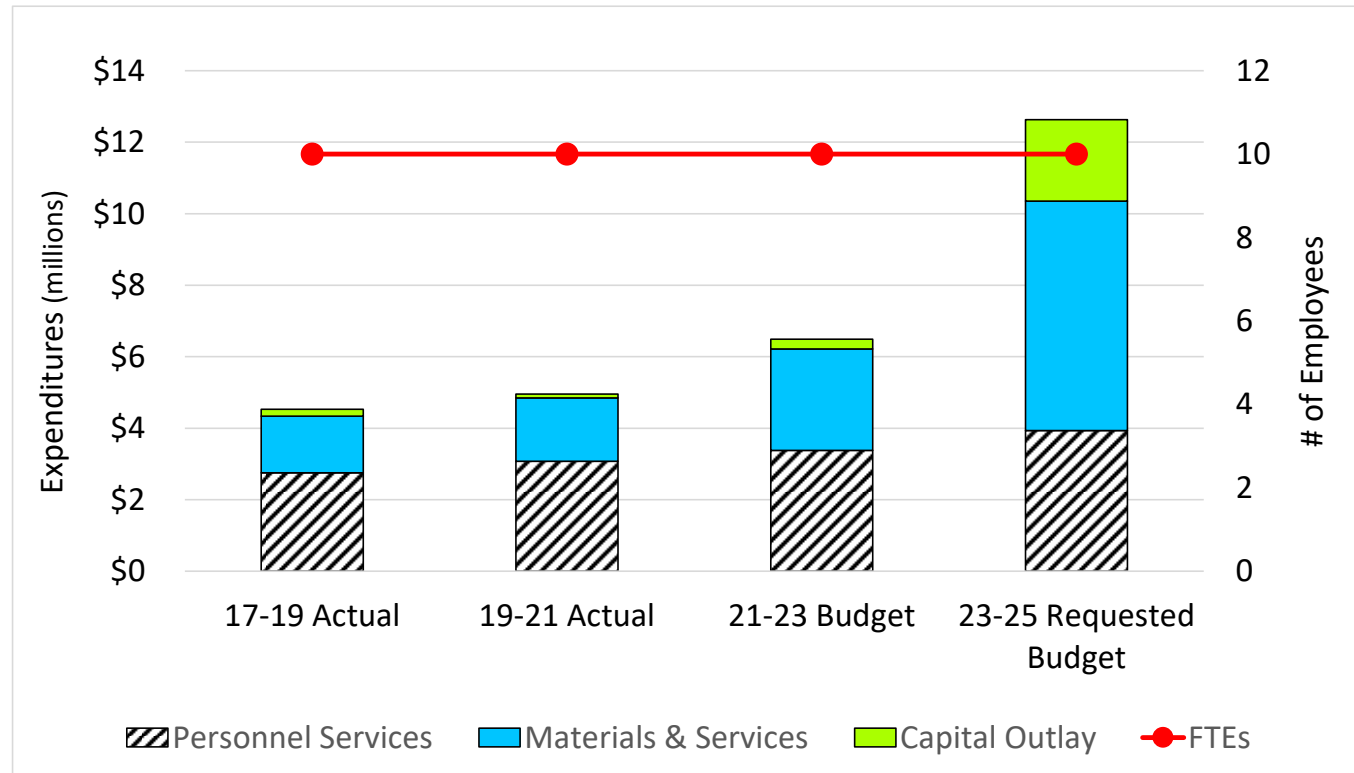
Tim Boylan
IT Services Director

Information Technology Services



Information Technology Services Operating Budget

- Continued focus on commercial, cloud-first strategy.
- Addressing deferred equipment refresh.
- Focus areas include:
 - Infrastructure Resilience
 - System Integrations
 - Business Intelligence
 - Cybersecurity
 - Employee Enablement



'21-'23 Accomplishment Highlights

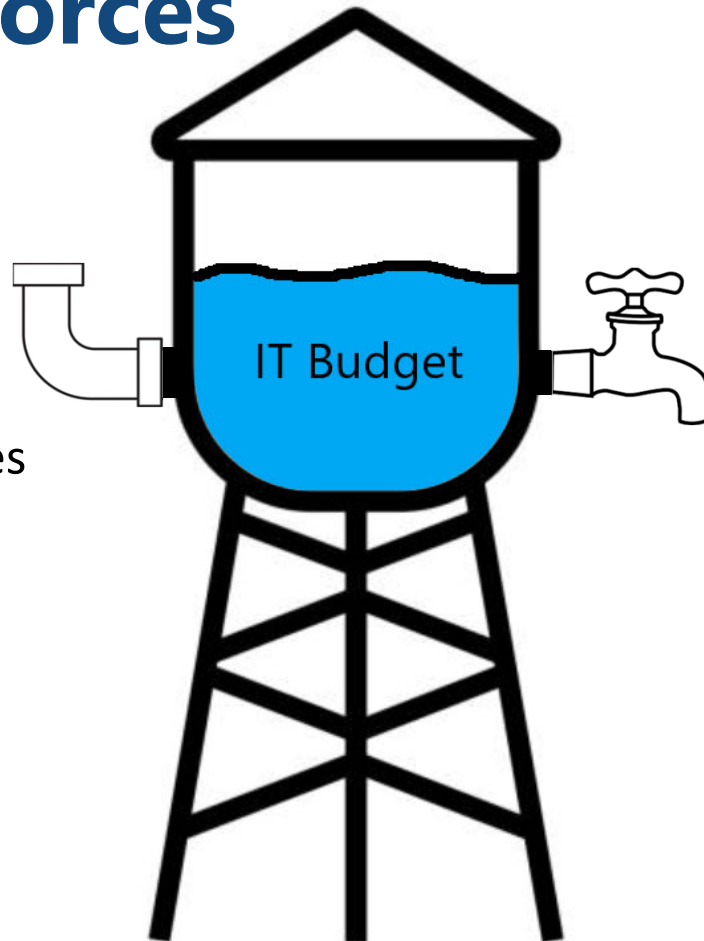
- CIS Implementation
- Cybersecurity Improvements
- Cityworks Improvements
- SCADA Cellular Network
- Org Structure Changes
- WWSP Planning and Design
- SharePoint Migration



IT Budget Forces

Cost Drivers

- Business Projects
- Increase in FTE
- Business Process Changes
- Regulation / Compliance
- Cybersecurity Threats
- Technology Changes
- Vendors / Contracts
- Education



Cost Containment

- Lifecycle management
- Efficiency improvements
- Prioritization
- Automation
- Education

Information Technology Services Summary by Appropriation Category

Appropriations Category	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$3,376,770	\$3,931,592	\$554,822	16.4%	7.9%
Materials & Services	2,842,650	6,421,756	3,579,106	125.9%	50.3%
Capital Outlay	271,950	2,277,000	2,005,050	737.3%	189.4%
Department Totals	\$6,491,370	\$12,630,348	\$6,138,978	94.6%	39.5%

Requested Materials & Services

Information Technology Services

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Professional Services Expense	\$430,550	\$1,213,000	\$782,450	181.7%	67.8%
Business Expense	1,300	1,400	100	7.7%	3.8%
Training & Education	51,000	92,905	41,905	82.2%	35.0%
Dues & Subscriptions	2,300	3,000	700	30.4%	14.2%
Computer Hardware/Maint.	303,200	452,729	149,529	49.3%	22.2%
Computer Software/Maint.	672,368	816,665	144,297	21.5%	10.2%
Computer Subscription Services	786,937	3,067,323	2,280,386	289.8%	97.4%
Communication Services	552,995	751,533	198,538	35.9%	16.6%
Communication Hardware	42,000	23,200	(18,800)	-44.8%	-25.7%
Division Totals	\$2,842,650	\$6,421,756	\$3,579,106	125.9%	50.3%

Requested Capital Outlay

Information Technology Services

Description	Requested Budget
Server and Storage Hardware Refresh	\$975,000
Firewall Hardware Refresh	550,000
Network Switch Hardware Refresh	300,000
Wireless (Wi-Fi) Hardware Refresh	300,000
Wireless (Wi-Fi) Coverage Area Expansion	125,000
Convert Desktop Telephones to Wi-Fi	12,000
Computer hardware, software, & workstations	15,000
Total	<hr/> \$2,277,000

Budget Changes & Focus Areas

Budget	Description	Change	Primary Reasons
Capital	Capital	189.4%	Deferred refresh of server, storage, network, security hardware
M&S	Computer Subscriptions	97.4%	Addition of CIS fees and Phase 2 projects / Water Quality
M&S	Professional Services	35%	Project-related assessment, consulting, and implementation
M&S	Training & Education	35%	\$40K change tied to technology refresh and projects
M&S	Computer Hardware	22.2%	Employee hardware refresh, Maintenance Fees
M&S	Communication Svcs.	16.6%	Project driven circuit and cellular costs

'23-'25 Projects & Initiatives

- Data Center Hardware Refresh
- Network & Wi-Fi Hardware Refresh
- Cybersecurity Program & Enhancements
- Access Control / SCADA Networks
- Data Warehouse & Business Intelligence
- Identity & Access Management Upgrades
- Meter Sales Replacement
- Support for Departmental projects



Questions and Answers

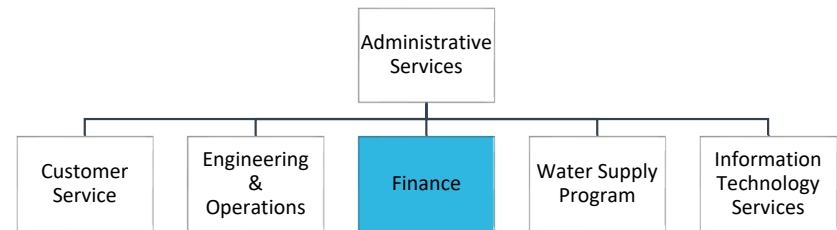
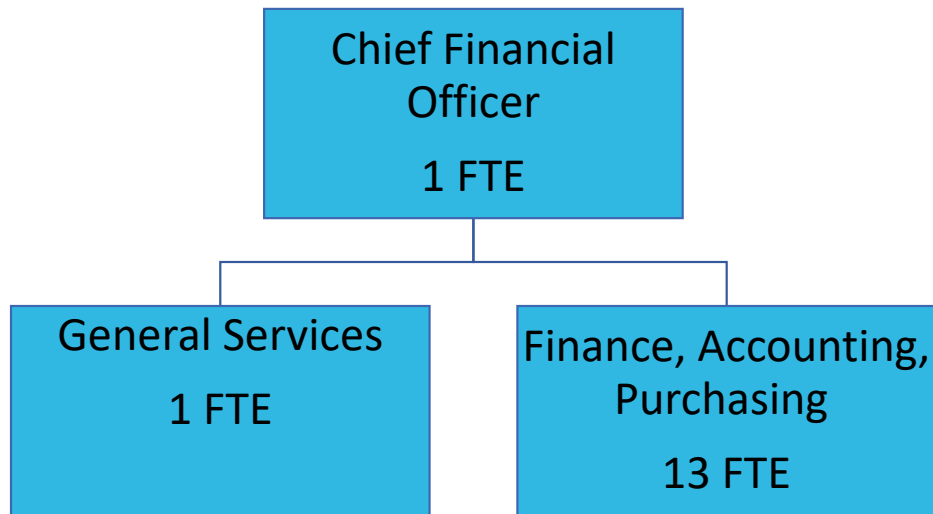


TUALATIN VALLEY
WATER DISTRICT

Finance and Non-Departmental

Paul L. Matthews
Chief Financial Officer

Finance



Finance Operating Budget

Manage District's Finances

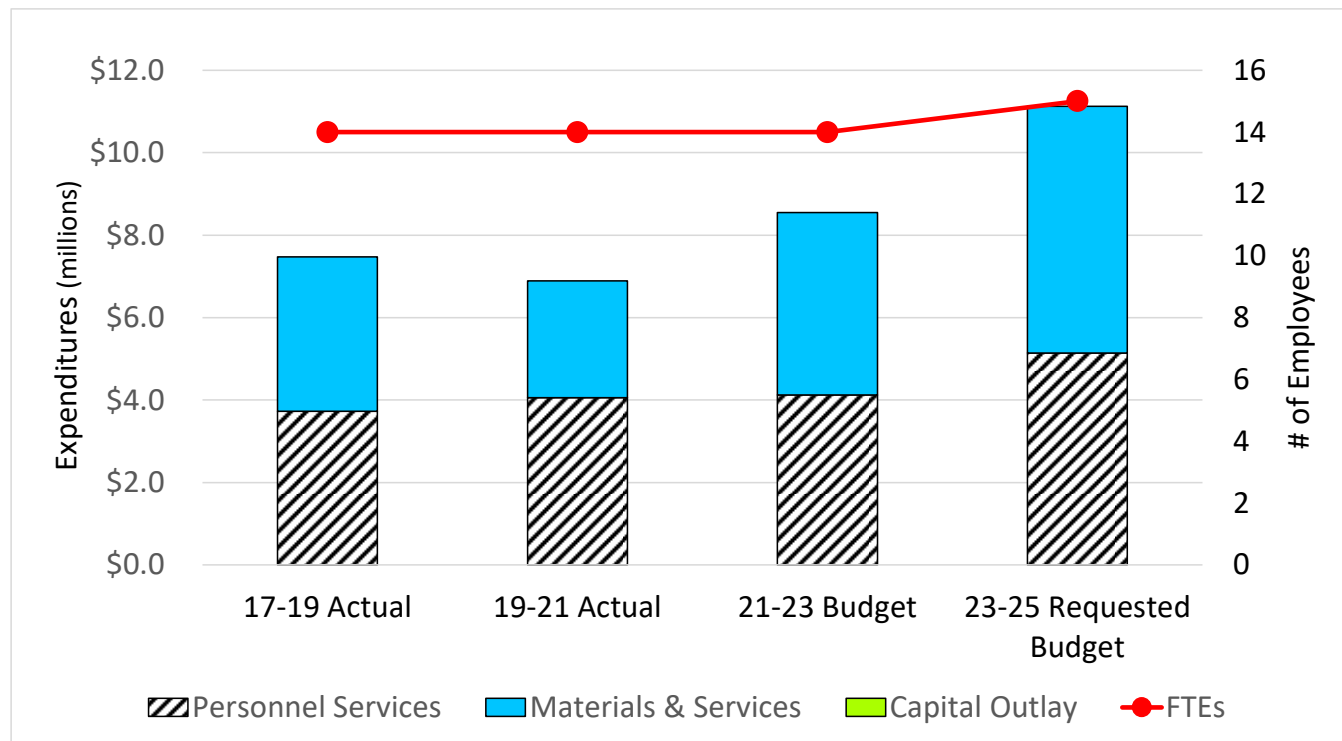
- Moved responsibilities of WWSP Finance and Administration Manager to Finance
- Long-term debt and financial planning
- Regional partnerships
- Monitor revenue and collections

Continue Building Capacity of Department

- Continue to build capacity for managing the operations of the WWSS and WIF
- Increase regional presence
- Continue to manage long-term borrowing

Manage District's Strategic Planning Functions

- Develop framework that aligns District resources with customers needs
- Implement KPIs that measure alignment with customer needs



2021-23 Significant Accomplishments



Navigated difficult financial times

Maintained financial strategies and financial plans to meet economic requirements



Secured additional financial resources for the WWSS

Managed WIFIA draws and loan
New revenue bonds



Managed Important Projects

Rate Advisory Committee process
District's Mission, Vision, Values and Strategic Planning Framework project
Moved responsibilities of the WWSP Finance and Administration Manager to Finance



Kept the Business Running

Paid bills
Paid employees
Procured materials and services
Managed investments
Prepared financial reports
Managed inventory effectively during challenging times

Finance

Requested Personnel Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$786,370	\$918,569	\$132,199	16.8%	8.1%
Accounting & Finance	3,333,472	4,220,114	886,642	26.6%	12.5%
Department Totals	\$4,119,842	\$5,138,683	\$1,018,841	24.7%	11.7%

Requested Materials & Services

General Services Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Legal Fees	\$20,000	\$222,500	\$202,500	1012.5%	233.5%
Professional Services Expense	552,000	627,800	75,800	13.7%	6.6%
Business Expense	5,500	6,200	700	12.7%	6.2%
Business Services	42,000	13,900	(28,100)	-66.9%	-42.5%
Training & Education	53,673	59,770	6,097	11.4%	5.5%
Dues & Subscriptions	21,190	16,843	(4,347)	-20.5%	-10.8%
Sundry Expense	400	1,900	1,500	375.0%	117.9%
Division Totals	\$694,763	\$948,913	\$254,150	36.6%	16.9%

Requested Materials & Services

Accounting and Finance Division

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Misc. Taxes & Licenses	\$0	\$60	\$60	0.0%	0.0%
Audit Fees	200,820	133,925	(66,895)	-33.3%	-18.3%
Banking & Treasury Services	1,648,320	1,781,760	133,440	8.1%	4.0%
Bond Sale Expenses	38,000	613,000	575,000	1513.2%	301.6%
Interest Expense	6,000	7,000	1,000	16.7%	8.0%
Office Expense	131,400	112,300	(19,100)	-14.5%	-7.6%
Collection Expense	350,000	550,000	200,000	57.1%	25.4%
Bad Debt Expense	1,336,200	1,819,000	482,800	36.1%	16.7%
Inventory Adjustment	20,000	20,000	0	0.0%	0.0%
Division Totals	\$3,730,740	\$5,037,045	\$1,306,305	35.0%	16.2%

Finance

Requested Materials & Services

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$694,763	\$948,913	\$254,150	36.6%	16.9%
Accounting & Finance	3,730,740	5,037,045	1,306,305	35.0%	16.2%
Department Totals	\$4,425,503	\$5,985,958	\$1,560,455	35.3%	16.3%

Finance

Summary by Appropriation Category

Appropriations Category	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$4,119,842	\$5,138,683	\$1,018,841	24.7%	11.7%
Materials & Services	4,425,503	5,985,958	1,560,455	35.3%	16.3%
Capital Outlay	0	0	0	0.0%	0.0%
Department Totals	\$8,545,345	\$11,124,641	\$2,579,296	30.2%	14.1%

Finance

Summary by Division

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
General Services	\$1,481,133	\$1,867,483	\$386,350	26.1%	12.3%
Accounting & Finance	7,064,212	9,257,159	2,192,947	31.0%	14.5%
Department Totals	\$8,545,345	\$11,124,641	\$2,579,296	30.2%	14.1%

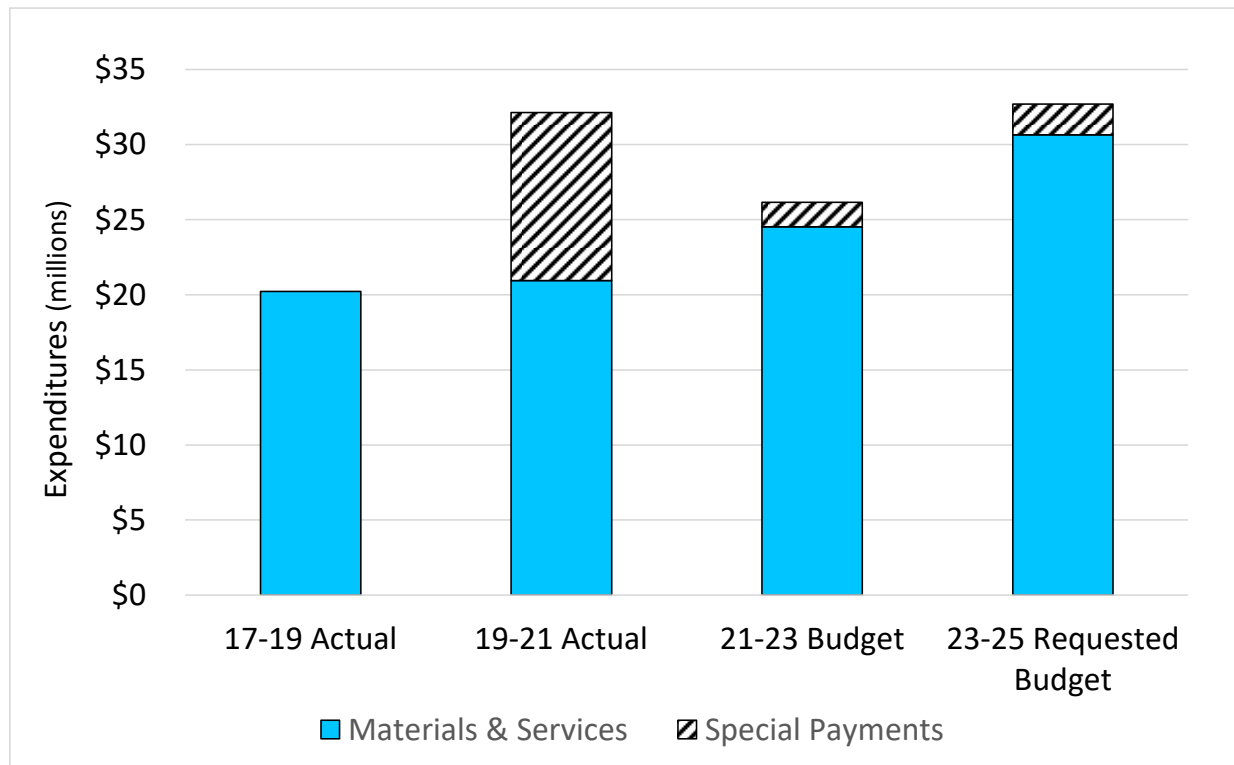
Non-Departmental Budget

Purchased water costs

- Unit costs for water
- Quantity of water
- Pumping Power

Special payments

- Cities' right-of-way fees
- No PERS side account this biennium



Requested Materials & Services

Non-Departmental

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Water Purchased	\$23,533,600	\$29,523,700	\$5,990,100	25.5%	12.0%
Pumping Power	989,325	1,127,000	137,675	13.9%	6.7%
Total Materials & Services	\$24,522,925	\$30,650,700	\$6,127,775	25.0%	11.8%

Requested Special Payments

Non-Departmental

Division	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Right-of-Way Fees	\$1,625,000	\$2,035,000	\$410,000	25.2%	11.9%
Total Special Payments	\$1,625,000	\$2,035,000	\$410,000	25.2%	11.9%



TVWD Continues Its 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

Maintaining Focus on Priorities

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.

Next Steps

- Future Meetings
 - Budget Committee Meeting and Public Hearing: May 31st at 6:00 pm
 - Board of Commissioners Meeting Consider Adoption of 2023-25 Budget: Wednesday, June 21st at 6:00 pm
- Questions for the Team



Questions and Answers