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.
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

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](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
  - RES_1.0
  - WTP_1.0
- **Constructing projects**
  - Pipelines: PLM_1.1, PLM_1.2, PLM_4.1, PLM_4.2, PLM_5.1, PLM_5.2, PLW_1.3, MPE/COB_1.1, MPE/COB_1.2
  - Facilities: WRF_1.0

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### Coordinating projects delivery

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<thead>
<tr>
<th>Willamette</th>
<th>WCLUT</th>
<th>Others</th>
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<td>RWF_1.0</td>
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<td>PLM_4.4</td>
<td>WTP_1.0</td>
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<tr>
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<td>PLM_5.1</td>
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<tr>
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<td>RWF_1.3</td>
<td>PLW_1.3</td>
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<td>PLW_1.2</td>
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<td>WTP_1.0</td>
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<td>MPE_1.3</td>
<td>RES_1.0</td>
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<tr>
<td>PLW_2.0</td>
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<td></td>
</tr>
</tbody>
</table>

**Commissioning and Startup**

**Operations**

**Water Supply Integration**

Excludes LOAs/MOUs, ROVs, and Permits

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13 Pipelines WTP_1.0
12 RES_1.0
7 Pipelines
13 Facilities
Construction Update
Projects currently in construction

PLM_5.1 (Roy Rogers Rd.)
PLM_1.2 (Garden Acres Rd.)
PLM_1.1 (S. of Wilsonville Rd.)
PLW_1.3 (South Hillsboro)
MPE_1.1 (Metzger Pipeline)
MPE_1.2 (Metzger Pipeline)
RWF_1.0 (Phase 1)

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

Placing concrete for flow meter vault walls

Construction Photos – RWF_1.0

66-inch Raw Water pipeline progress through park
Core drilling wall penetrations for new WWSS Raw Water pump discharge header. CLSM cap transition zone in foreground.

Trenchless Crossing of Arrowhead Creek

84-inch Casing Section
Pipe Ram Equipment
Sending Shaft

270 LF
Receiving Shaft
Construction Photos – RWF_1.0

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

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

PLW_1.3

Contractor: Tapani, Inc.
Designer: Kennedy/Jenks

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

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

Construction Photos – PLW_1.3

Microtunneling operation – setting new casing section
MPE_1.1

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

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

MPE_1.1 Notable Topics

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

Contractor: Emery & Sons
Designer: Brown & Caldwell

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

MPE_1.2 Notable Topics

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

• Potential Claims
  – None

• Delivery Challenges
  – Staging area procurement by WWSP
QUESTIONS

2021-23 Biennial Budget Adoption

Board Regular Meeting
June 16, 2021
Oregon Local Budget Law

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

Oregon Local Budget Process

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

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

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

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

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

Budget Committee
Board of Commissioners
We are here

TVWD is in Transition

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

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

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

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

Favorable Developments
- Operating expenses are lower
- Partnerships are improving
- Staff morale continues to be strong

State of the District

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

Challenges
- Pandemic
- Revenue shortfalls
- Partnerships
- Implementing CIS
- Project risk and uncertainties
Strategic Goals: Desired Results

Tualatin Valley Water District Desired Results

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

2019-21 Strategic Initiatives and Desired Results

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

<table>
<thead>
<tr>
<th>#</th>
<th>Description</th>
<th>Dept. or Division</th>
<th>Target Date</th>
<th>Status</th>
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<td>Human Capital Strategy</td>
<td>HR</td>
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</table>

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

Developing 2021-23 Strategic Initiatives

- Prepare Bottom-Up SWOT Analyses
- Leadership Team Review Bottom-Up SWOT Analyses
- Leadership Team Creates Top-Down SWOT Analysis
- Major Themes Identified
- Proposed Specific Initiatives Evaluated with Alignment to Desired Results
- Proposed Initiatives Presented to Board of Commissioners
## Major Themes from SWOT Analysis

<table>
<thead>
<tr>
<th>Human Investment</th>
<th>Intergovernmental Relations</th>
<th>Business Intelligence</th>
<th>Efficiency Through Modernization</th>
<th>Current Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare employees to be successful in meeting the future requirements of the District.</td>
<td>• Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource.</td>
<td>• Improve planning and the District’s ability to respond by developing actionable information from disparate sources of data.</td>
<td>• Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so.</td>
<td>• Successfully execute and complete the initiatives currently underway.</td>
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</table>

## Strategic Initiatives and Desired Results

<table>
<thead>
<tr>
<th>Strategic Initiatives</th>
<th>Water Needs &amp; Expectations</th>
<th>Community Confidence in TVWD</th>
<th>Stewards of Financial Resources</th>
<th>Stewards of Natural Resources</th>
<th>Stewards of People and Systems</th>
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<tbody>
<tr>
<td>Mission, Vision, and Values</td>
<td>✓</td>
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<tr>
<td>Conduct Classification / Compensation Study</td>
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<td>Government Affairs</td>
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</table>
### Mission, Vision, and Values

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

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

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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
**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
**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
New Requested Staff Positions

Engineering and Operations

• SCADA staff member
• Water Works Operator

Proposed 2021-23 Budget by Fund

Tualatin Valley Water District

2021-23 Biennial Budget Committee Meeting

May 25, 2021
Key Infrastructure Investments

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

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

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

Key Infrastructure Investments

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

- WIF
- WWSS
- JWC

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

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

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>General Fund (01)</td>
<td>Administration, operations, and maintenance activity. All District staff are budgeted in this fund.</td>
</tr>
<tr>
<td>Capital Improvement Fund (11)</td>
<td>Accounts for the resources and expenditures used for acquisition or construction of major capital facilities not funded by bond proceeds.</td>
</tr>
<tr>
<td>Capital Reserve Fund (18)</td>
<td>Holds resources for current and future capital improvement and water supply projects.</td>
</tr>
<tr>
<td>Debt Proceeds Fund (22)</td>
<td>Holds proceeds from the District’s debt portfolio including the revenue bonds, WIPA loan proceeds, and other types of borrowings.</td>
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<tr>
<td>Revenue Bond Debt Service Fund (31)</td>
<td>Accounts for repayment of principal and interest on the District’s revenue bonds.</td>
</tr>
<tr>
<td>Customer Emergency Assistance Fund (43)</td>
<td>Accounts for the resources, administration, and customer payments for those who qualify for emergency assistance.</td>
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TVWD’s Fund Structure

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

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

- 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

Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 37,376,583</td>
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<tr>
<td>Water Sales</td>
<td>$ 158,826,968</td>
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<td></td>
<td></td>
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<tr>
<td>Right of Way Fees</td>
<td>$ 1,625,000</td>
<td></td>
<td></td>
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<tr>
<td>Admin Fees</td>
<td>$ 751,303</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Resources</td>
<td>$ 1,088,435</td>
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<tr>
<td>Interest Earnings</td>
<td>$ 438,200</td>
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<tr>
<td>Contract Reimbursements</td>
<td>$ 2,436,000</td>
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<tr>
<td>Overhead to Other Funds</td>
<td>$ 10,722,620</td>
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<tr>
<td>Total Resources</td>
<td>$ 213,265,109</td>
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<td></td>
<td></td>
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</table>

Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-21 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$ 42,330,036</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Materials &amp; Services</td>
<td>$ 47,640,836</td>
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</tr>
<tr>
<td>Capital Outlay</td>
<td>$ 705,950</td>
<td></td>
<td></td>
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<tr>
<td>Special Payments</td>
<td>$ 1,625,000</td>
<td></td>
<td></td>
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<tr>
<td>Interfund Transfers</td>
<td>$ 83,500,000</td>
<td></td>
<td></td>
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<tr>
<td>Contingency</td>
<td>$ 20,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 195,801,822</td>
<td></td>
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<tr>
<td>Unappropriated</td>
<td>$ 17,463,287</td>
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<tr>
<td>Total Requirements</td>
<td>$ 213,265,109</td>
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</tbody>
</table>

Capital Improvement Fund – Appropriations in Approved Budget

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

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

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

<table>
<thead>
<tr>
<th>Resources</th>
<th>TVWD</th>
<th>Other Partners</th>
<th>Total Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 376,262,670</td>
<td>3,320,000</td>
<td>$ 379,582,670</td>
</tr>
</tbody>
</table>

| Requirements       | Materials & Services | 0                     | Capital Outlay | 379,582,670 | Contingency | 0 | Total Requirements | $ 379,582,670 |

**Capital Reserve Fund – Appropriations in Approved Budget**

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

**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

**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

Debt Proceeds Fund – Appropriations in Approved Budget

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

Key Elements

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

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

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

Key Elements

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

Resources

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-20 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$</td>
<td></td>
<td>$</td>
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<td>NA</td>
</tr>
<tr>
<td>Donations &amp; Interest</td>
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<td>$</td>
<td>$</td>
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</tr>
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<td>Transfers In</td>
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<td>NA</td>
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<td>Total Resources</td>
<td>$531,035</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
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</table>

Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-20 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td>$531,035</td>
<td>$</td>
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<td>NA</td>
</tr>
<tr>
<td>Capital Outlay</td>
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<td>$</td>
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<td>NA</td>
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<tr>
<td>Total Requirements</td>
<td>$531,035</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
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</table>

Willamette Water Supply System Fund – Appropriations in Approved Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>2019-20 Budget</th>
<th>Proposed Budget</th>
<th>Change</th>
<th>Percent Change</th>
<th>Annualized Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>Materials &amp; Services</td>
<td>$1,714,154</td>
<td>$2,343,405</td>
<td>$629,251</td>
<td>36.7%</td>
<td>16.9%</td>
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<td>Capital Outlay</td>
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<td>$452,289,650</td>
<td>$234,992,785</td>
<td>108.1%</td>
<td>44.3%</td>
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<tr>
<td>Special Payments</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interfund Transfers</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Contingency</td>
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<td>$235,000</td>
<td>$62,000</td>
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<td>16.5%</td>
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<tr>
<td>Total</td>
<td>$219,184,019</td>
<td>$454,868,055</td>
<td>$235,684,036</td>
<td>107.5%</td>
<td>44.1%</td>
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</tbody>
</table>
Willamette Water Supply System Commission

Key Elements

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

Resources

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

Requirements

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

Willamette Intake Facilities Fund – Appropriations in Approved Budget

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

Key Elements

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

Resources

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

<table>
<thead>
<tr>
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<tr>
<td>Materials &amp; Services</td>
<td>$1,056,920</td>
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<tr>
<td>Capital Outlay</td>
<td>$6,533,736</td>
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<td>Contingency</td>
<td>$107,000</td>
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<td><strong>Total Requirements</strong></td>
<td><strong>$7,697,656</strong></td>
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Willamette River Water Coalition Fund – Appropriations in Approved Budget

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

<table>
<thead>
<tr>
<th></th>
<th>2019-21 Biennial</th>
<th>2021-23 Biennial</th>
<th>% Change from Revised 2019-21 Biennial</th>
</tr>
</thead>
<tbody>
<tr>
<td>TVWD</td>
<td>$58,000</td>
<td></td>
<td></td>
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<tr>
<td>Other Partners</td>
<td></td>
<td>$67,950</td>
<td></td>
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<tr>
<td><strong>Total Resources</strong></td>
<td><strong>$125,950</strong></td>
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Requirements

<table>
<thead>
<tr>
<th></th>
<th>2019-21 Biennial</th>
<th>2021-23 Biennial</th>
<th>% Change from Revised 2019-21 Biennial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials &amp; Services</td>
<td></td>
<td>$114,300</td>
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</tr>
<tr>
<td>Capital Outlay</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td>$11,650</td>
<td></td>
</tr>
<tr>
<td><strong>Total Requirements</strong></td>
<td><strong>$125,950</strong></td>
<td></td>
<td></td>
</tr>
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</table>

Appropriations Summary - Proposed 2021-23 Budget

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

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

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

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

Questions and Answers
Management Recommendation

Adopt Resolution 06-21

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

Update on Financial Performance

Paul L. Matthews  
Chief Financial Officer

June 16, 2021

Tualatin Valley Water District  
Delivering the Best Water • Service • Value
Overview of Tonight’s Presentation

Updates on:

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

Mixed Improvements in Labor Market

<table>
<thead>
<tr>
<th>Unemployment Rate Percentage</th>
<th>2/20</th>
<th>3/20</th>
<th>4/20</th>
<th>5/20</th>
<th>6/20</th>
<th>7/20</th>
<th>8/20</th>
<th>9/20</th>
<th>10/20</th>
<th>11/20</th>
<th>12/20</th>
<th>01/21</th>
<th>02/21</th>
<th>03/21</th>
<th>04/21</th>
<th>05/21</th>
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<tr>
<td>Oregon</td>
<td>3.3</td>
<td>3.5</td>
<td>14.9</td>
<td>14.3</td>
<td>11.6</td>
<td>10.4</td>
<td>8.5</td>
<td>7.9</td>
<td>6.8</td>
<td>6.0</td>
<td>6.4</td>
<td>6.2</td>
<td>6.1</td>
<td>6.0</td>
<td>6.0</td>
<td>5.9</td>
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<tr>
<td>Portland Metro</td>
<td>3.2</td>
<td>3.2</td>
<td>14.3</td>
<td>14.2</td>
<td>11.6</td>
<td>11.0</td>
<td>8.9</td>
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<td>8.2</td>
<td>6.8</td>
<td>6.2</td>
<td>6.2</td>
<td>6.1</td>
<td>6.2</td>
<td>6.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Washington County</td>
<td>2.7</td>
<td>2.8</td>
<td>12.2</td>
<td>12.2</td>
<td>9.9</td>
<td>9.2</td>
<td>7.3</td>
<td>6.6</td>
<td>6.6</td>
<td>5.8</td>
<td>5.1</td>
<td>5.4</td>
<td>5.6</td>
<td>5.4</td>
<td>5.2</td>
<td>5.3</td>
</tr>
</tbody>
</table>
Monitoring TVWD’s Financial Performance

Revenue
• Impact on future water sales

Collections
• Capacity for customers to pay their water bills

Expenses
• Effect on budget to respond to COVID-19

Water Deliveries Now Exceed 5-Year Average

[Graph showing water deliveries from Jan-19 to May-21, with a dotted line indicating historical average (5-yr rolling)]

Delivering the Best Water • Service • Value
Customer Demands Remain Relatively Soft
Comparison of Gallons Per Capita Per Day

Good News: Favorable Variance in Water Sales
Favorable Variance in Volume Water Sales Revenue

Fixed Charge Revenue Strengthens
Sizable Favorable Variance in System Development Charge

Revenue Trends by Customer Class

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

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

**Approach**

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

### Long-Term Trend By Customer Class

**Volume Revenue per Dollar of Fixed Revenue**

<table>
<thead>
<tr>
<th></th>
<th>May 2017</th>
<th>May 2018</th>
<th>May 2019</th>
<th>May 2020</th>
<th>May 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multifamily</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irrigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Single Family: $0 to $140
- Multifamily: $0 to $120
- Commercial: $0 to $100
- Production: $0 to $80
- Irrigation: $0 to $60
Single-Family Residential Volume Revenue per Dollar of Fixed

$Vol/$Fixed

May 2017  May 2018  May 2019  May 2020  May 2021

- Single Family
- Linear (Single Family)

Delivering the Best Water • Service • Value
Production Volume Revenue per Dollar of Fixed Charges

$Vol / $ Fixed

May 2017 May 2018 May 2019 May 2020 May 2021

- Production
- Linear (Production)

Delivering the Best Water ▶️ Service ▶️ Value

Production Volume Revenue per Dollar of Fixed Charges

$Vol / $ Fixed

May 2020 August 2020 November 2020 February 2021 May 2021

- Production
- Linear (Production)

Delivering the Best Water ▶️ Service ▶️ Value

Delivering the Best Water ▶️ Service ▶️ Value
What We’ve Learned This Month

Revenue for May

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

Monitoring TVWD’s Financial Performance

Revenue
- Impact on future water sales

Collections
- Capacity for customers to pay their water bills

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

Average Age of Accounts Receivable

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

• Measures average number of days to collect on sales

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

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

May 2021 DSO was 3.8 days higher than May 2020 and 3.9 days higher than April 2021.

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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<tbody>
<tr>
<td>2019</td>
<td>14.7</td>
<td>15.4</td>
<td>15.1</td>
<td>12.8</td>
<td>13.7</td>
<td>15.0</td>
<td>21.3</td>
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<td>15.4</td>
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<tr>
<td>2020</td>
<td>15.1</td>
<td>15.0</td>
<td>14.0</td>
<td>14.6</td>
<td>17.1</td>
<td>17.9</td>
<td>19.8</td>
<td>23.7</td>
<td>29.4</td>
<td>27.0</td>
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<td>22.0</td>
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<td>19.2</td>
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<td>17.0</td>
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<td>20.9</td>
<td>20.9</td>
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**Number of Customers in “Shutoff” Status**

<table>
<thead>
<tr>
<th></th>
<th>Apr 20</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan 21</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,180</td>
<td>1,771</td>
<td>1,317</td>
<td>1,468</td>
<td>1,263</td>
<td>1,757</td>
<td>1,572</td>
<td>2,066</td>
<td>1,815</td>
<td>2,047</td>
<td>2,094</td>
<td>1,856</td>
<td>1,898</td>
<td>2,130</td>
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</table>
Accounts Receivable of Customers in “Shutoff” Status

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<th>Month</th>
<th>Thousands</th>
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<tr>
<td>Apr 20</td>
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</tr>
<tr>
<td>May</td>
<td>$352</td>
</tr>
<tr>
<td>Jun</td>
<td>$338</td>
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<td>Jul</td>
<td>$366</td>
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<td>$427</td>
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<td>Sep</td>
<td>$610</td>
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<td>Oct</td>
<td>$602</td>
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<tr>
<td>Nov</td>
<td>$728</td>
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<tr>
<td>Dec</td>
<td>$764</td>
</tr>
<tr>
<td>Jan 21</td>
<td>$790</td>
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<td>Feb</td>
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<td>Mar</td>
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</tr>
<tr>
<td>Apr</td>
<td>$841</td>
</tr>
<tr>
<td>May</td>
<td>$869</td>
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</table>

Age of Accounts Receivable of Customers in “Shutoff” Status

<table>
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<th>Month</th>
<th>Age in Days</th>
</tr>
</thead>
<tbody>
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<tr>
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<td>Jun</td>
<td>63</td>
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<td>Jul</td>
<td>69</td>
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<td>Aug</td>
<td>67</td>
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<tr>
<td>Sep</td>
<td>68</td>
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<tr>
<td>Oct</td>
<td>72</td>
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<tr>
<td>Nov</td>
<td>74</td>
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<tr>
<td>Dec</td>
<td>80</td>
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<tr>
<td>Jan 21</td>
<td>86</td>
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<tr>
<td>Feb</td>
<td>90</td>
</tr>
<tr>
<td>Mar</td>
<td>100</td>
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<tr>
<td>Apr</td>
<td>97</td>
</tr>
<tr>
<td>May</td>
<td>98</td>
</tr>
</tbody>
</table>
Locations of Struggling Customers

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

Monitoring TVWD’s Financial Performance

- Revenue
  - Impact on future water sales

- Collections
  - Capacity for customers to pay their water bills

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

Recent Adjustments

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

Future Adjustments

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

Cumulative Operating Expenditures

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

Final Thoughts

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

Questions and Comments

Update on Financial Performance

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

*June 16, 2021*

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

Outline

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

- Existing reservoirs not seismically resilient
- Lead-jointed cast iron piping not seismically resilient
- Only water storage reservoirs in the 498 pressure zone
- Zone serves 3,130 residents including large commercial areas
Project Background... A quick glance at existing condition and site:

Reservoir Interior Ceiling - Very Poor Condition, Severe Corrosion
Why Use Alternative Delivery?

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

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

Alternative Project Delivery Evaluation

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

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

Firms and Services for CM/GC

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

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

CM/GC RFP  Contractor’s Inputs & GMP Creation  GAP Contract  Construction  Commissioning

July 2024*

Design

CM/GC RFP  Preliminary Design  Detailed Design  Contractor Involvement

Procurement  Design  Designer Involvement  Construction

Delivering the Best Water  Service  Value
Report of Meetings Attended

**Commissioner Bernice Bagnall**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
<th>$</th>
<th>Claimed</th>
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<td>□ Yes  X No</td>
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<td>6/1/2021</td>
<td>Board Work session</td>
<td>Board Appts, WWSS, Water rate schedule</td>
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<td>6/8/2021</td>
<td>CEO and Board VP</td>
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<td>6/16/2021</td>
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<td>50.00</td>
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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District’s Customer Emergency Assistance Program.
I approve the May 2021 Meetings Attended Form for Commissioner Bagnall.

Todd Sanders

---

Hi Commissioner Sanders,

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

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

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

**Commissioner Jim Doane**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
<th>$</th>
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<tr>
<td>25 May</td>
<td>Budget Committee meeting</td>
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<tr>
<td>16 June</td>
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<td>10 June</td>
<td>Aloha Business Association</td>
<td>50</td>
<td>□ Yes X No</td>
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<tr>
<td>3 June</td>
<td>Backflow Issues Mtg</td>
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<td>□ Yes X No</td>
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<tr>
<td>1 June</td>
<td>Work Session</td>
<td>50</td>
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## Report of Meetings Attended

**Commissioner Jim Duggan**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
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<tbody>
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<td>05/25/2021</td>
<td>TVWD Budget Meeting</td>
<td>Review &amp; Recommend</td>
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<td>06/01/2021</td>
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<td>WWSS &amp; Other Updates</td>
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<td>06/02/2021</td>
<td>RWPC Board Meeting</td>
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<td>WWSS Board Meeting &amp; Exec. Session</td>
<td>Regular Monthly Mtg.</td>
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<td>WWSS Documents/Debbie C.</td>
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<td>TVWD Board Meeting</td>
<td>Regular Monthly Mtg.</td>
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<td>× Yes □ No</td>
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$300 OK to pay DCarper □ Yes □ No

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## Report of Meetings Attended

**Commissioner Todd Sanders**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
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<td>Board meeting</td>
<td>District Business</td>
<td>50.00</td>
<td>X Yes</td>
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</table>

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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**

<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting or Function</th>
<th>Purpose</th>
<th>$</th>
<th>Claimed</th>
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<td>06082021</td>
<td>Tom, Bernice.</td>
<td>Agenda planning</td>
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<td>06162021</td>
<td>Regular board</td>
<td></td>
<td>50</td>
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</tbody>
</table>

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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District’s Customer Emergency Assistance Program.
I approve these meetings attended for the 4 commissioners.

Bernice Bagnall

Hi Commissioner Bagnall,

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

Thank you!

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

Tualatin Valley Water District
Delivering the Best Water • Service • Value
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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:**

<table>
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<tr>
<th>Position</th>
<th>Initials</th>
<th>Position</th>
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<td>Chief Executive Officer</td>
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<td>Chief Engineer</td>
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<td>IT Services Director</td>
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<tr>
<td>General Counsel</td>
<td>CH</td>
<td>Water Supply Program Director</td>
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RESOLUTION NO. 08-21

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

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
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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:**

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<td>RBN</td>
<td>Human Resources Director</td>
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<td>Water Supply Program Director</td>
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