

Tualatin Valley Water District



Delivering the Best Water • Service • Value



BOARD MEETING AGENDA*

July 21, 2021

President Todd Sanders

Treasurer Bernice Bagnall

Vice President Jim Duggan

Secretary Jim Doane

Acting Secretary Dick Schmidt

*To slow the spread of COVID-19, this meeting is only available via phone or the web. It will not be held at a physical location. If you wish to attend, please email debbie.carper@tvwd.org or call 503-848-3014 by 4:30 p.m. on July 21, 2021.

The meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the contact listed above.

For online meeting information, Commissioner bios and more, visit www.tvwd.org.

VISION

Delivering the best water • service • value

MISSION STATEMENT

To provide our community quality water and customer service

VALUES

Reliability • Integrity • Stewardship • Excellence • Safety

REGULAR SESSION – 6:00 PM – MICROSOFT TEAMS MEETING

CALL TO ORDER

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

COMMISSIONER COMMUNICATIONS

- A. Reports of meetings attended
- B. Topics to be raised by the Commissioners

PUBLIC COMMENT

This time is set aside for persons wishing to address the Board on items on the Consent Agenda and matters not on the agenda. Additional public comment will be invited on agenda items as they are presented. Each person is limited to five minutes, unless an extension is granted by the Board. Should three or more people testify on the same topic, each person will be limited to three minutes.

1. CONSENT AGENDA

These items are considered to be routine and may be approved in one motion without separate discussion. Any Board members may request that an item be removed by motion for discussion and separate action. Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Board has approved those items which do not require discussion.

- A. Approve the June 16, 2021 regular meeting minutes.

2. BUSINESS AGENDA

- A. Consider adopting Resolution 08-21, a resolution establishing the water rate setting process for the 2021-23 biennium. *Staff Report – Paul Matthews*

3. INFORMATIONAL PRESENTATIONS

- A. Lead Service Line Inventory Requirement under the Environmental Protection Agency's Lead and Copper Rule Revisions. *Staff Report – Joel Cary*

ADJOURNMENT

Tualatin Valley Water District



Delivering the Best Water Service Value

DRAFT

Board Meeting Minutes

June 16, 2021

This meeting was held by phone and the internet.

REGULAR SESSION – 6:00 PM

CALL TO ORDER

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

Budget Committee Member Present: Marilyn McWilliams

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

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

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

In response to questions, staff said:

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

Mr. Hickmann continued his announcements, asking the recently reelected Commissioners how they would like to handle taking their oaths of office for their new terms. Commissioners

indicated setting up appointments with the District Recorder would work best. Finally, Mr. Hickmann shared his upcoming vacation dates and coverage assignments in his absence.

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

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

COMMISSIONER COMMUNICATIONS

A. Reports of meetings attended

Commissioners described and submitted a list of recently attended meetings (see attached forms).

B. Topics to be raised by the Commissioners

There were none.

1. PUBLIC HEARINGS

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

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

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

Motion was made by Doane, seconded by Schmidt, to adopt Resolution 06-21, a resolution adopting the budget and making appropriations for the Tualatin Valley Water District for the 2021-23 biennium. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

Mr. Matthews noted that the District's financial performance update presentation is attached and that the District has experienced a stabilization and improvement of revenues in the past few months.

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

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

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

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

PUBLIC COMMENT

There was none.

2. CONSENT AGENDA

- A. Approve the May 19, 2021 regular meeting minutes.
- B. Approve the May 25, 2021 Budget Committee meeting minutes.
- C. Approve the June 1, 2021 work session minutes
- D. Authorize the Board President to sign the certification of election results for the May 18, 2021 Regular District Election.
- E. Approve the appointments of Board officers and internal and external committee assignments for the 2021-22 fiscal year as found in the proposed Board Appointments and Assignments document.

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

3. BUSINESS AGENDA

A. None.

ADJOURNMENT

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

Todd Sanders, President

Jim Doane, Secretary



MEMO

Date: June 16, 2021

To: Tualatin Valley Water District Board of Commissioners

From: Tom Hickmann, CEO

Re: Chief Executive Officer and Management Staff Report

The following items will be covered during the report by the CEO:

- 1. Portland *Cryptosporidium* Results** – For the month of May 2021, the Portland Water Bureau reported no *Cryptosporidium* oocyst detections in water samples collected from the Bull Run Headworks. Complete results of Portland’s *Cryptosporidium* monitoring are posted on the City’s website: <https://www.portland.gov/water/water-quality/test-results#toc-cryptosporidium>.
- 2. Commissioner Oaths of Office** – Typically, Commissioners take an oath of office at the July Board meeting. Commissioners Bagnall, Duggan, and Schmidt were recently re-elected to serve on the TVWD Board and need to complete their oaths. There is no requirement that the oaths must be conducted during a public meeting. Since the Board has not yet resumed in-person public meetings, do Commissioners prefer to schedule appointments with the District Recorder to fulfill their oaths?
- 3. CEO Schedule** – I will be taking some vacation time in the coming weeks. Paul Matthews will serve as Acting in Capacity for the Chief Executive Officer June 21-23, although I will be participating in a few morning meetings each of those days. Chief Engineer, Carrie Pak, will serve as Acting in Capacity July 2-16.
- 4. Safety Minute and Department Report** – Dave Kraska, Willamette Water Supply Program Director, will present the safety minute and department report this evening.

Willamette Water Supply

Our Reliable Water

WWSP Department Report: June 2021 Progress Update

June 16, 2021

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Current WWSP Activities Overview

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

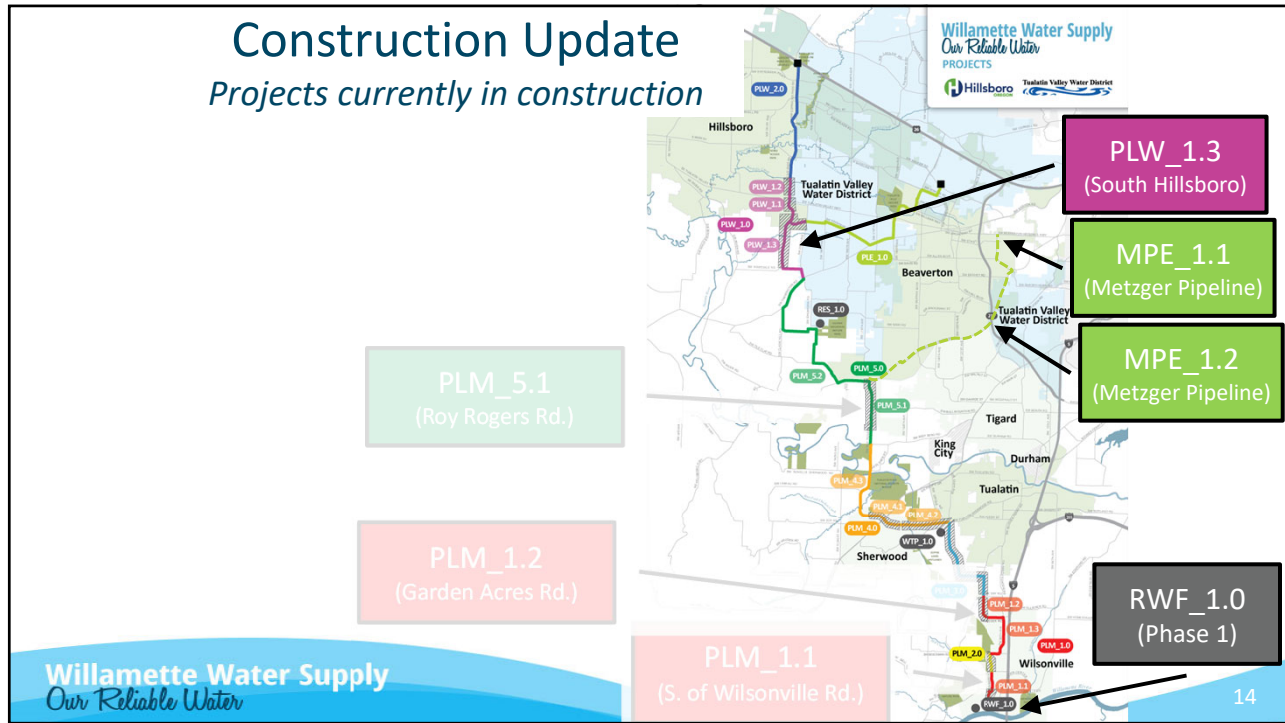
7 Pipelines	WTP_1.0
RES_1.0	DCS_1.0
- **Constructing projects**

Pipelines	PLM_1.1, _1.2, _4.1, _5.1, _5.2; PLW_1.3; MPE/COB_1.1, MPE/COB_1.2
Facilities	RWF_1.0
- **Coordinating projects delivery**

Wilsonville	WCLUT	Others
<ul style="list-style-type: none"> •RWF_1.0 •PLM_1.1 •PLM_1.2 •PLM_1.3 	<ul style="list-style-type: none"> •PLM_4.1 •PLM_4.2 •PLM_4.4 •PLM_5.1 •RES_1.0 •PLW_1.3 •PLW_1.2 •PLW_2.0 •MPE_1.2/COB_1.2 •MPE_1.3 	<ul style="list-style-type: none"> •ODOT •MPE_1.2/COB_1.2 •Developers •PLM_1.3 •WTP_1.0 •PLM_5.2 •PLM_5.2 •PLW_1.3 •PGE •RWF_1.0 •WTP_1.0 •RES_1.0
- **Progressing planning**

Excludes IGAs/MOUs, ROW, and Permits

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RWF_1.0

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

Current and Planned Major Activities:

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

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Construction Photos – RWF_1.0

Placing concrete for flow meter vault walls



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Construction Photos – RWF_1.0

66-inch Raw Water pipeline progress through park



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Construction Photos – RWF_1.0

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



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Trenchless Crossing of Arrowhead Creek



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Construction Photos – RWF_1.0



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Construction Photos – RWF_1.0

Video of pipe ram
breakout at receiving shaft



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From social media: LinkedIn

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



Willamette Water
Our Reliable Water

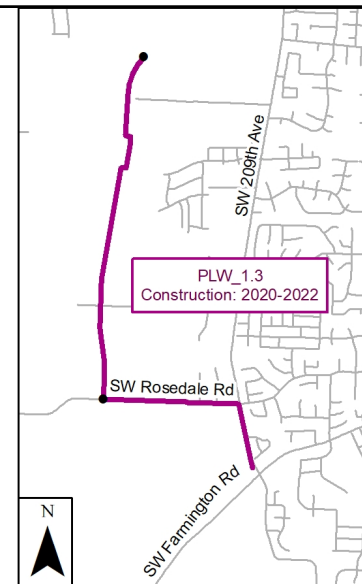
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PLW_1.3

Contractor: Tapani, Inc.
Designer: Kennedy/Jenks

Current and Planned Activities:

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



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Construction Photos – PLW_1.3

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



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Construction Photos – PLW_1.3

Microtunneling operation –
setting new casing section



Willamette Water Supply
Our Reliable Water

06.04.2021

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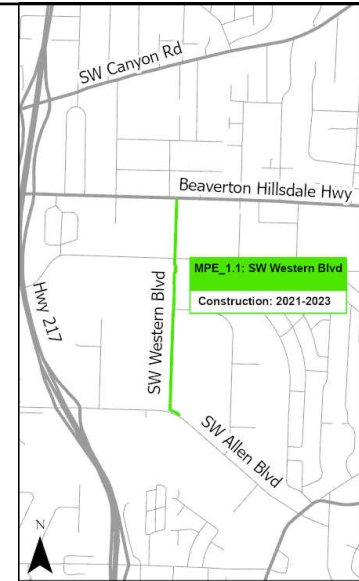
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MPE_1.1

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

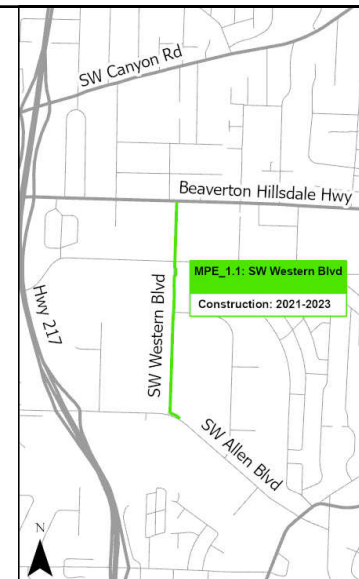
Current and Planned Activities:

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



MPE_1.1 Notable Topics

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

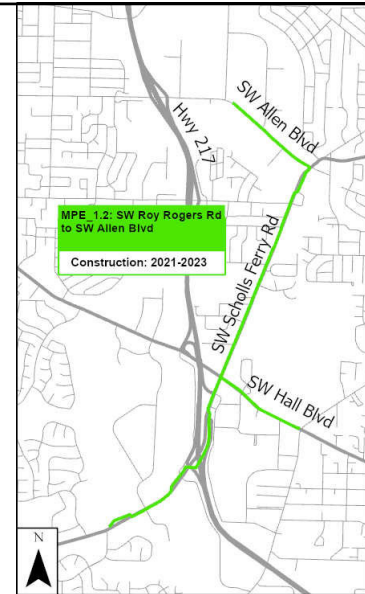


MPE_1.2

Contractor: Emery & Sons
Designer: Brown & Caldwell

Current and Planned Activities:

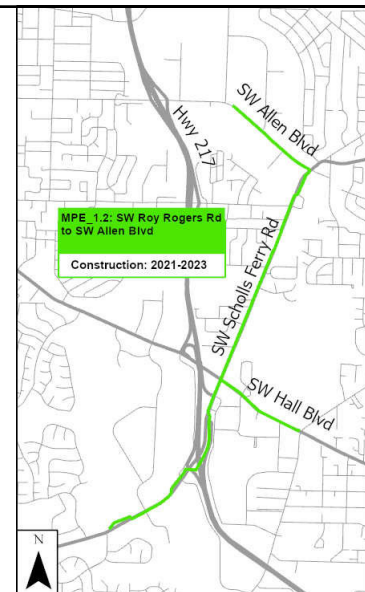
- Pre-construction Meeting held 5/26/2021
- Submittals and RFIs
- Utility coordination



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MPE_1.2 Notable Topics

- External Coordination
 - Meeting held with PGE to begin coordination of work around overhead lines
- Potential Claims
 - None
- Delivery Challenges
 - Staging area procurement by WWSP



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QUESTIONS

Willamette Water Supply
Our Reliable Water

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TUALATIN VALLEY
WATER DISTRICT

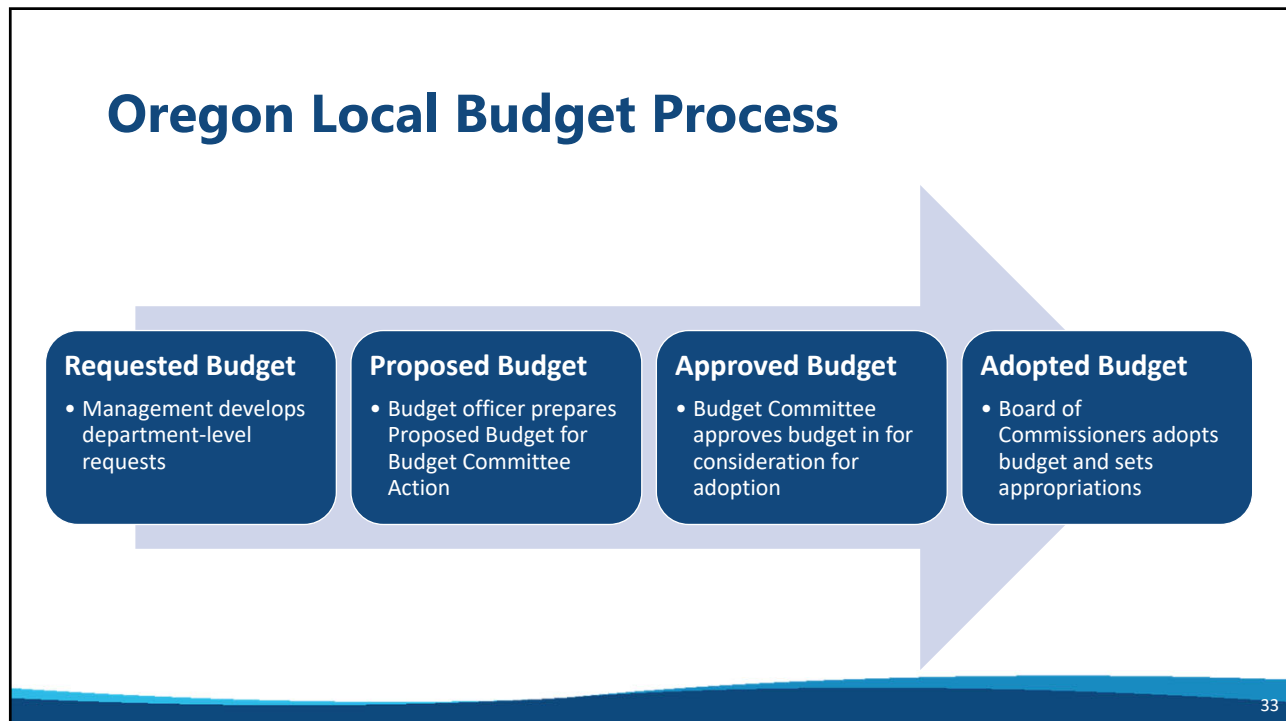
2021-23 Biennial Budget Adoption

Board Regular Meeting
June 16, 2021

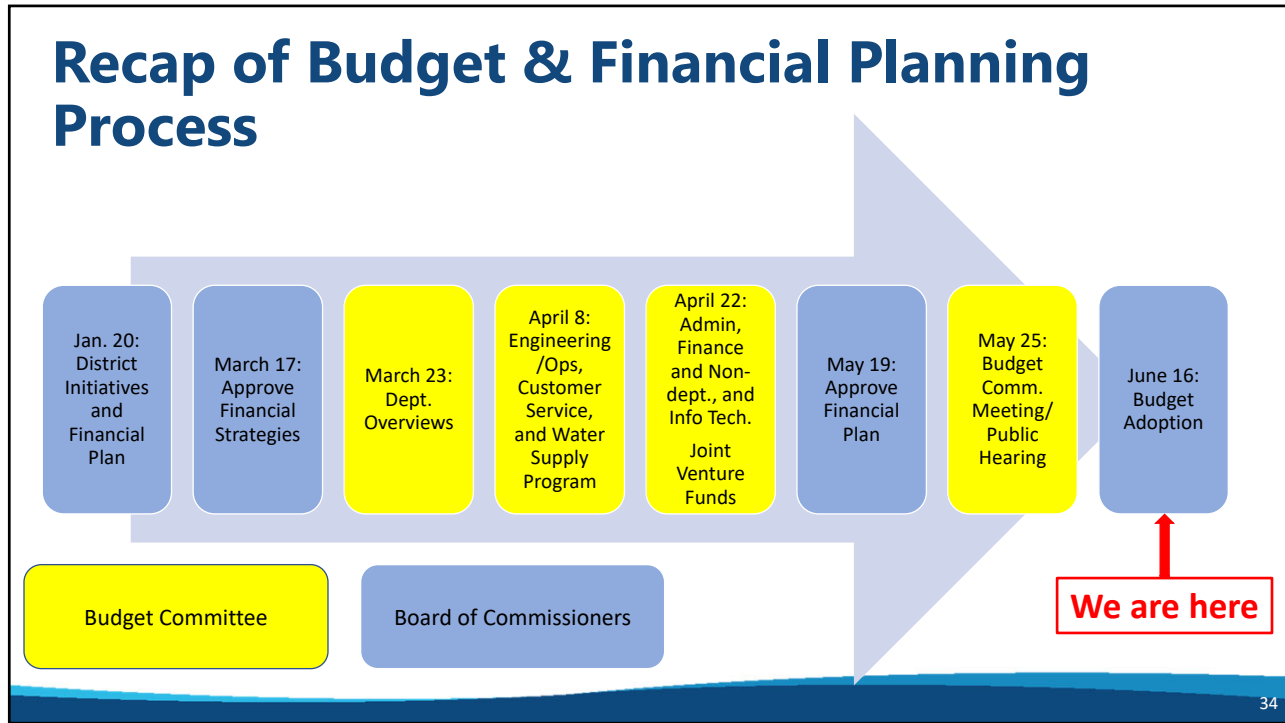
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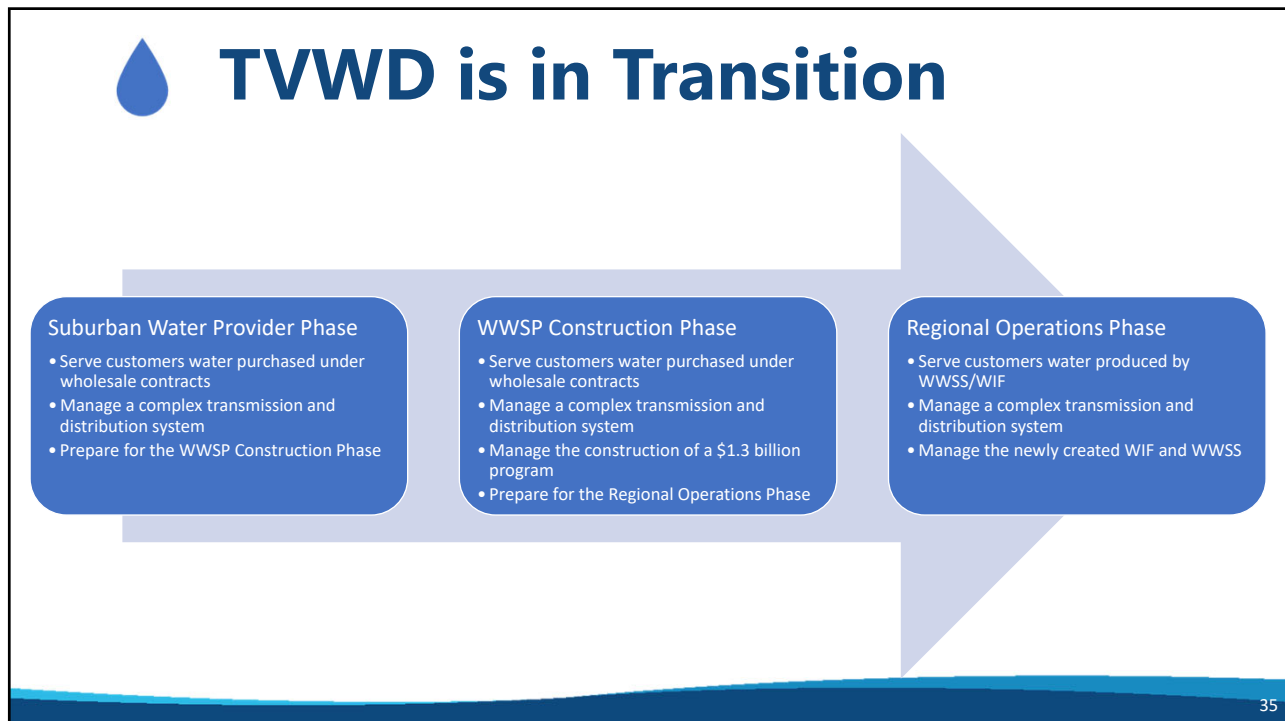
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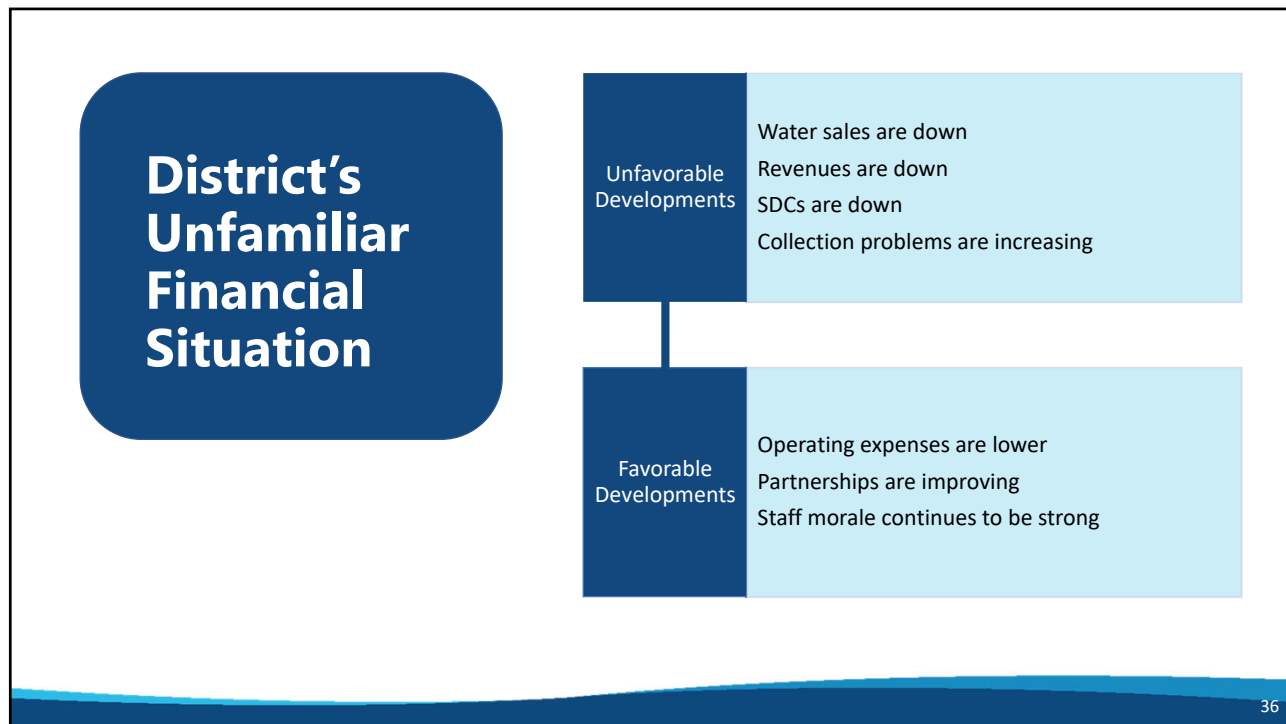
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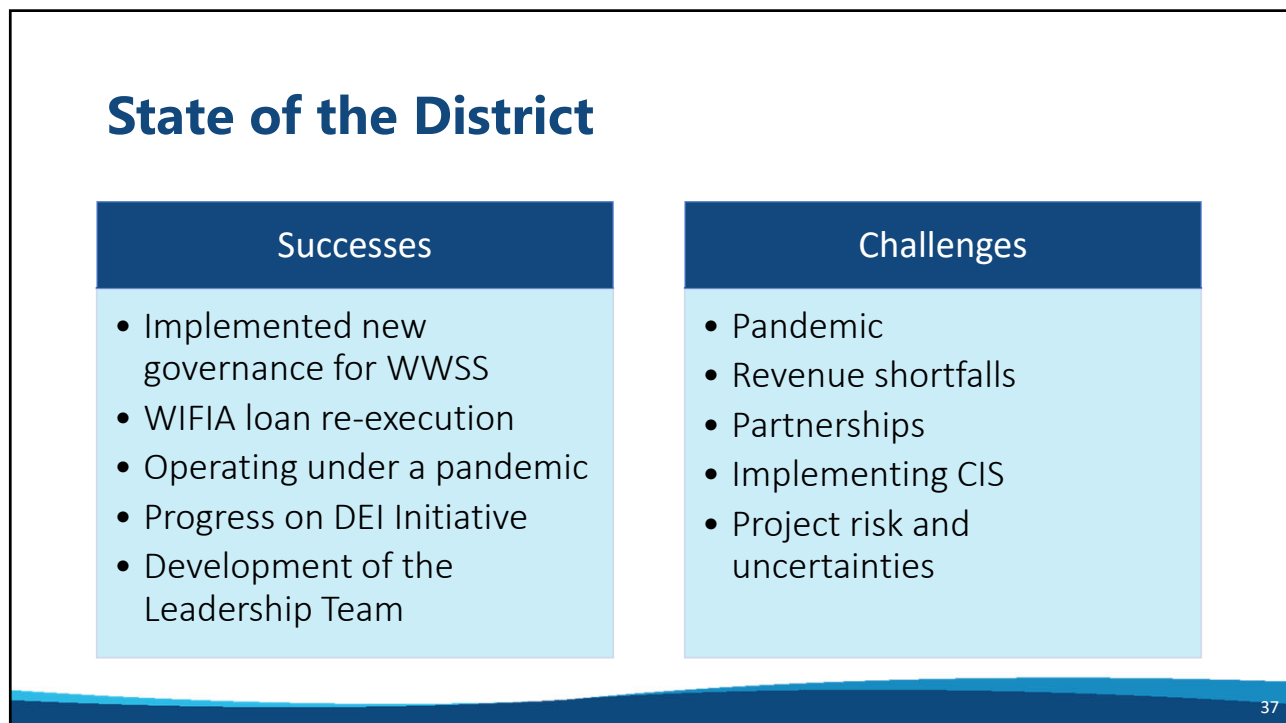
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Strategic Goals: Desired Results

Tualatin Valley Water District Desired Results

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

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2019-21 Strategic Initiatives and Desired Results

#	District Initiatives	Desired Results				
		Water Needs & Expectations	Community Confidence in TVWD	Stewards of Financial Resources	Stewards of Natural Resources	Stewards of People and System
1	Program for Management and Operation of the WWSS	✓	✓	✓	✓	✓
2	Debt Program	✓	✓	✓		
3	Strategic Communications Program	✓	✓	✓		✓
4	Develop and Implement CIS		✓	✓		✓
5	District Resiliency Program	✓	✓	✓	✓	✓
6	Human Capital Strategy	✓	✓	✓		✓

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Progress on 2019-21 Strategic Initiatives

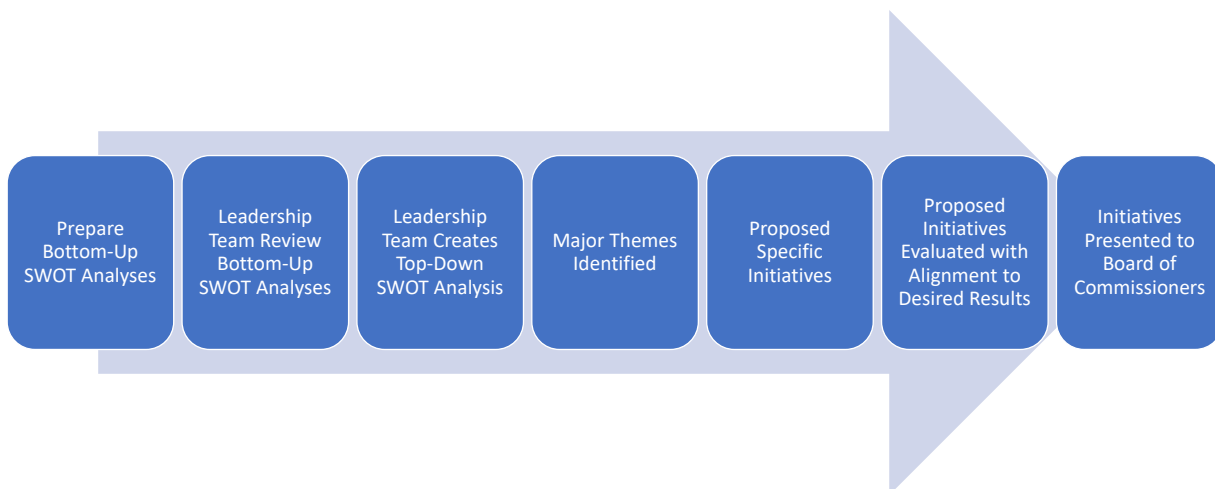
#	Description	Dept. or Division	Target Date	Status	Status
1	Program for Management and Operation of the Willamette Water Supply System	Admin	June 2026	G	●
2	Debt Program	Finance	June 2021	C	✓
3	Strategic Communications Program	Communications & Public Affairs	December 2021	Y	●
4	Develop and Implement CIS	Customer Service	February 2022	Y	●
5	District Resiliency Program	Risk	June 2021	C	✓
6	Human Capital Strategy	HR	June 2021	C	✓

KEY:			
	Completed	C	✓
	On Schedule	G	●
	Some issues slowing this down	Y	●
	Significantly off schedule	R	●

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Developing 2021-23 Strategic Initiatives



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Major Themes from SWOT Analysis

Human Investment	Intergovernmental Relations	Business Intelligence	Efficiency Through Modernization	Current Initiatives
<ul style="list-style-type: none"> Prepare employees to be successful in meeting the future requirements of the District. 	<ul style="list-style-type: none"> Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource. 	<ul style="list-style-type: none"> Improve planning and the District's ability to respond by developing actionable information from disparate sources of data. 	<ul style="list-style-type: none"> Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so. 	<ul style="list-style-type: none"> Successfully execute and complete the initiatives currently underway.

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Strategic Initiatives and Desired Results

Strategic Initiatives	Desired Results				
	Water Needs & Expectations	Community Confidence in TVWD	Stewards of Financial Resources	Stewards of Natural Resources	Stewards of People and Systems
Mission, Vision, and Values		✓	✓	✓	✓
Conduct Classification / Compensation Study			✓		✓
Government Affairs	✓	✓			✓
Business Decision Data	✓	✓	✓	✓	✓
Modernization	✓		✓	✓	✓
Existing Initiatives	✓	✓	✓	✓	✓

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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

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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

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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

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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

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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

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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

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New Requested Staff Positions

Engineering and Operations

- SCADA staff member
- Water Works Operator

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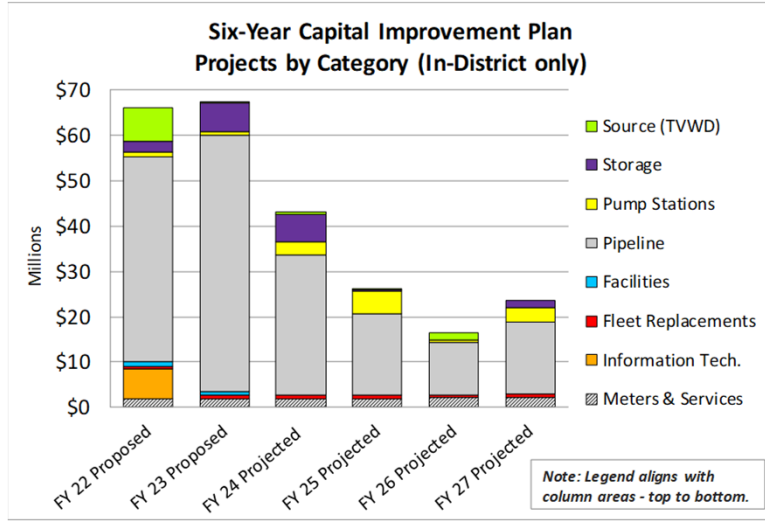
Proposed 2021-23 Budget by Fund

2021-23 Biennial Budget
Committee Meeting

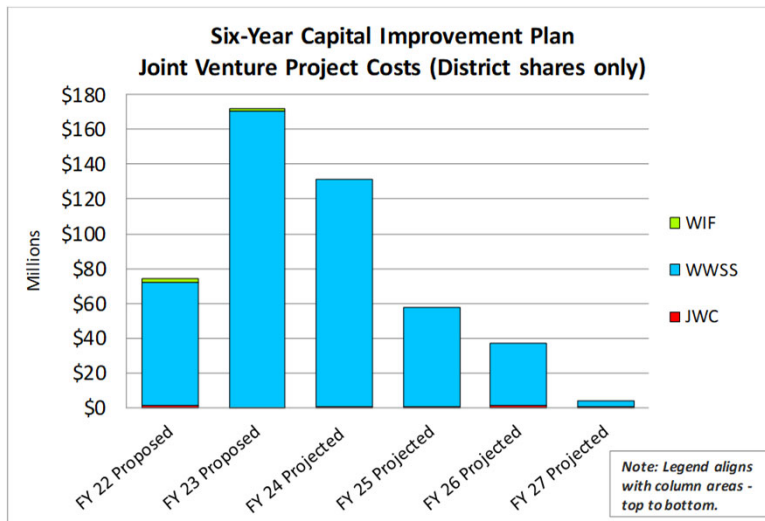
May 25, 2021

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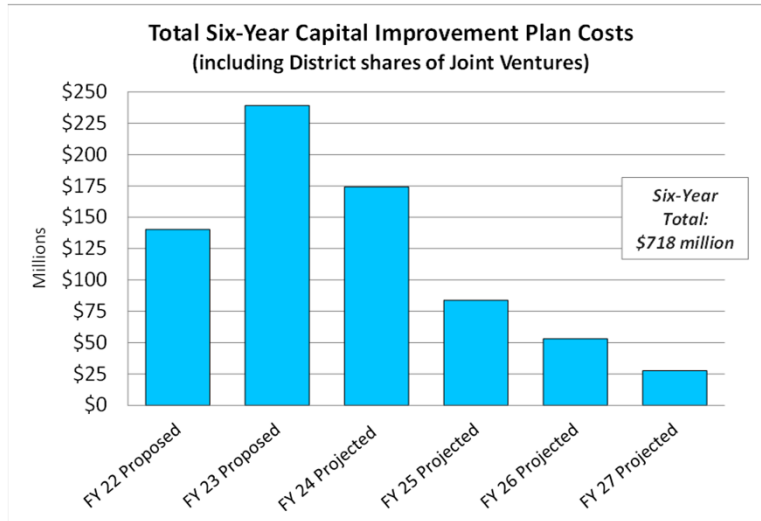
Key Infrastructure Investments



Key Infrastructure Investments



Key Infrastructure Investments

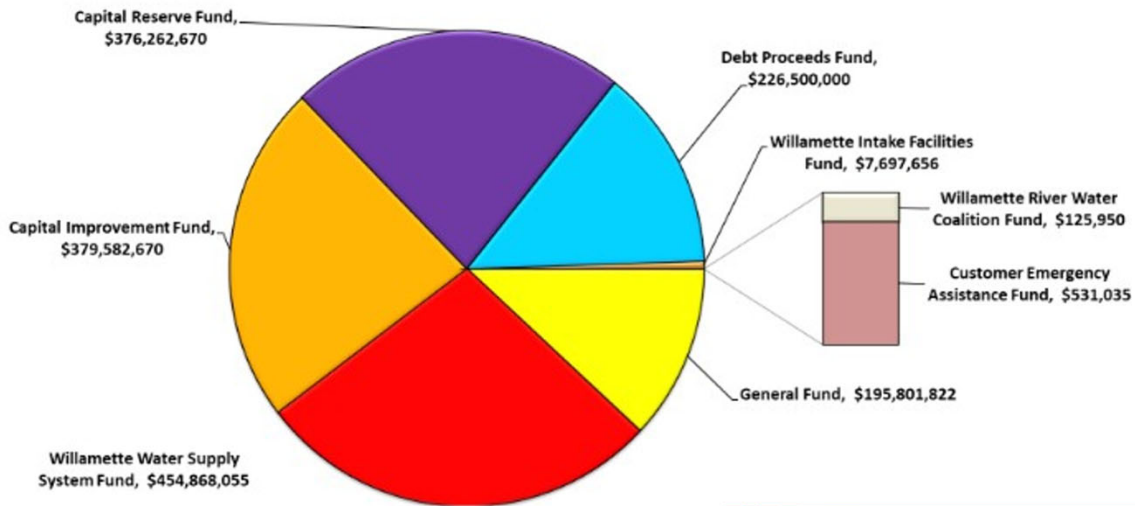


TVWD's Fund Structure

Six Funds Directly Support the Water Utility	
General Fund (01)	Administration, operations, and maintenance activity. All District staff are budgeted in this fund.
Capital Improvement Fund (11)	Accounts for the resources and expenditures used for acquisition or construction of major capital facilities not funded by bond proceeds.
Capital Reserve Fund (18)	Holds resources for current and future capital improvement and water supply projects.
Debt Proceeds Fund (22)	Holds proceeds from the District's debt portfolio including the revenue bonds, WIFIA loan proceeds, and other types of borrowings.
Revenue Bond Debt Service Fund (31)	Accounts for repayment of principal and interest on the District's revenue bonds.
Customer Emergency Assistance Fund (43)	Accounts for the resources, administration, and customer payments for those who qualify for emergency assistance.

Three Funds Manage Partnerships	
Willamette Water Supply System Fund - WWSS (45)	An ORS chapter 190 Joint Venture with the cities of Beaverton, Hillsboro, Sherwood, Tigard, Wilsonville, and TVWD. TVWD serves as the managing agency providing administration, operations, project management and accounting services.
Willamette Intake Facilities Fund - WIF (44)	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.
Willamette River Water Coalition Fund - WRWC (41)	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.

Proposed 2021-23 Appropriations



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General Fund – Appropriations in Approved Budget

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

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General Fund

Resources	
Beginning Balance	\$ 37,376,583
Water Sales	158,826,968
Right of Way Fees	1,625,000
Admin Fees	751,303
Other Resources	1,088,435
Interest Earnings	438,200
Contract Reimbursements	2,436,000
Overhead to Other Funds	10,722,620
Total Resources	\$ 213,265,109
Requirements	
Personnel Services	\$ 42,330,036
Materials & Services	47,640,836
Capital Outlay	705,950
Special Payments	1,625,000
Interfund Transfers	83,500,000
Contingency	20,000,000
Total	\$ 195,801,822
Unappropriated	17,463,287
Total Requirements	\$ 213,265,109

Key Elements

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

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Capital Improvement Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	179,522,721	379,582,670	200,059,949	111.4%	45.4%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	-	-	-	NA	NA
Total	\$ 179,522,721	\$ 379,582,670	\$ 200,059,949	111.4%	45.4%

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Capital Improvement Fund

Resources	
TVWD	\$ 376,262,670
Other Partners	3,320,000
Total Resources	\$ 379,582,670
Requirements	
Materials & Services	\$ 0
Capital Outlay	379,582,670
Contingency	0
Total Requirements	\$ 379,582,670

Key Elements

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

Joint Ventures

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

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Capital Reserve Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	179,522,721	376,262,670	196,739,949	109.6%	44.8%
Contingency	-	-	-	NA	NA
Total	\$ 179,522,721	\$ 376,262,670	\$ 196,739,949	109.6%	44.8%

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Capital Reserve Fund

Capital Reserve Fund

Resources	
Beginning Balance	\$ 56,508,462
Interest Income	431,000
Contributions	10,725,083
Interfund Transfer	309,500,000
Total Resources	\$ 377,164,545
Requirements	
Interfund Transfer	\$ 376,262,670
Unappropriated	901,875
Total Requirements	\$ 377,164,545

Key Elements

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

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Debt Proceeds Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	25,000,000	226,500,000	201,500,000	806.0%	201.0%
Contingency	-	-	-	NA	NA
Total	\$ 25,000,000	\$ 226,500,000	\$ 201,500,000	806.0%	201.0%

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Debt Proceeds Fund

Key Elements

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

Debt Proceeds Fund

Resources	
Beginning Balance	\$ 0
Bond Proceeds	226,500,000
Total Resources	\$ 226,500,000
Requirements	
Materials & Services	\$ 0
Interfund Transfer	226,500,000
Contingency	0
Total Requirements	\$ 226,500,000

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Customer Emergency Assistance Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	41,400	531,035	489,635	1182.7%	258.1%
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	-	-	-	NA	NA
Total	\$ 41,400	\$ 531,035	\$ 489,635	1182.7%	258.1%

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Customer Emergency Assistance Fund

Key Elements

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

Resources

Beginning Balance	\$	5,000
Donations & Interest		26,035
Transfers In		500,000
Total Resources	\$	531,035

Requirements

Materials & Services	\$	531,035
Capital Outlay		0
Total Requirements	\$	531,035

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Willamette Water Supply System Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	1,714,154	2,343,405	629,251	36.7%	16.9%
Capital Outlay	217,296,865	452,289,650	234,992,785	108.1%	44.3%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	173,000	235,000	62,000	35.8%	16.5%
Total	\$ 219,184,019	\$ 454,868,055	\$ 235,684,036	107.5%	44.1%

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Willamette Water Supply System Commission

Key Elements

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

Resources

TVWD	\$ 243,272,395
Other Partners	211,595,660
Total Resources	\$ 454,868,055

Requirements

Materials & Services	\$ 2,343,405
Capital Outlay	452,289,650
Contingency	235,000
Total Requirements	\$ 454,868,055

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Willamette Intake Facilities Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	420,590	1,056,920	636,330	151.3%	58.5%
Capital Outlay	8,113,208	6,533,736	(1,579,472)	-19.5%	-10.3%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	36,000	107,000	71,000	197.2%	72.4%
Total	\$ 8,569,798	\$ 7,697,656	\$ (872,142)	-10.2%	-5.2%

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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

Resources

TVWD	\$	3,523,945
Other Partners		4,173,711
Total Resources	\$	7,697,656

Requirements

Materials & Services	\$	1,056,920
Capital Outlay		6,533,736
Contingency		107,000
Total Requirements	\$	7,697,656

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Willamette River Water Coalition Fund – Appropriations in Approved Budget

Description	2019-21 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	167,000	114,300	(52,700)	-31.6%	-17.3%
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	-	11,650	11,650	NA	NA
Total	\$ 167,000	\$ 125,950	\$ (41,050)	-24.6%	-13.2%

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Willamette River Water Coalition

Key Elements

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

Resources

TVWD	\$	58,000
Other Partners		67,950
Total Resources	\$	125,950

Requirements

Materials & Services	\$	114,300
Capital Outlay		0
Contingency		11,650
Total Requirements	\$	125,950

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Appropriations Summary - Proposed 2021-23 Budget

	2019-21 Biennial Revised Budget	2021-23 Biennial Proposed Budget	% Change from Revised 2019-21 Biennial
Sources of Funds			
Operating Revenue	\$ 170,406,943	\$ 180,495,611	5.9%
Non-Operating Revenue	240,480,095	472,586,886	96.5%
Total Revenues:	\$ 410,887,038	\$ 653,082,497	58.9%
Transfers In From Other Funds	283,013,943	686,262,670	142.5%
Debt Resources	25,000,000	226,500,000	
Beginning Fund Balances	132,950,815	93,893,898	-29.4%
Total Sources	\$ 851,851,796	\$ 1,659,739,065	94.8%
Uses of Funds			
Personnel Services	\$ 43,536,651	\$ 42,330,036	-2.8%
Materials and Services	44,391,964	51,686,496	16.4%
Capital Outlay	404,589,611	839,112,006	107.4%
Special Payments	21,446,000	1,625,000	-92.4%
Contingency	15,209,000	20,353,650	33.8%
Transfers Out To Other Funds	283,013,943	686,262,670	142.5%
Total Appropriations:	\$ 812,187,169	\$ 1,641,369,858	102.1%
Ending Fund Balances	39,664,627	18,369,207	-53.7%
Total Uses	\$ 851,851,796	\$ 1,659,739,065	94.8%

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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

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Questions and Answers

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Management Recommendation

Adopt Resolution 06-21

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

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Update on Financial Performance

Paul L. Matthews
Chief Financial Officer

June 16, 2021

Tualatin Valley Water District
Delivering the Best Water Service Value

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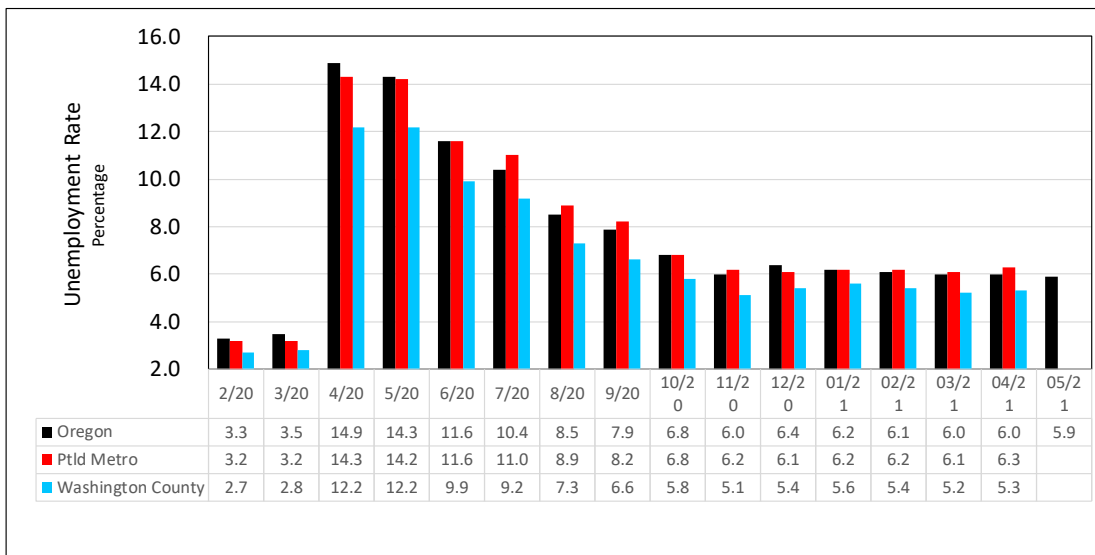
Overview of Tonight's Presentation

Updates on:

- Update on unemployment rates
- TVWD's Financial Performance
 - Revenue
 - Collections
 - Expenses

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Mixed Improvements in Labor Market



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Monitoring TVWD's Financial Performance



Revenue

- Impact on future water sales



Collections

- Capacity for customers to pay their water bills

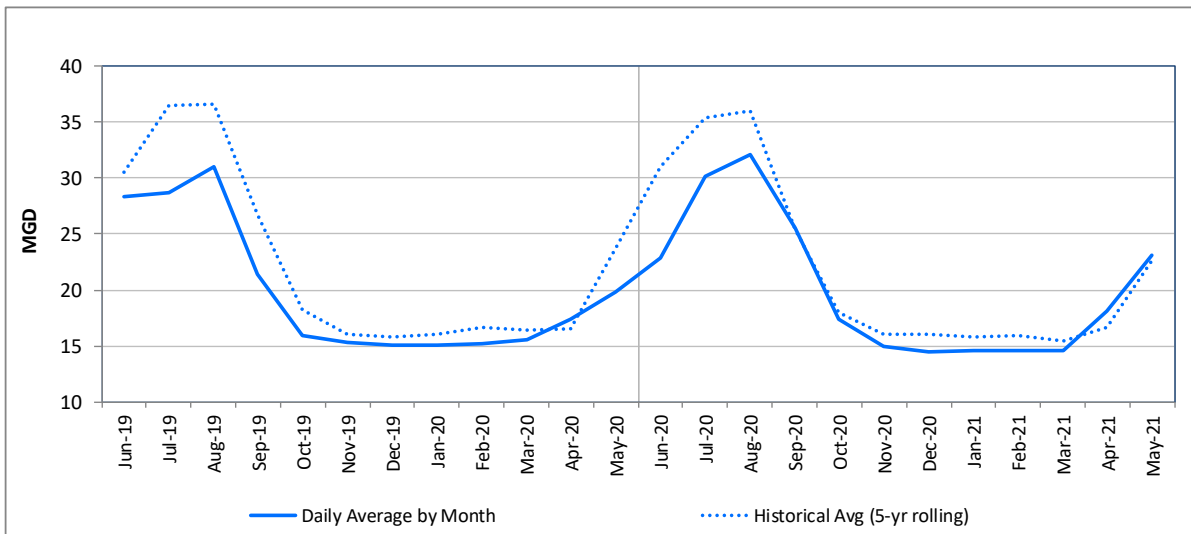


Expenses

- Effect on budget to respond to COVID-19

80

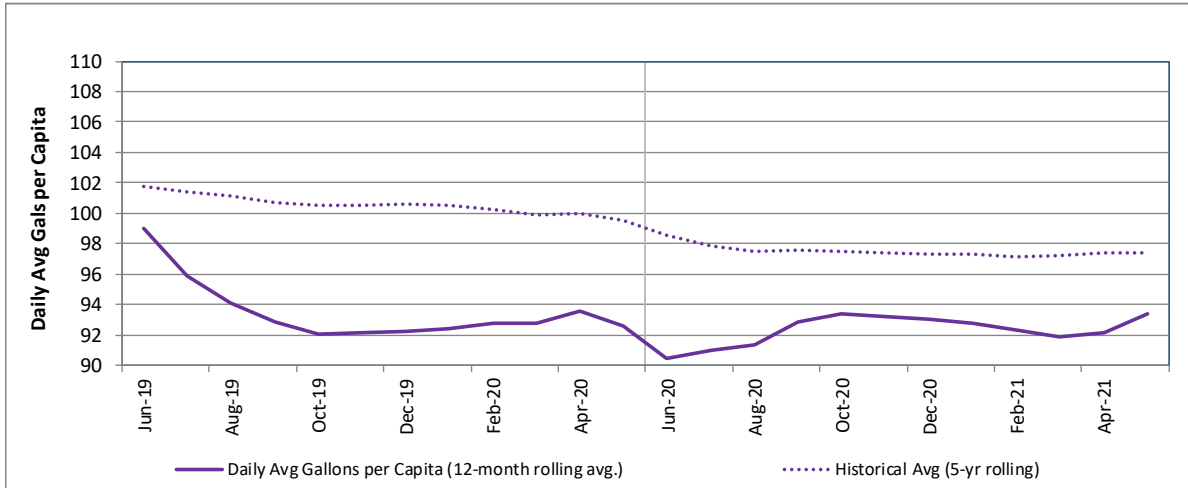
Water Deliveries Now Exceed 5-Year Average



81

Customer Demands Remain Relatively Soft

Comparison of Gallons Per Capita Per Day

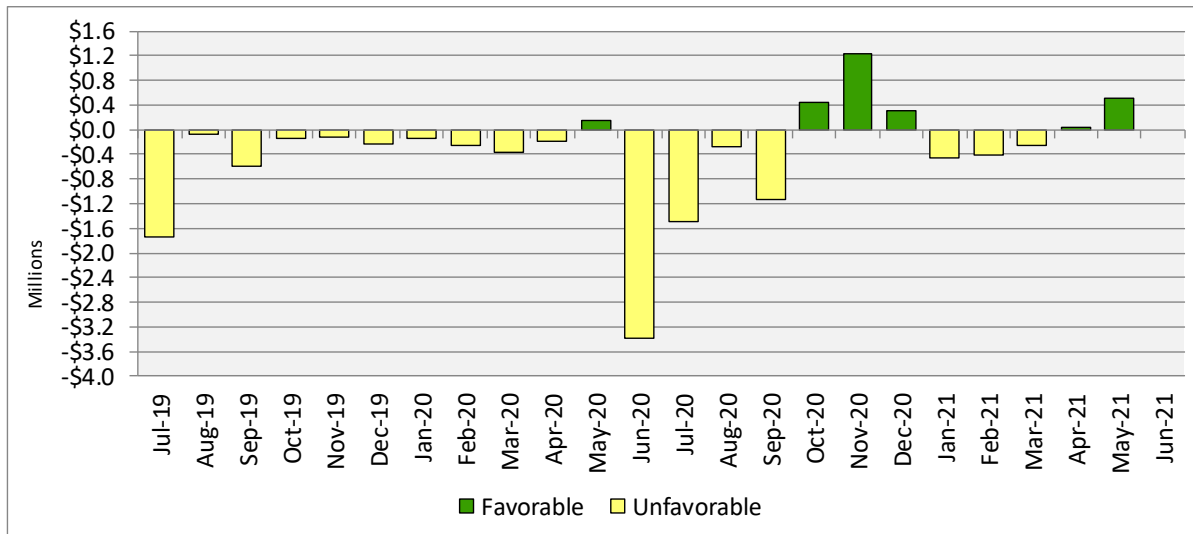


Delivering the Best Water Service Value

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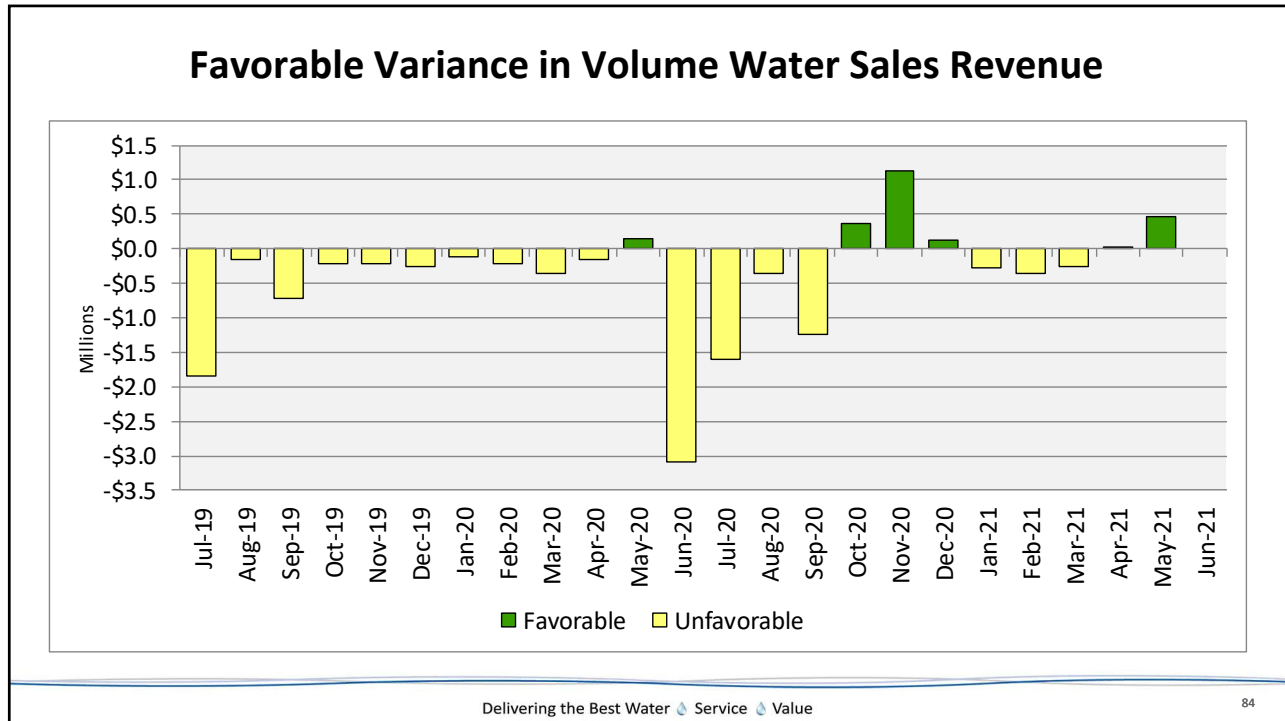
Good News: Favorable Variance in Water Sales



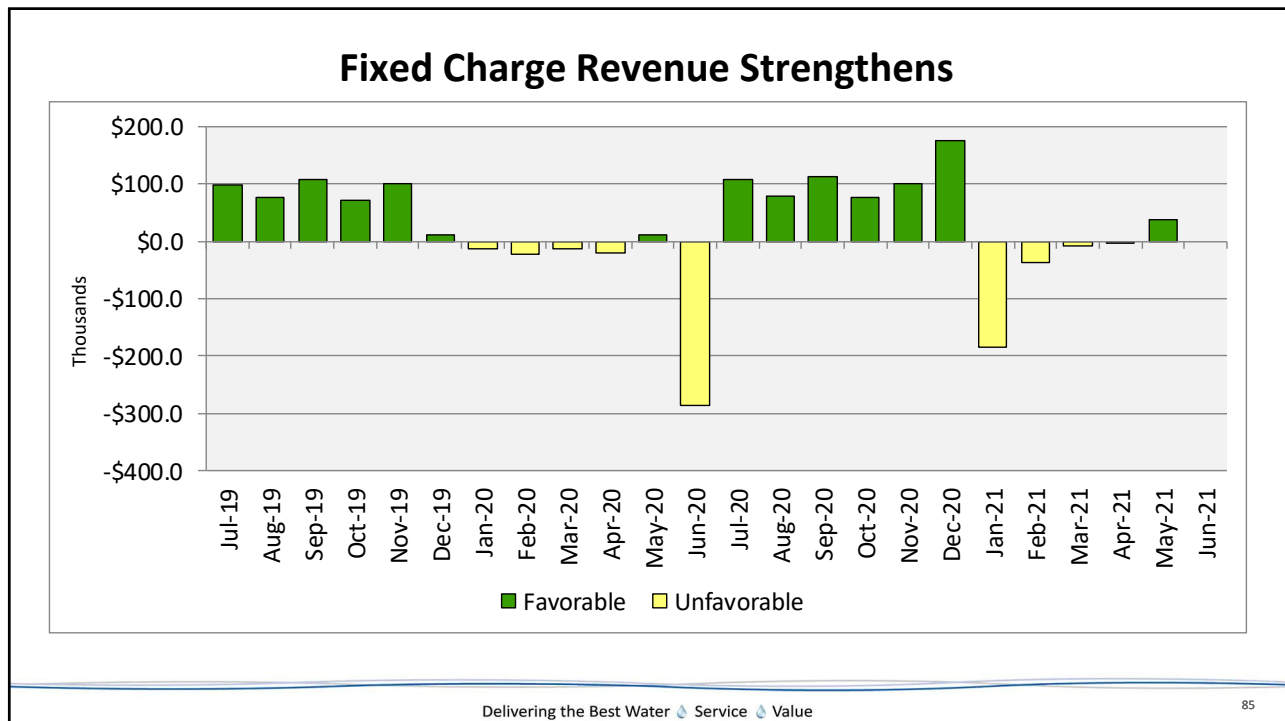
Delivering the Best Water Service Value

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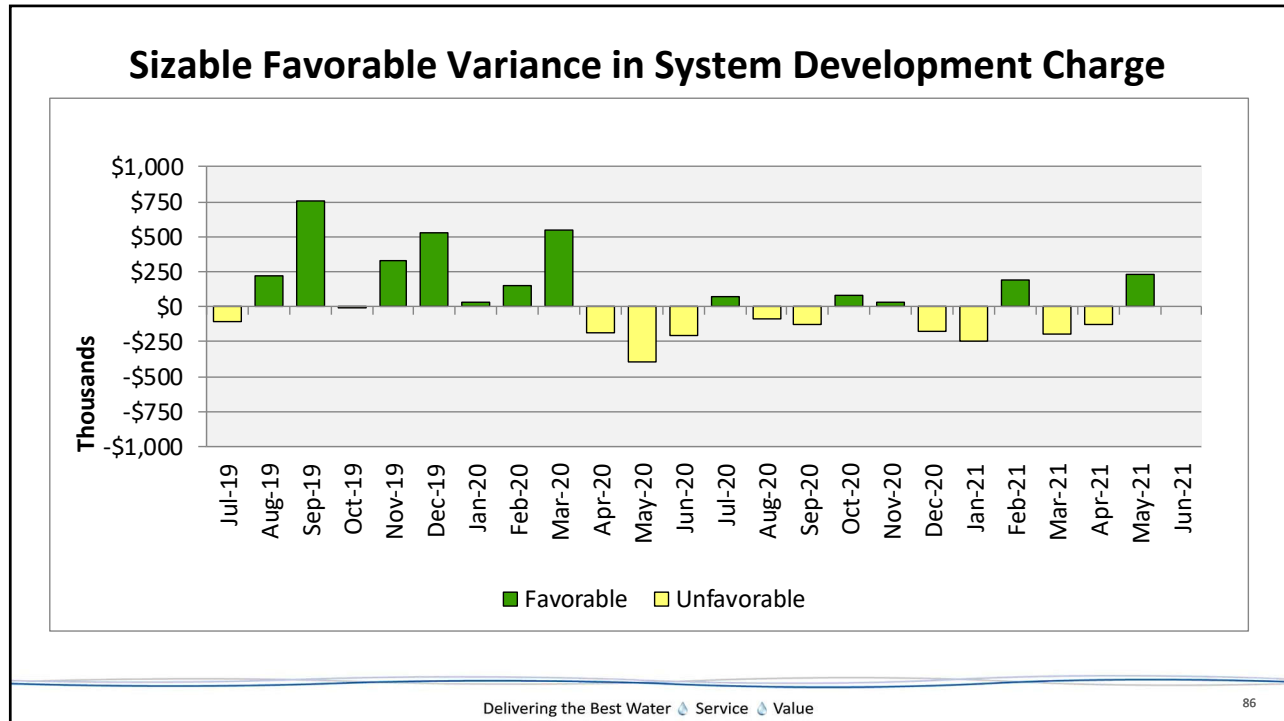
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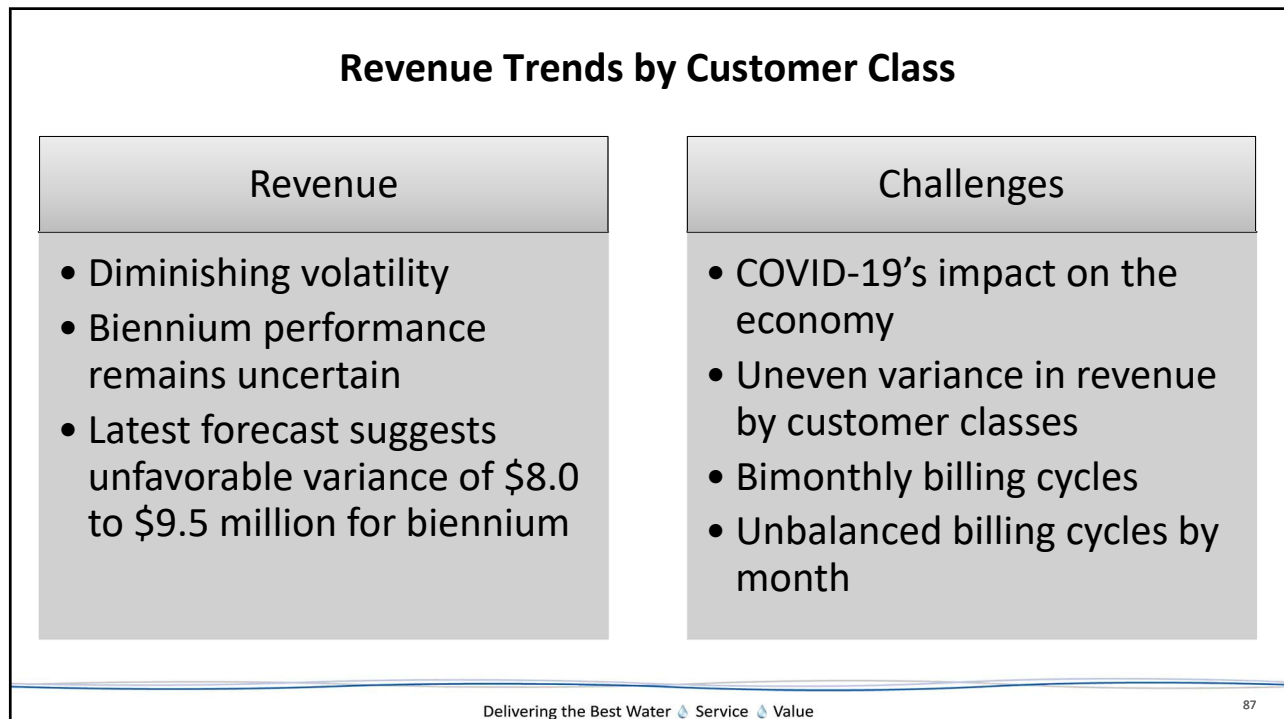
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Metric to Assess Trends

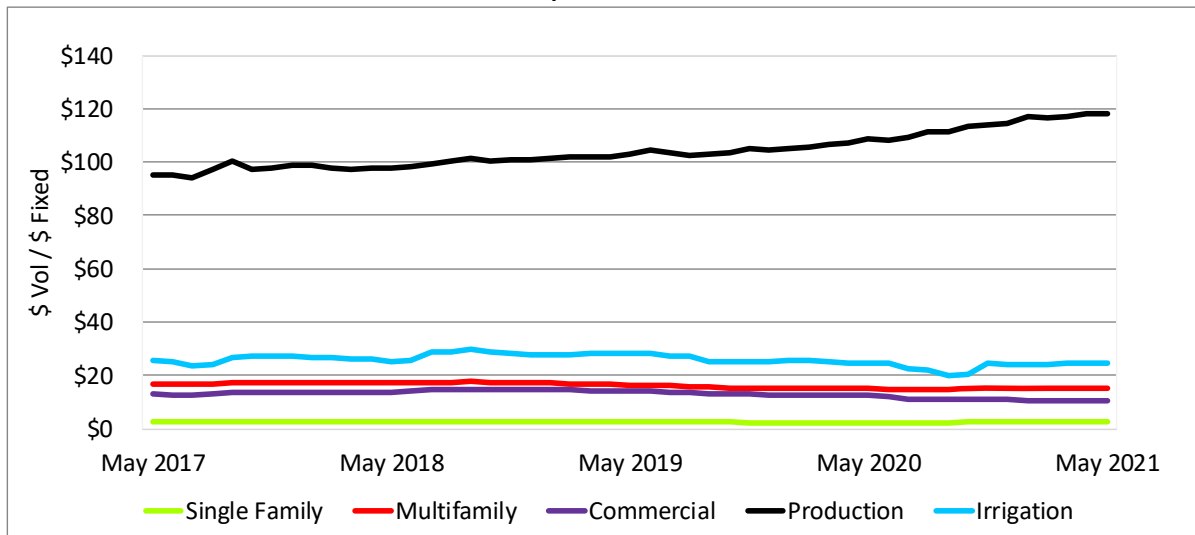
Approach

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

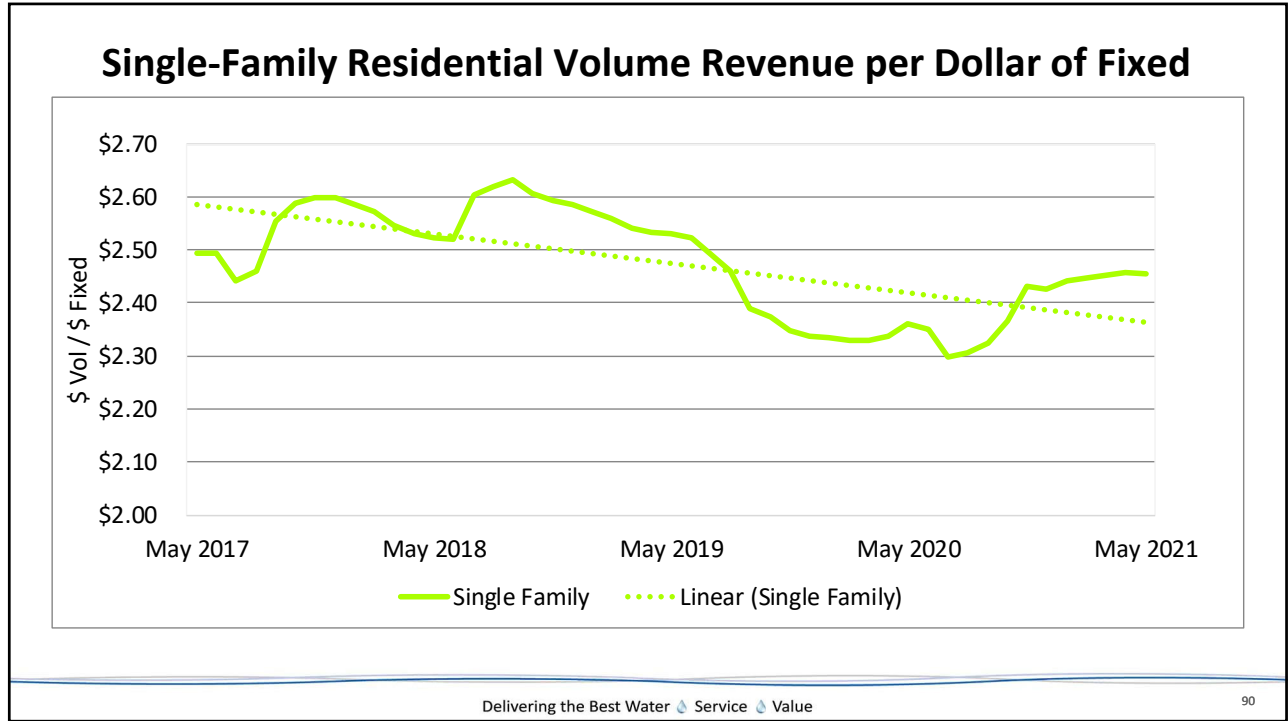
88

Long-Term Trend By Customer Class

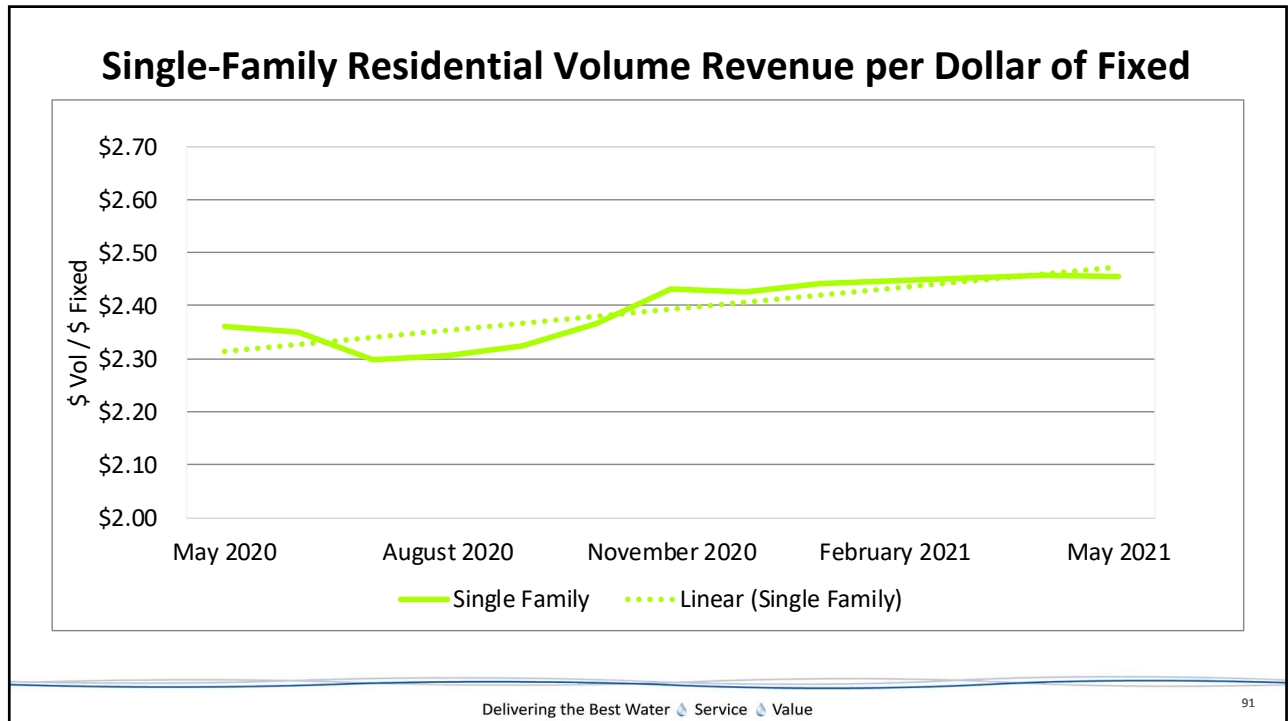
Volume Revenue per Dollar of Fixed Revenue



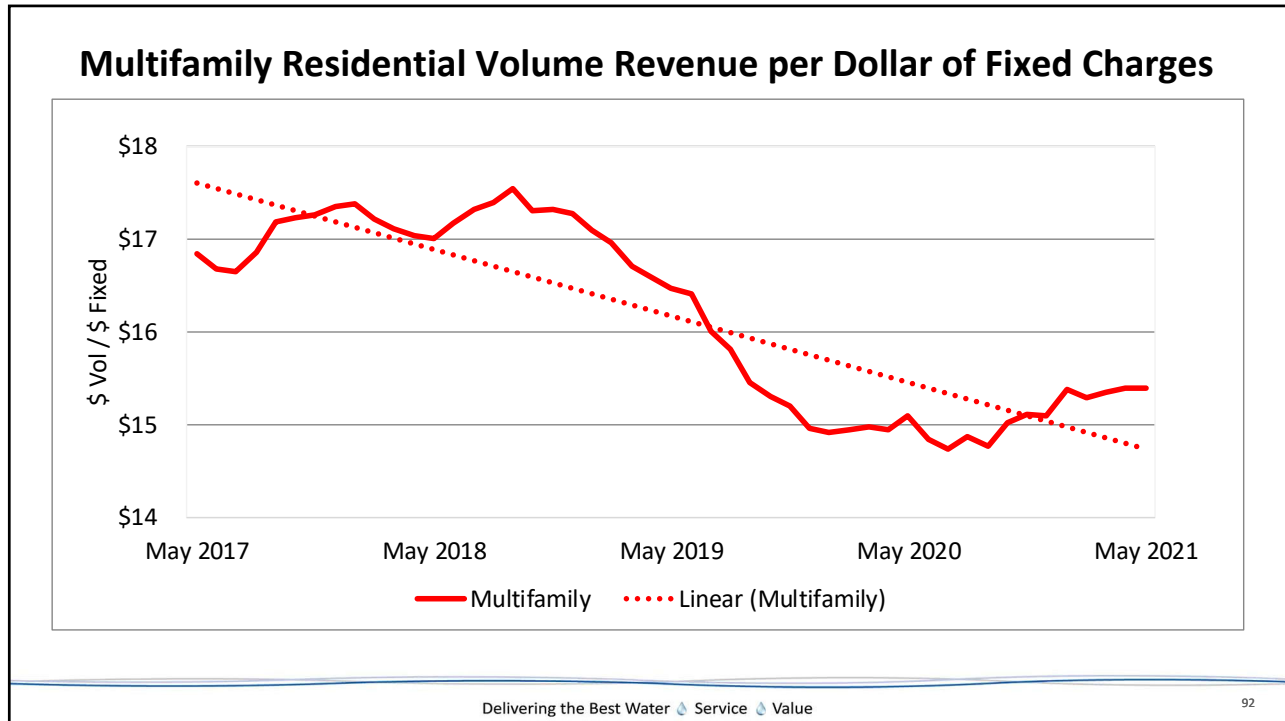
89



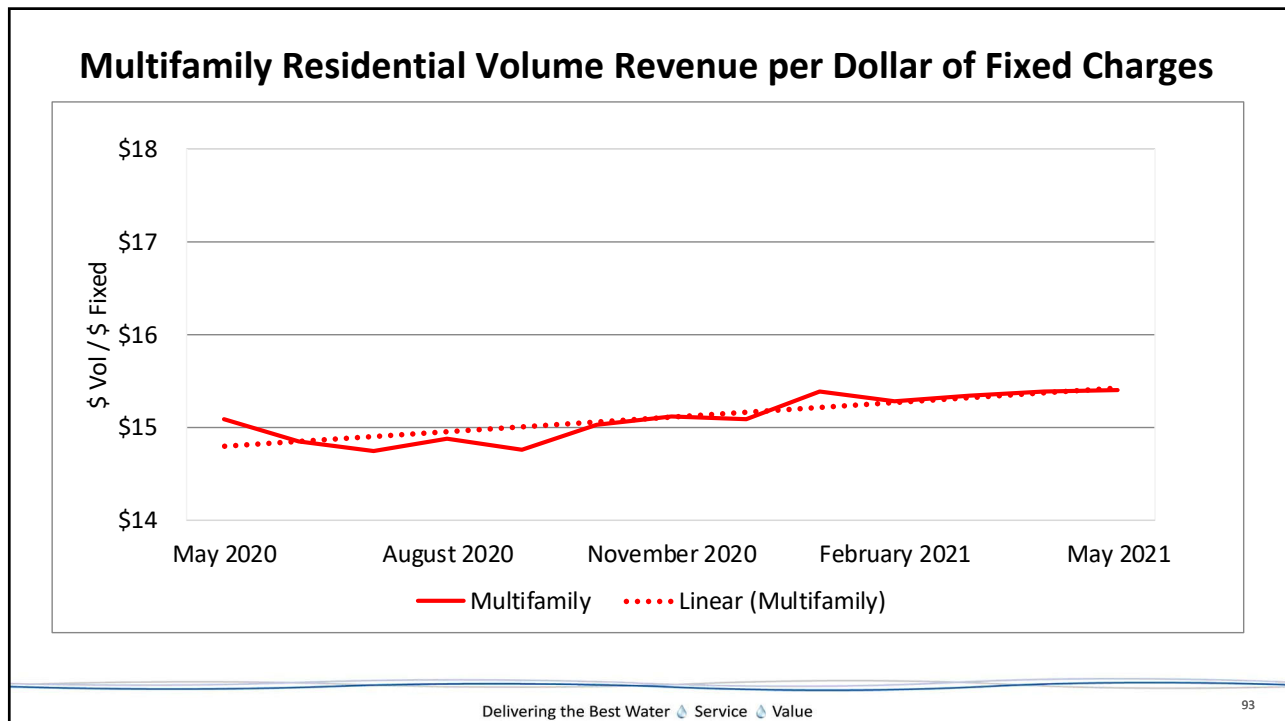
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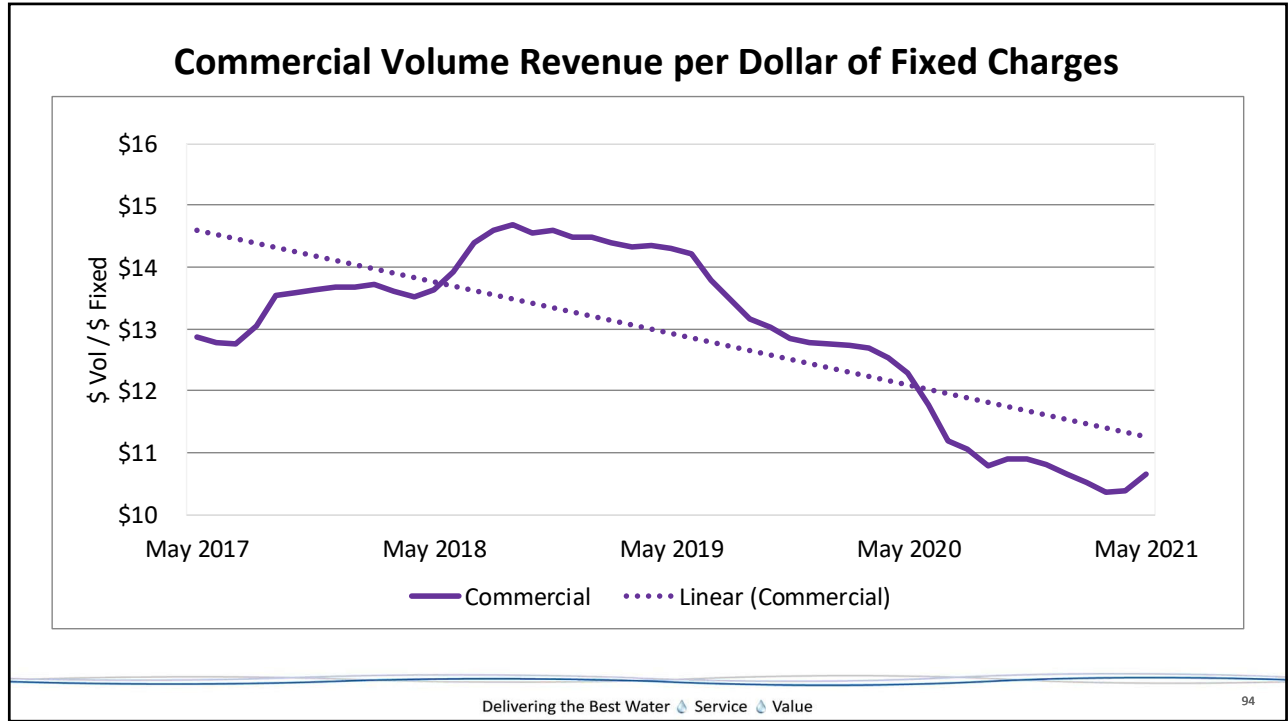
91



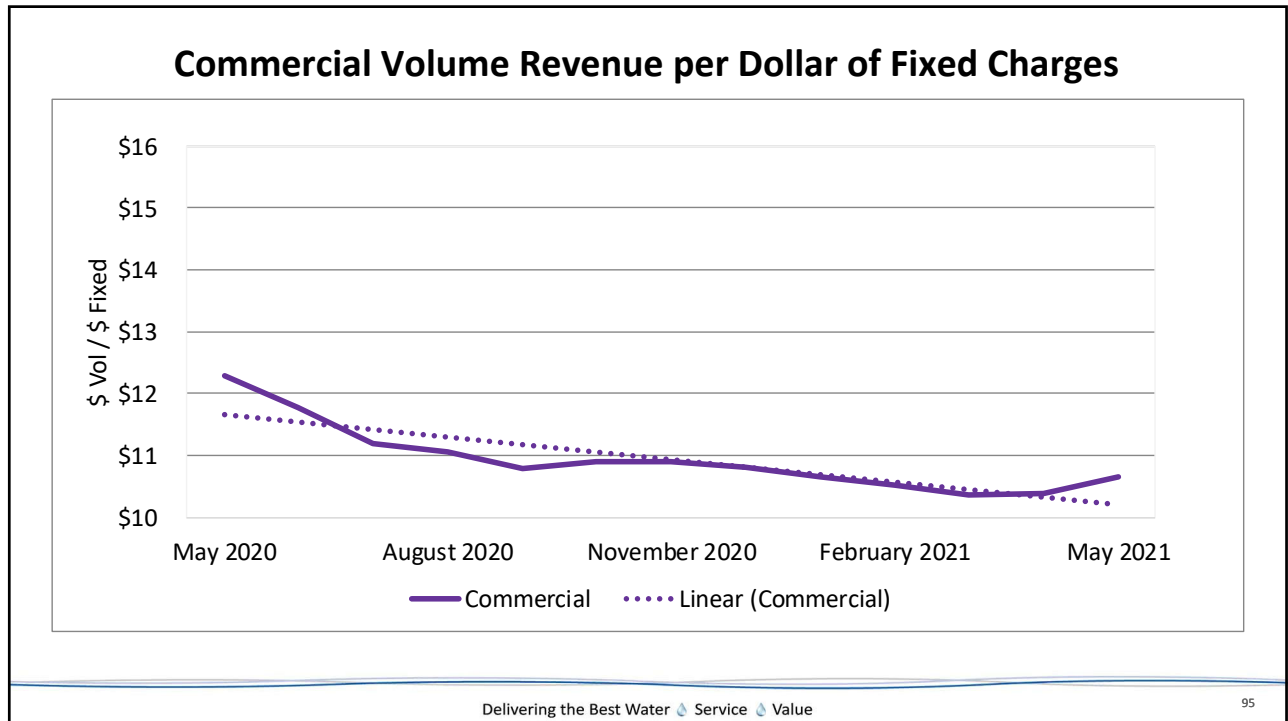
92



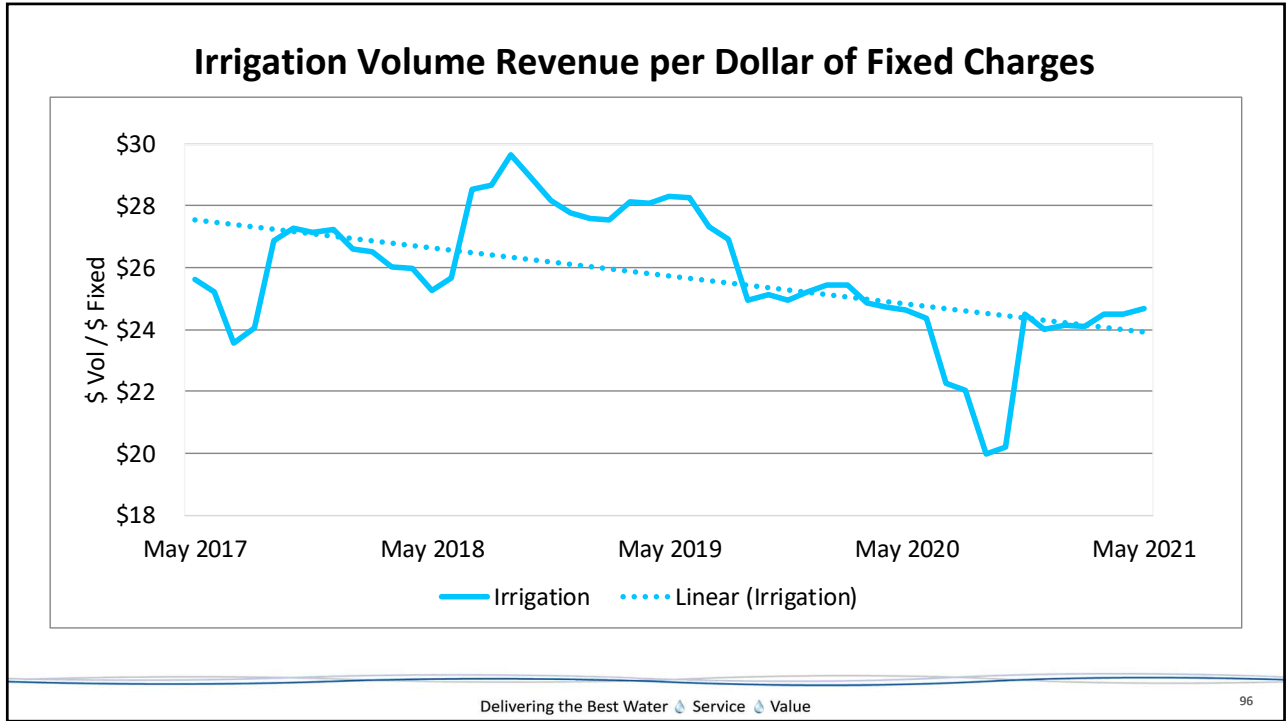
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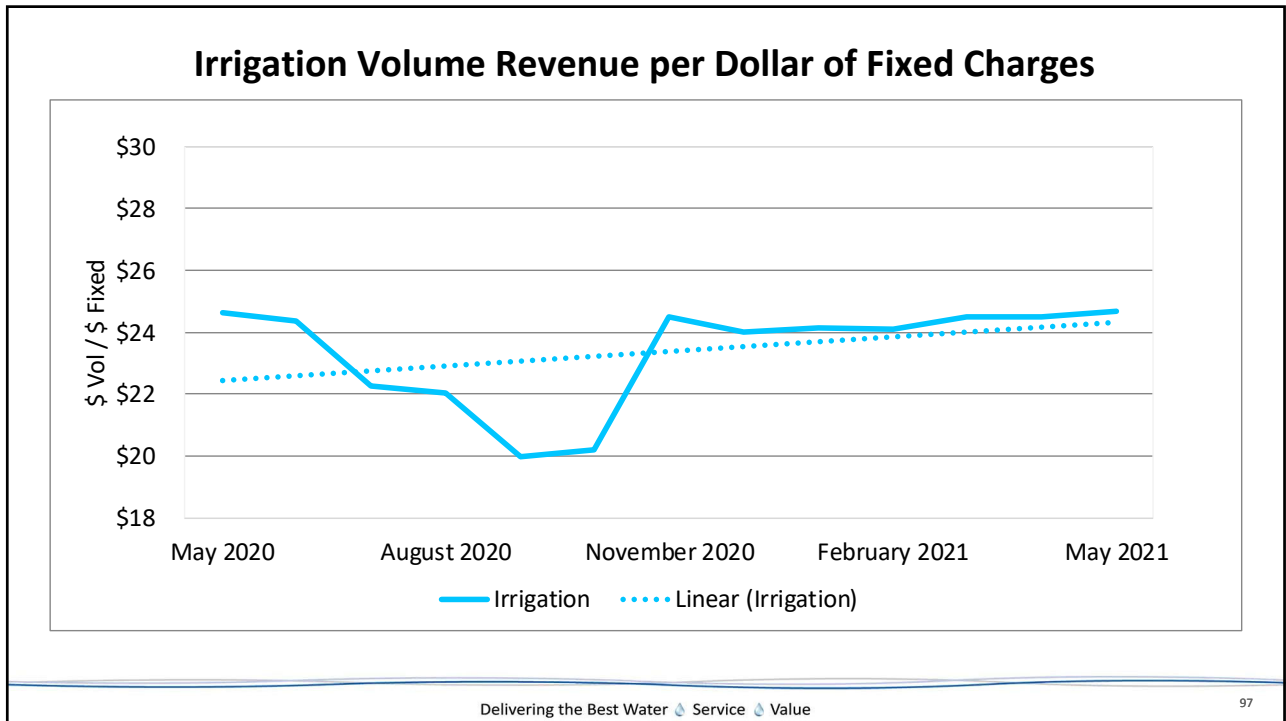
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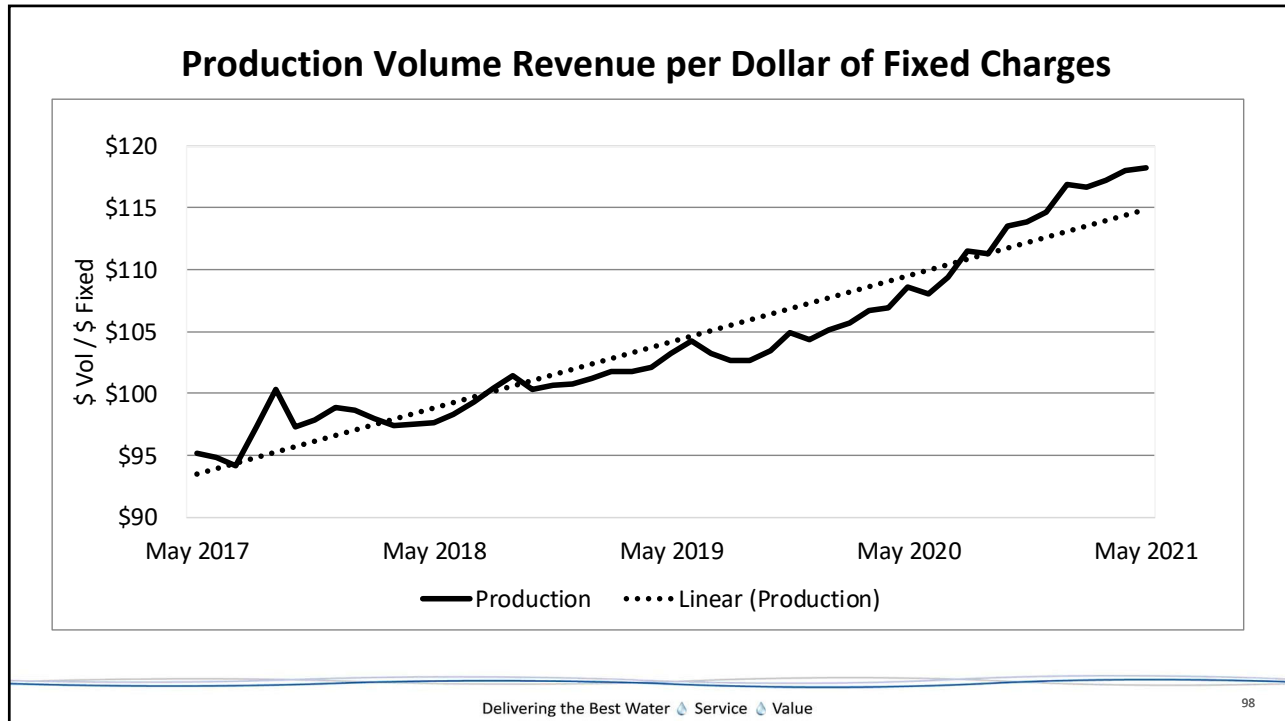
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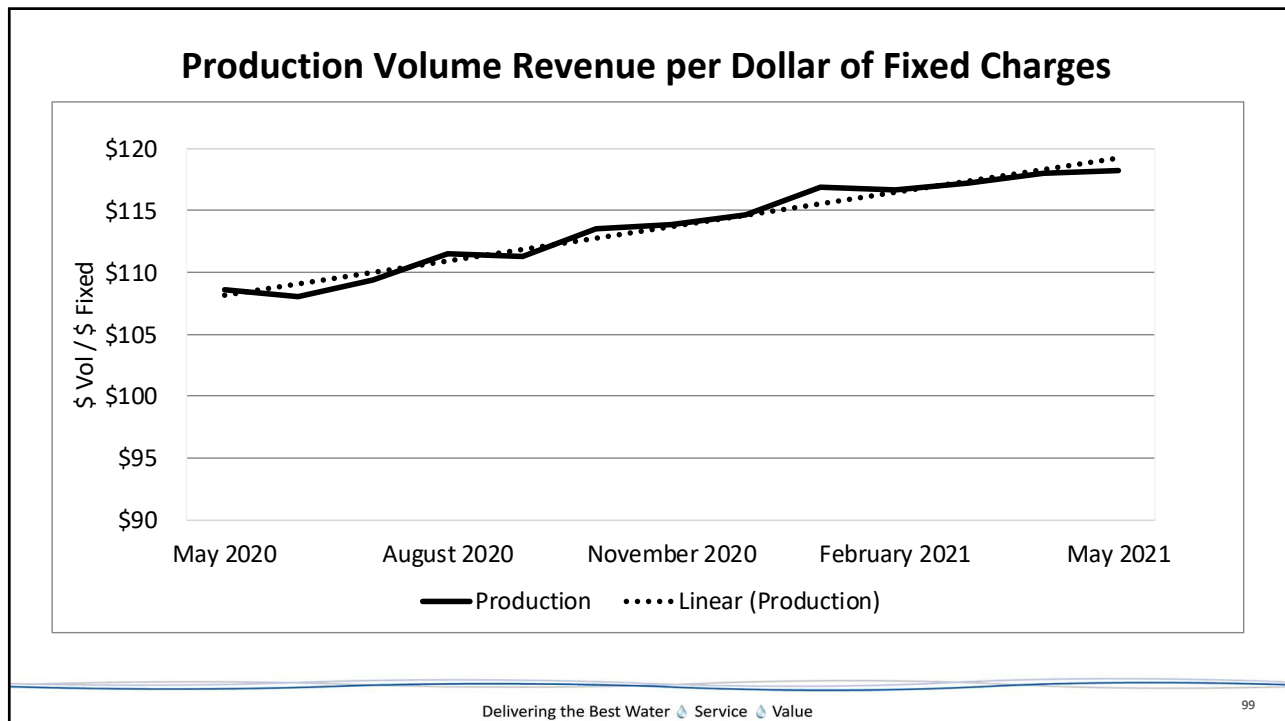
96



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What We've Learned This Month

Revenue for May

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

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Monitoring TVWD's Financial Performance



Revenue

- Impact on future water sales



Collections

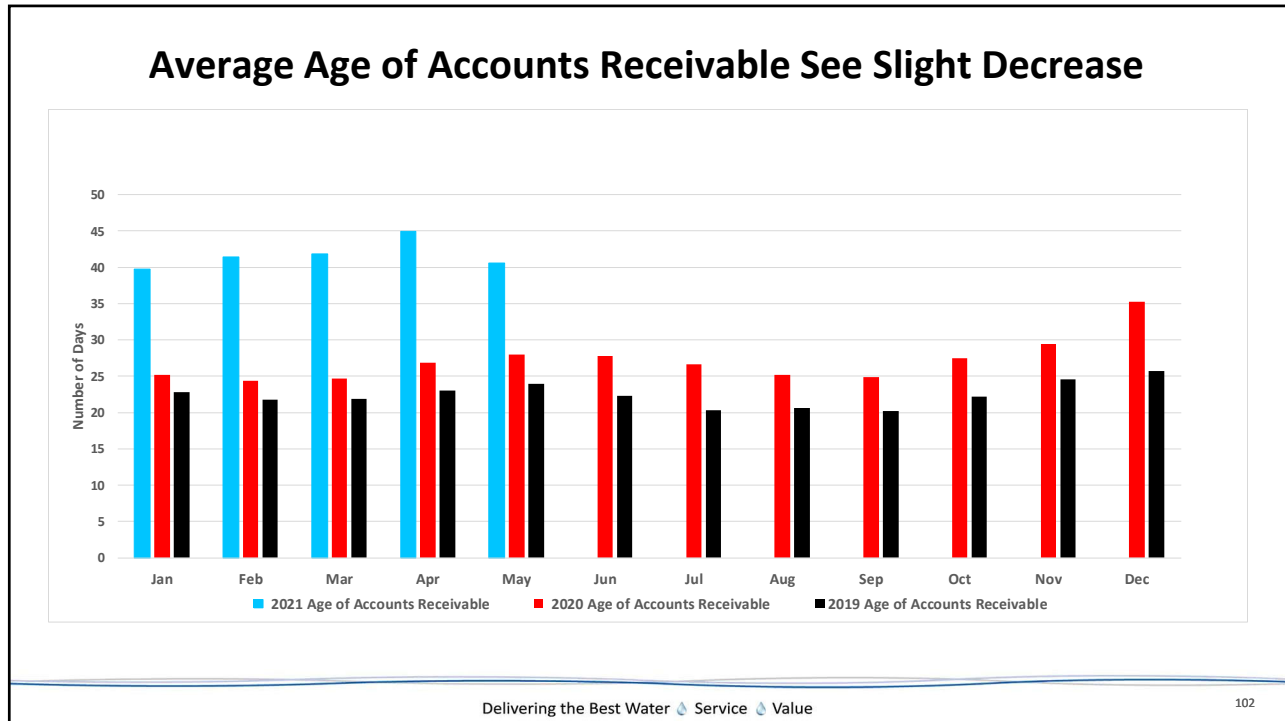
- Capacity for customers to pay their water bills



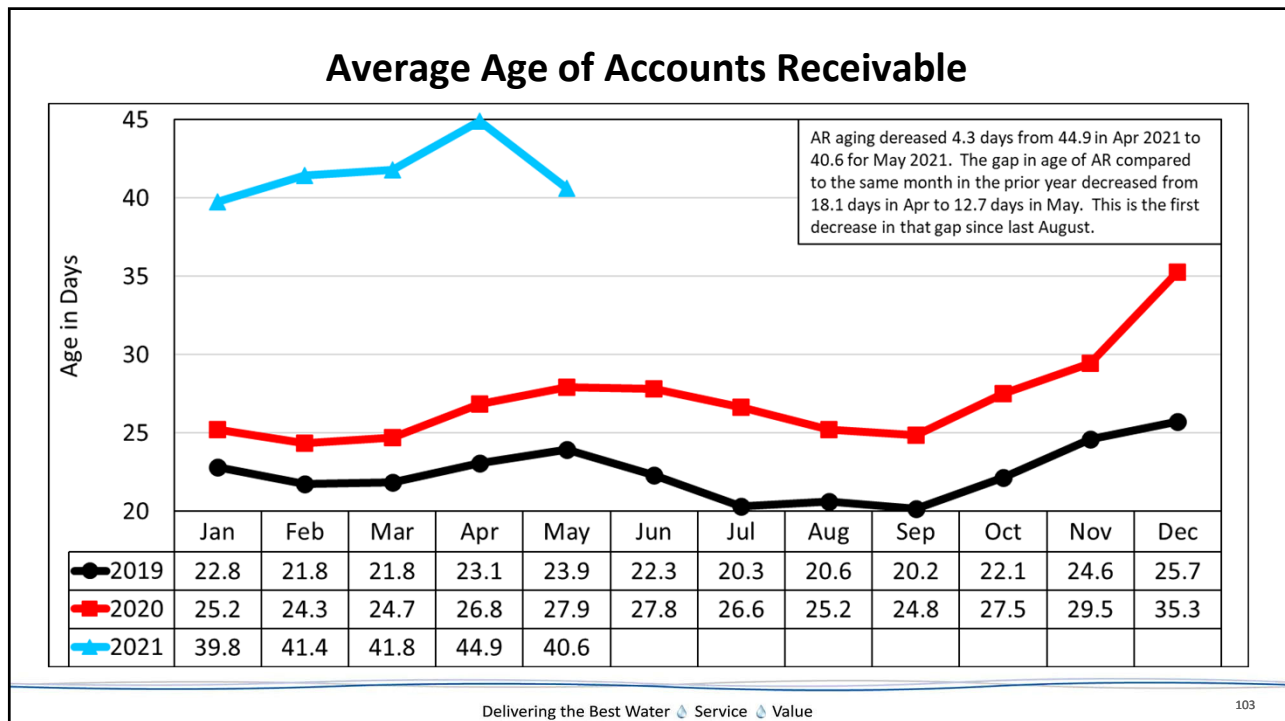
Expenses

- Effect on budget to respond to COVID-19

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Days Sales Outstanding

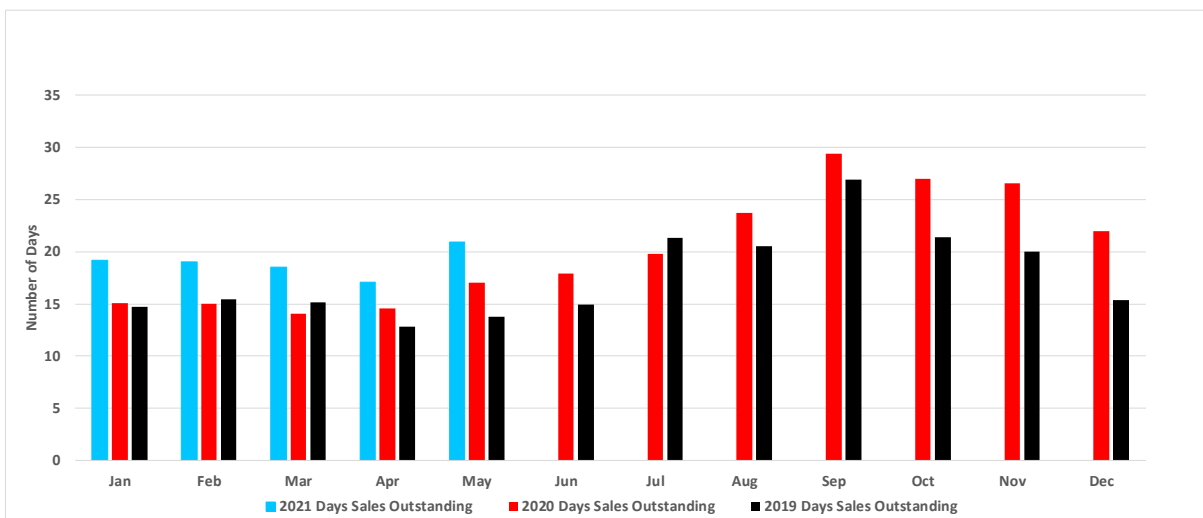
- Measures average number of days to collect on sales

$$\text{Days Sales Outstanding} = \frac{\text{Account Receivable}}{\text{Total Sales}} * 365$$

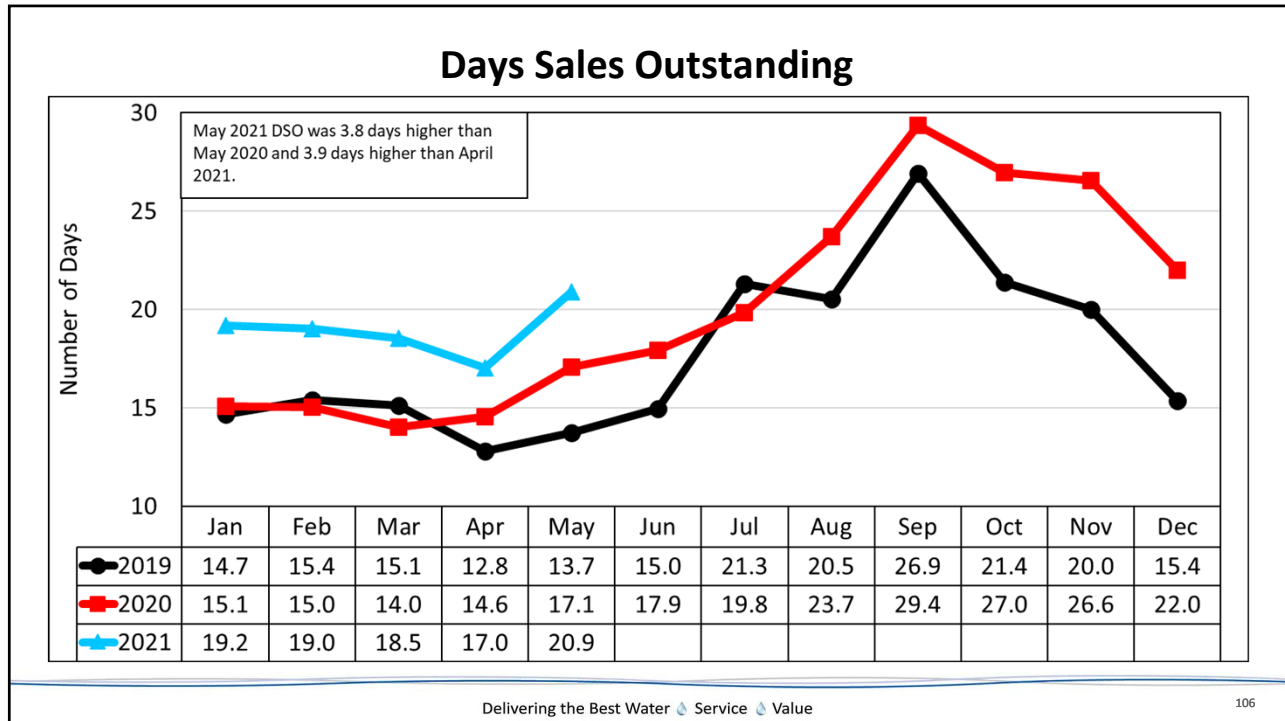
- Increases in Days Sales Outstanding could indicate collections challenges
- Proposed basis is years of sales to account for seasonality of water sales

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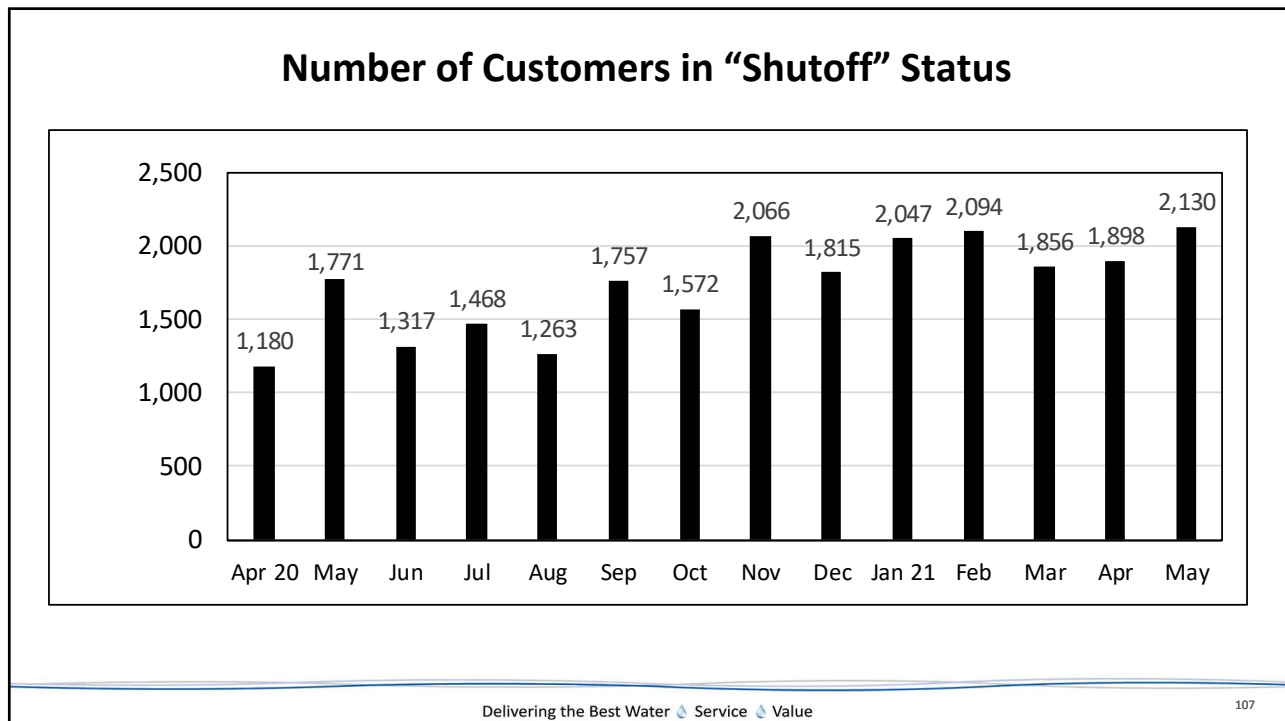
Days Sales Outstanding



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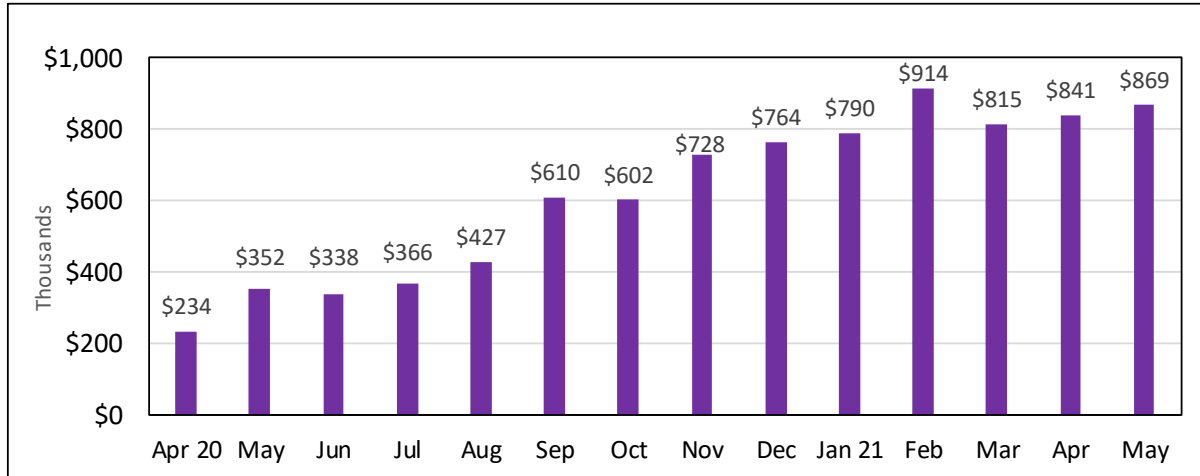


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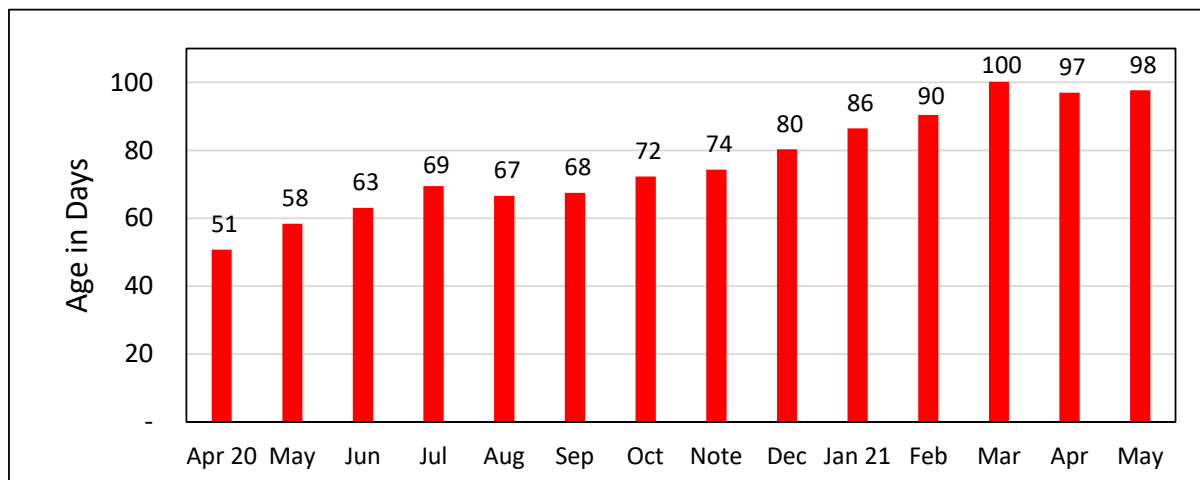
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Accounts Receivable of Customers in "Shutoff" Status



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Age of Accounts Receivable of Customers in "Shutoff" Status

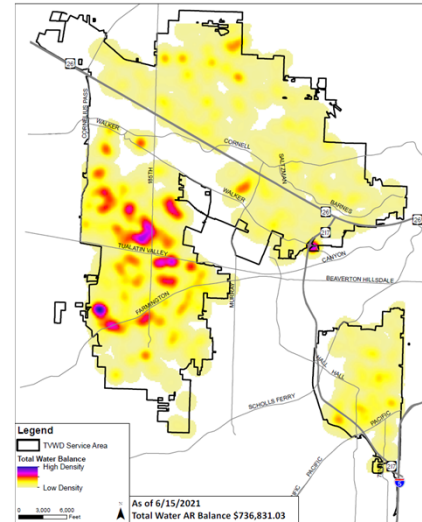


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Locations of Struggling Customers

Heat map

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



Delivering the Best Water Service Value

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Monitoring TVWD's Financial Performance



Revenue

- Impact on future water sales



Collections

- Capacity for customers to pay their water bills



Expenses

- Effect on budget to respond to COVID-19

Delivering the Best Water Service Value

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Reminder on Bad Debt Expense

Recent Adjustments

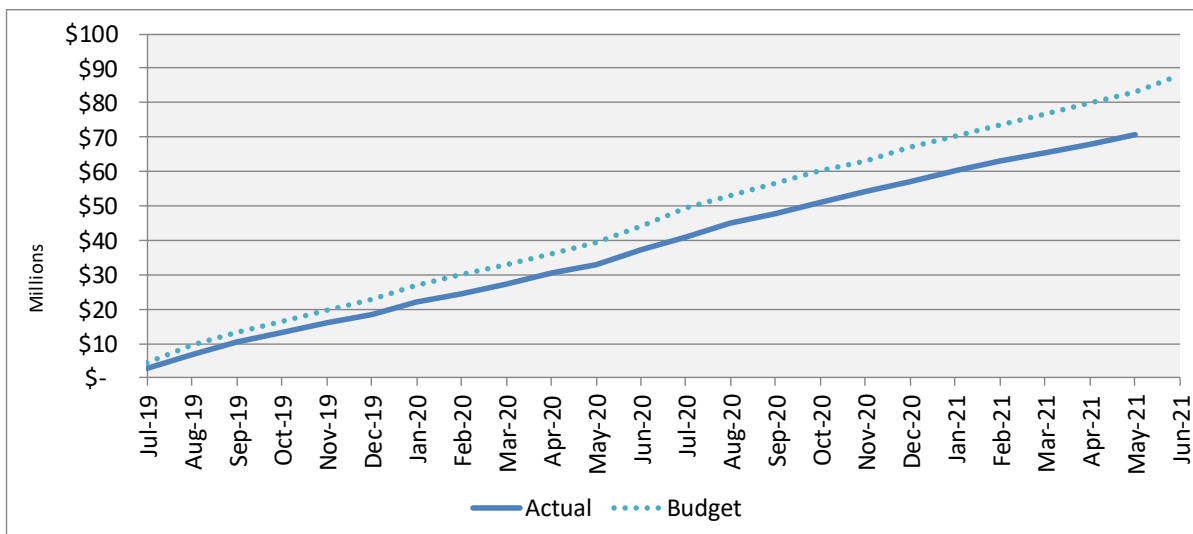
- Allowance for doubtful accounts increased from 0.11% of sales to 0.85% of sales (historical rate has been about 0.20%)
- One-time bad debt expense of about \$250 thousand to bring allowance to about \$500 thousand

Future Adjustments

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

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Cumulative Operating Expenditures



Note: These graphs are based on unaudited estimates.

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Closing Thoughts

Final Thoughts

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

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Questions and Comments

Update on Financial Performance

Paul L. Matthews
Chief Financial Officer

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Taylor's Ferry Reservoir Replacements and Pump Station Exemption for Alternative Delivery

June 16, 2021

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

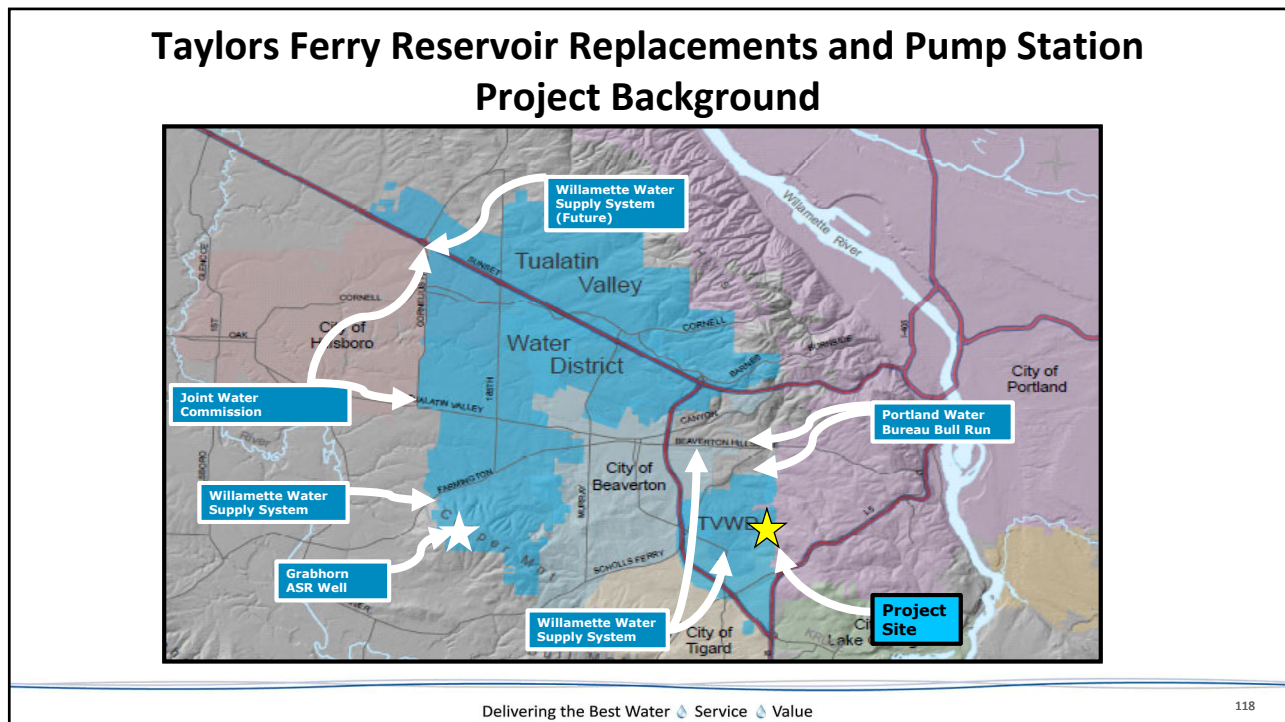


116

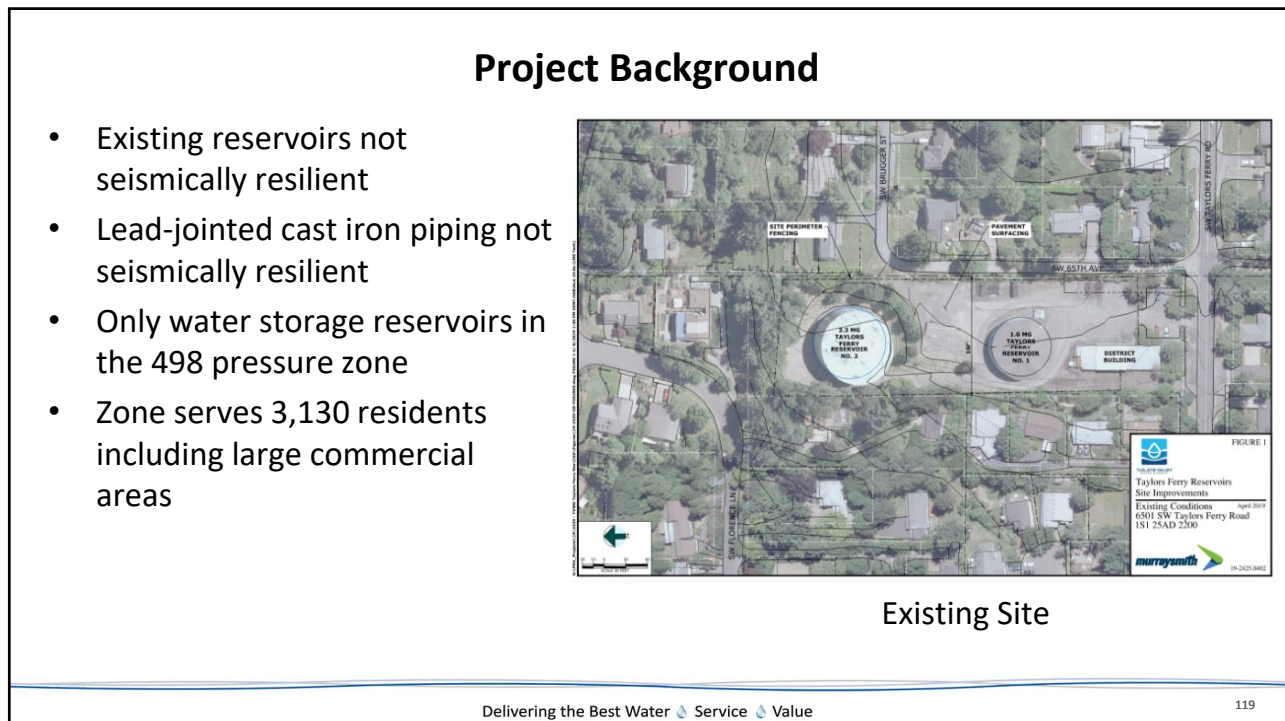
Outline

- Taylor's Ferry Reservoir Replacements and Pump Station Project Background
- Existing Condition
- Project Site Plan
- Alternative Project Delivery Evaluation
- Alternative Project Delivery Evaluation Results
- Board Action

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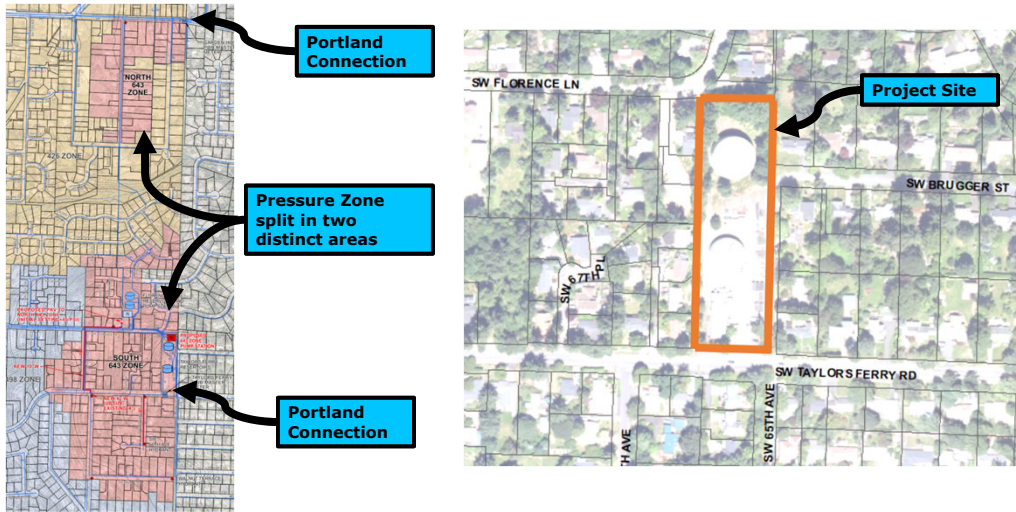


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Project Background



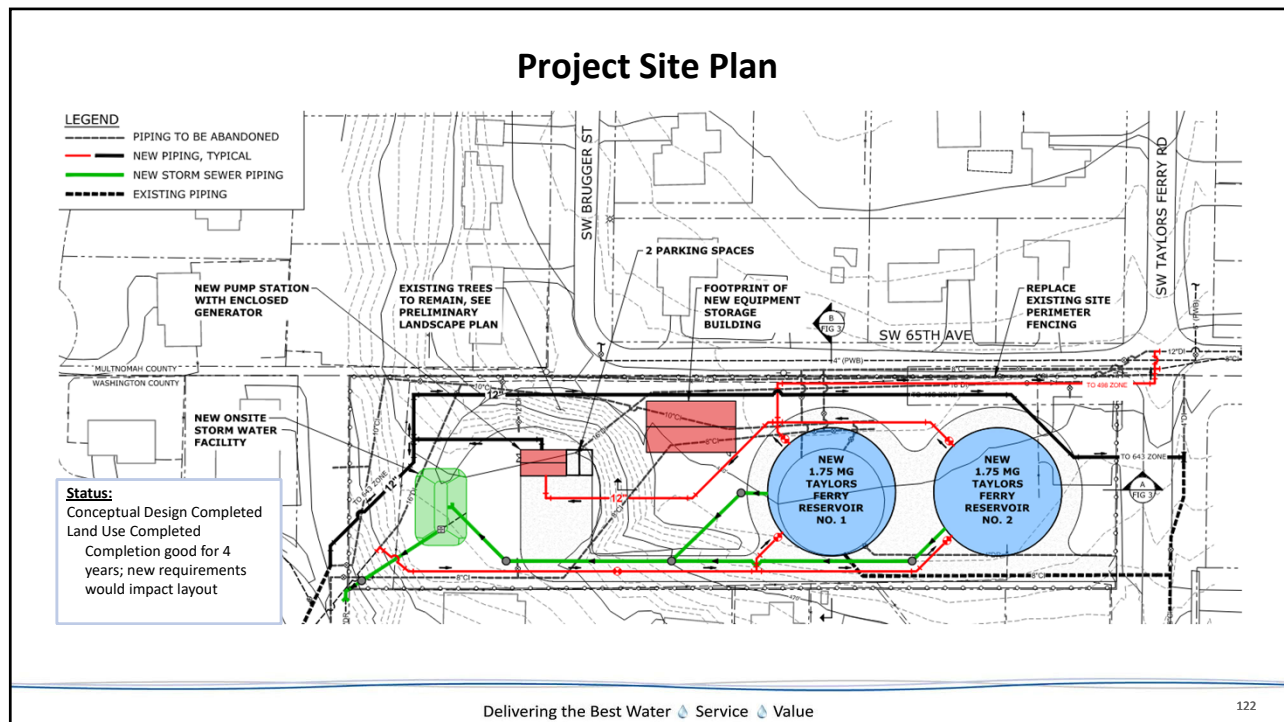
120

Project Background... A quick glance at existing condition and site:

Reservoir Interior Ceiling – Very Poor Condition, Severe Corrosion



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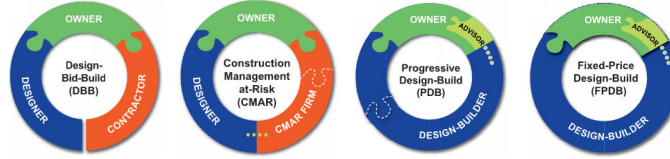
122

Why Use Alternative Delivery?

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

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Alternative Project Delivery Evaluation

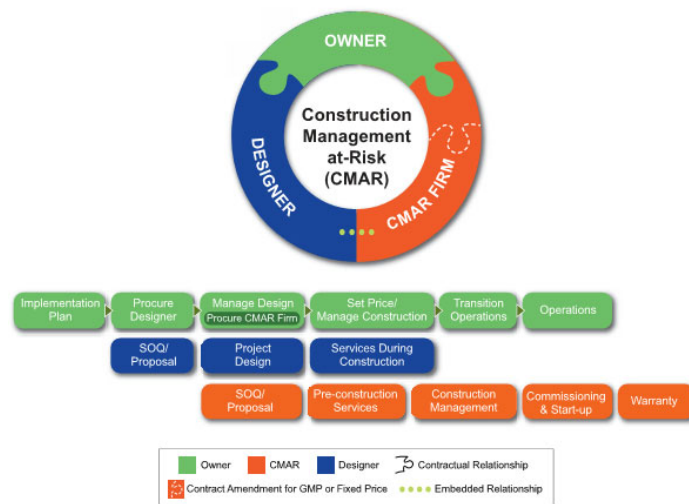


- CM/GC preferred delivery method for this project
 - Complex project (Construction sequence, pumping, contractor buy-in, site to remain open to Operations)
 - Long lead items can be ordered early – such as pumps and backup power systems, scheduling of key subcontractors
 - Possibility of multiple phases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

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Alternative Project Delivery Evaluation

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



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Oregon Legal Authority

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

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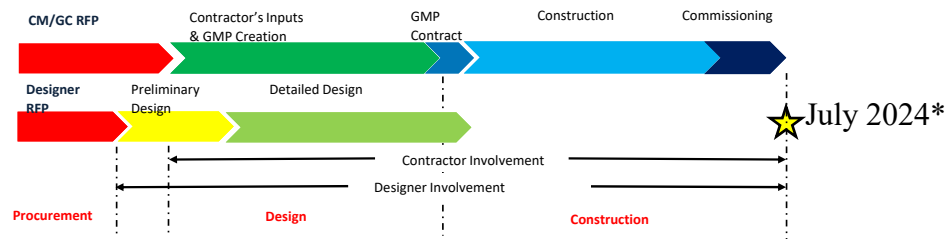
Firms and Services for CM/GC

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

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Requested Local Contract Review Board Action

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



Tualatin Valley Water District



Delivering the Best Water  Service  Value

Report of Meetings Attended

Commissioner Bernice Bagnall

Date	Meeting or Function	Purpose	\$	Claimed
5/25/2021	Budget Committee meeting	Approve budget	0.00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6/1/2021	Board Work session	Board Appts, WWSS, Water rate schedule	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6/8/2021	CEO and Board VP	Agenda Planning	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6/16/2021	Board meeting	District Business	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$150	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay	<input type="checkbox"/> Yes <input type="checkbox"/> No
			DCarper	<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
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				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

ORS 198.190, "A member of the governing body of a district may receive, not to exceed \$50.00 for each day or portion thereof as compensation for services performed as a member of the governing body. Such compensation shall not be deemed lucrative. The governing body may provide for reimbursement of a member for actual and reasonable traveling and other expenses necessarily incurred by a member in performing official duties." *Please note that in accordance with ORS 294.331 (3) members of the budget committee shall receive no compensation for their services as members of such committee.*

By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District's Customer Emergency Assistance Program.

Debbie Carper

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

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

Todd Sanders

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

Hi Commissioner Sanders,

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

Debbie Carper, MMC

District Recorder

1850 SW 170th Avenue, Beaverton, OR 97003

direct 503-848-3014

debbie.carper@tvwd.org

www.tvwd.org

Tualatin Valley Water District

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Report of Meetings Attended

Commissioner Jim Doane

Date	Meeting or Function	Purpose	\$	Claimed
25 May	Budget Committee meeting		0	
16 June	Regular Meeting		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10 June	Aloha Business Association		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3 June	Backflow Issues Mtg		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
1 June	Work Session		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			\$200	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			OK to pay CEAP	
			DCarper	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Report of Meetings Attended

Commissioner Jim Duggan

Date	Meeting or Function	Purpose	\$	Claimed
05/25/2021	TVWD Budget Meeting	Review & Recommend	0	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
06/01/2021	TVWD Work Session	WWSS & Other Updates	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06/02/2021	RWPC Board Meeting	Officers; 1/3Yr. Reg. Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06/03/2021	WWSS Board Meeting & Exec. Session	Regular Monthly Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06/08/2021	Washington County CPO#1 Mtg.	CWS; Nature Park Project	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06/10/2021	WWSS Documents/Debbie C.	Sign document backlog	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06/16/2021	TVWD Board Meeting	Regular Monthly Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$300	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay DCarper	<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

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Tualatin Valley Water District



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Report of Meetings Attended

Commissioner Todd Sanders

Date	Meeting or Function	Purpose	\$	Claimed
5/25/2021	Budget Committee meeting	Approve budget	0.00	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6/1/2021	Board Work session	Board Appts, WWSS, Water rate schedule	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6/8/2020	WRWC	Spring meeting	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6/16/2021	Board meeting	District Business	50.00	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$150	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay DCarper	<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
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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District's Customer Emergency Assistance Program.



Report of Meetings Attended

Commissioner Dick Schmidt

Date	Meeting or Function	Purpose	\$	Claimed
06012021	Work session	Various. Flag guidance. Ductal IP issues	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06082021	Tom, Bernice.	Agenda planning	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
06162021	Regular board		50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$150	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay	<input type="checkbox"/> Yes <input type="checkbox"/> No
			DCarper	<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District's Customer Emergency Assistance Program.

Debbie Carper

From: Bernice Bagnall
Sent: Wednesday, June 16, 2021 7:50 PM
To: Debbie Carper
Subject: Re: Meetings attended forms approval

I approve these meetings attended for the 4 commissioners.

Bernice Bagnall

From: Debbie Carper <Debbie.Carper@tvwd.org>
Sent: Wednesday, June 16, 2021 7:46 PM
To: Bernice Bagnall <bernice.bagnall@tvwd.org>
Subject: Meetings attended forms approval

Hi Commissioner Bagnall,

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

Thank you!

Debbie Carper, MMC

District Recorder

1850 SW 170th Avenue, Beaverton, OR 97003

direct 503-848-3014

debbie.carper@tvwd.org

www.tvwd.org

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Tualatin Valley Water District



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To: Board of Commissioners

From: Paul L. Matthews, Chief Financial Officer

Date: July 21, 2021

Subject: Adopt Resolution Establishing Rate Setting Process for 2021-23 Biennium

Requested Board Action:

Consider adopting a resolution establishing the water rate process for the 2021-23 biennium.

Key Concepts:

- At its May 19, 2021 regular meeting, the Board adopted Resolution 04-21 which approved the District's *2021-23 Financial Plan*.
- The *2021-23 Financial Plan* anticipates increases in water rates to fund the District's capital and operating expenditures.
- Historically, the Board has directed staff to engage in a public outreach process to provide the public with an opportunity to learn more about the District's rate proposals and provide public comment for the Board's consideration.
- Oregon law requires the District to notify customers when the District considers adjusting water rates. The notification requires establishing a time and place for the public hearing. The proposed resolution provides staff direction to notify customers consistent with Oregon law and undertake an appropriate customer outreach plan.

Background:

At its May 19, 2021 regular meeting, the Board of Commissioners adopted Resolution 04-21, approving the District's *2021-23 Financial Plan*. The approved Financial Plan includes proposed increases in water rates to generate the planned revenue for the District. Based on the information presented in the *2021-23 Financial Plan*, staff will prepare proposed increases in the District's water rates.

Staff has prepared a proposal for the Board's consideration to hold a public hearing at its August 18, 2021, regular meeting to adjust water rates effective November 2021 and November 2022. These rate increases are consistent with the District's proposed biennial budget and Financial Plan.

Staff also proposes to conduct an extensive customer outreach effort for the rate adjustments. This outreach plan includes:

1. Virtual Open House on Wednesday, August 11, 2021, using the *Talkin' Water* forum from noon until 1:00 p.m.
2. Virtual Open House on Wednesday, August 11, 2021, using the *Talkin' Water* forum in the evening from 6:00 p.m. until 7:00 p.m.

Resolution Establishing Rate Setting Process for 2021-23 Biennium

3. Public Hearing at the Board’s regular meeting on August 18, 2021.
4. Virtual Open House on Saturday, August 21, 2021, using the *Talkin’ Water* forum from 9:30 a.m. until 10:30 a.m.
5. Consideration of rate adoption at the Board’s regular meeting on September 15, 2021.

Staff also proposes the Board direct staff to include public comment received on or after August 11, 2021, but before 4:00 p.m. on August 25, 2021, in the public record for the rate process. Staff proposes to accumulate the comments received from the public and provide them to the Board members on September 7, 2021. Staff will summarize those comments to the Board at the Board’s September 15, 2021, regular meeting.

The presentation at the July 21, 2021, regular Board meeting will include:

- Brief review of the District’s revenue needs based on the current financial forecast.
- Presentation of proposed increases in water rates for November 2021 and November 2022.
- Overview of the proposed customer outreach efforts planned for the rate adoption.

As described above, the proposed process includes opening a public hearing on August 18, 2021, and including the public comment received between August 11, 2021, and August 25, 2021, in the public record. Because the determination of the comment period for the public record is a Board prerogative, staff recommends the Board adopt the public hearing and public comment process by resolution.

Budget Impact:

There is no direct budget impact for this item. The preparation of this information is within the District’s current budget; however, the information presented includes a proposal to increase water rates for the current biennium. These rate adjustments will affect the District’s water rate revenue.

Staff Contact Information:

Paul L. Matthews; Chief Financial Officer; 503-848-3017; paul.matthews@tvwd.org

Attachments:

Proposed resolution

Management Staff Initials:

Chief Executive Officer	N/A	Customer Service Manager	AC
Chief Engineer	CEP	IT Services Director	TB
Chief Financial Officer	PSM	Human Resources Director	N/A
General Counsel	CS	Water Supply Program Director	PS

RESOLUTION NO. 08-21

A RESOLUTION ESTABLISHING THE WATER RATE SETTING PROCESS FOR THE 2021-23 BIENNIUM.

WHEREAS, the Board of Commissioners (Board) of the Tualatin Valley Water District (District) adopted Resolution 04-21 on May 19, 2021 approving the District's 2021-23 Financial Plan (Financial Plan); and

WHEREAS, the District's Financial Plan includes increases in water rates to fund the District's capital investment and operating expenditures; and

WHEREAS, to implement the increases in water rates included in the Financial Plan, the Board desires to provide direction to management to establish an appropriate public process.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: Management is directed to schedule a public hearing for August 18, 2021 during the Board's regular meeting to consider changes in the District's water rates.

Section 2: Management is authorized to undertake those activities consistent with Oregon law to notify the public of the public hearing.

Section 3: Management is directed to provide an opportunity for the public to learn about the proposal to change the District's water rates in a series of virtual open houses held online on August 11, 2021, and August 21, 2021.

Section 4: Public comment received by the District on or after August 11, 2021, and before 4:00 pm on August 25, 2021, shall be included in the public record for consideration by the Board of Commissioners in its deliberations.

Approved and adopted at a regular meeting held on the 21st day of July 2021.

Todd Sander, President

Jim Doane, Secretary

Tualatin Valley Water District



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Tualatin Valley Water District



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To: Board of Commissioners

From: Joel Cary, Water Resources Division Manager

Date: July 21, 2021

Subject: Lead Service Line Inventory Requirement under the EPA's Lead and Copper Rule Revisions

Key Concepts:

- The first major component of the Environmental Protection Agency's (EPA) Lead and Copper Rule Revisions (LCRR) requires all public water systems to develop a lead service line (LSL) inventory or demonstrate the absence of LSLs by October 16, 2024.
- While TVWD has no known LSLs based on historical evidence, this inventory assessment must be performed and submitted to the Oregon Health Authority by the above date to meet regulatory compliance.
- Staff began work on this requirement of the LCRR and is continuing to refine the project scope and estimate resources needed to comply with this regulatory obligation.

Background:

As noted during the February TVWD Board meeting, the LCRR requires that all public water systems develop an LSL inventory that identifies all known and unknown materials specific to an agency's service lines. As a reminder, the term "service line" within the LCRR means both the public and privately owned side (i.e., from the meter to the house). This LSL inventory must be submitted to the state primacy agency, the Oregon Health Authority, by October 16, 2024. This date represents a moderate delay in compliance because of the new federal administration's decision to delay final rule publication to allow for further review and stakeholder engagement. With nearly 60,000 service connections, this effort will still require as much time as possible for TVWD to complete and submit a completed LSL inventory within the given timeframe.

Work to identify service line materials began mid-2020 when staff performed meter condition assessments in support of the long-term planning needs for potential adoption of an advanced metering infrastructure (AMI) project. As a result, over 1,000 individual assessments have been completed to date under the initial pilot testing work to validate the inspection and data collection process. Staff is now working to fully develop the project plan, which will include ongoing review and analysis of physical material inspections along with multiple other aspects. These additional project elements will include:

- Refining progress dashboards currently in development within the GIS database;
- Assembling various sub-project teams from across TVWD to provide the needed subject matter expertise; and

Lead Service Line Inventory Requirement

- Evaluating the staffing resources needed to complete the LSL inventory and procuring external consulting and contract services to support the overall project.

Last, it should be noted that submitting an LSL inventory with service line materials classified as “unknown” or if lead service lines are discovered and not replaced by the current October 16, 2024, deadline would still satisfy the regulatory requirement of the LCRR. However, this would trigger additional requirements at that time for TVWD, including targeted public notification and web-based lookup tools for customers along with developing an LSL replacement plan.

Details of the project including all associated elements mentioned above will be presented to the Board during the July 21 meeting for further consideration and input.

Budget Impact:

The adopted 2021-2023 TVWD Budget includes \$300,000 for professional consulting and contracting services for public outreach, communications and potential investigative support. This appropriation is expected to be used during the course of the biennium.

Staff Contact Information:

Joel Cary; Water Resources Division Manager; 503-848-3019; joel.cary@tvwd.org

Attachments:

None

Management Staff Initials:

Chief Executive Officer	N/A	Customer Service Manager	AC
Chief Engineer	CEP	IT Services Director	N/A
Chief Financial Officer	POW	Human Resources Director	N/A
General Counsel	CB	Water Supply Program Director	N/A