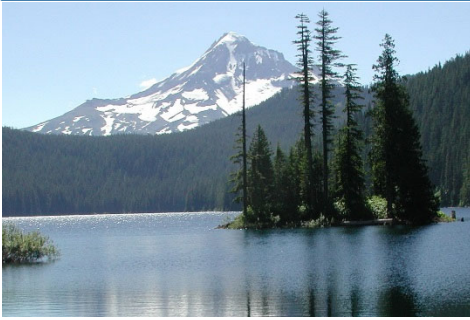


Tualatin Valley Water District



Delivering the Best Water • Service • Value



BOARD MEETING AGENDA*

October 20, 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 October 20, 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 September 15, 2021 regular meeting minutes.
- B. Approve the October 5, 2021 work session minutes.
- C. Approve the addition of Juneteenth and one floating holiday as an employee benefit starting in 2022.
- D. Adopt Resolution 11-21, a resolution approving the application for grant funds through the Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grants for Fiscal Year 2022.

2. BUSINESS AGENDA

- A. Consider adopting Resolution 12-21, a resolution adopting revised policies of the Board of Commissioners. *Staff Report – Clark Balfour*

- B. Consider approving the surplus and disposal of the Cornell Road water reservoir, a vehicle (Unit 130) and a piece of equipment (Unit 700). *Staff Report – Matt Oglesby*

3. INFORMATIONAL PRESENTATION

- A. Consideration of Amendment to the District's Rules and Regulations for Civil Penalties for Unauthorized Work Upon or Tampering with the District's Water System. *Staff Report – Clark Balfour*

ADJOURNMENT

Tualatin Valley Water District



Delivering the Best Water 💧 Service 💧 Value

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Tualatin Valley Water District



Delivering the Best Water Service Value

DRAFT

Board Meeting Minutes
September 15, 2021

This meeting was held by phone and the internet.

REGULAR SESSION – 6:05 PM

CALL TO ORDER

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

Staff Present: Tom Hickmann, PE, Chief Executive Officer; Clark Balfour, General Counsel; Paul Matthews, Chief Financial Officer; Carrie Pak, PE, Chief Engineer; Dave Kraska, PE, Water Supply Program Director; Tim Boylan, IT Services Director; Pete Boone, PE, Water Operations Division Manager; Andrea Watson, Communications and Public Affairs Supervisor; Katherine Lipari DeSau, Executive Assistant

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Mr. Hickmann reported on Portland *Cryptosporidium* testing results, the next Talkin' Water forum event to be held September 16 and Tualatin Valley Water District's recent Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (see attached memo). In addition, he conveyed that today, the Portland Water Bureau received a positive total coliform result from a routine sample. A boil water advisory will only be necessary if Portland receives an *E. coli* positive result for repeat samples.

Mr. Matthews presented the safety moment on school zone safety. He also provided the Finance Department report on management of the District's financial portfolio, noting that TVWD's investment strategy emphasizes safety, liquidity and risk management (see attached presentation).

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.

PUBLIC COMMENT

There was none.

1. CONSENT AGENDA

- A. Approve the August 18, 2021 regular meeting minutes.

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

2. BUSINESS AGENDA

- A. Consider adopting Resolution 10-21, a resolution establishing water rates and other service charges for the Tualatin Valley Water District with an effective date of November 1, 2021. *Staff Report – Paul Matthews*

Mr. Matthews described the District's financial management process, approved rate setting process, major rate drivers, cost management strategies, the District's 2019-2021 financial performance, debt financing, risks to the forecast, rate structure, proposed charges and customer impacts (see attached presentation).

Ms. Watson summarized rate proposal public outreach efforts which included two Nextdoor social media posts, a comment form link posted on TVWD's new website and three virtual information sessions. Response and attendance statistics were also provided. Ms. Watson indicated that a note will be sent to respondents, thanking them for participating and explaining the Board's decision.

In response to a comment from Commissioner Bagnall, in the future, staff agreed to better clarify the Board's role in the rate increase process. It was noted that Commissioners work closely with staff and are instrumental in crafting the strategy that becomes part of the rate presentations. Rate setting is the culmination of Board input related to financial strategies, the strategic planning process, financial plan and budget.

Mr. Matthews then reviewed other fees and charges. He noted an error in tonight's presentation and clarified that the proposed rates are effective November 1, 2021.

Motion was made by Doane, seconded by Bagnall, to adopt Resolution 10-21, a resolution establishing water rates and other service charges for the Tualatin Valley Water District with an effective date of November 1, 2021. The motion passed unanimously with Bagnall, Doane, Duggan, Sanders and Schmidt voting in favor.

ADJOURNMENT

There being no further business, President Sanders adjourned the meeting at 6:59 p.m.

Todd Sanders, President

Jim Doane, Secretary



MEMO

Date: September 15, 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 August 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. September 16th Talkin’ Water** – TVWD’s next Talkin’ Water virtual forum, featuring customer assistance programs, will be held tomorrow, September 16, at noon. Additional information about this and other forum offerings is available on the District's website at www.tvwd.org/virtualforums.
- 3. Government Finance Officers Association Award** – The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to Tualatin Valley Water District for its comprehensive annual financial report for the fiscal year ended June 30, 2020. The report was judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

- 4. Safety Minute and Department Report** – Paul Matthews, Chief Financial Officer, will present the safety minute and department report this evening.




13

MANAGING DISTRICT'S FINANCIAL PORTFOLIO

Fun Facts

- **Manage over \$80 million in investments**
 - Largest single asset managed by the District
- **Governed by an adopted investment policy**
- **Follow an investment strategy**
 - Consistent with District financial needs
 - Compliant with key investment objectives
- **Managed with intention**

14 | Finance Department Report



14

INVESTMENT POLICY VS. STRATEGY

Investment Policy

- Provides legal and structural framework

Investment Strategy

- Provides guidance in decision making and optimizing of investment funds

DISTRICT'S INVESTMENT OBJECTIVES

Objectives

- Safety
- Liquidity
- Risk management
- Compliance with Oregon law
- Return

PORTFOLIO MANAGEMENT

Liquidity

- Required for near-term cash flow needs
- Generally the Local Government Investment Pool (LGIP)

Core

- Longer term investments to improve yield
- May be used to mitigate some risks

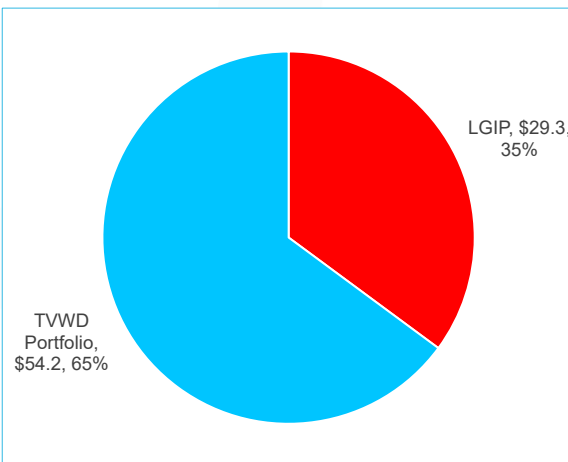
TVWD PORTFOLIO STRUCTURE

TVWD Core Portfolio

- Higher legacy yields
- Lower reinvestment yields
- Maturities funding capital expenditures

LGIP

- Lower yields than TVWD's core portfolio's legacy yields
- Greater exposure to corporate yields
- Likely to increase as a percentage of total portfolio



BALANCING RISK & RETURN



Manage Interest Rate Risk

The longer the maturity, the greater sensitivity to changes in interest rates
Yields have been entrenched at historic lows since late winter of 2020



Maintain High Liquidity

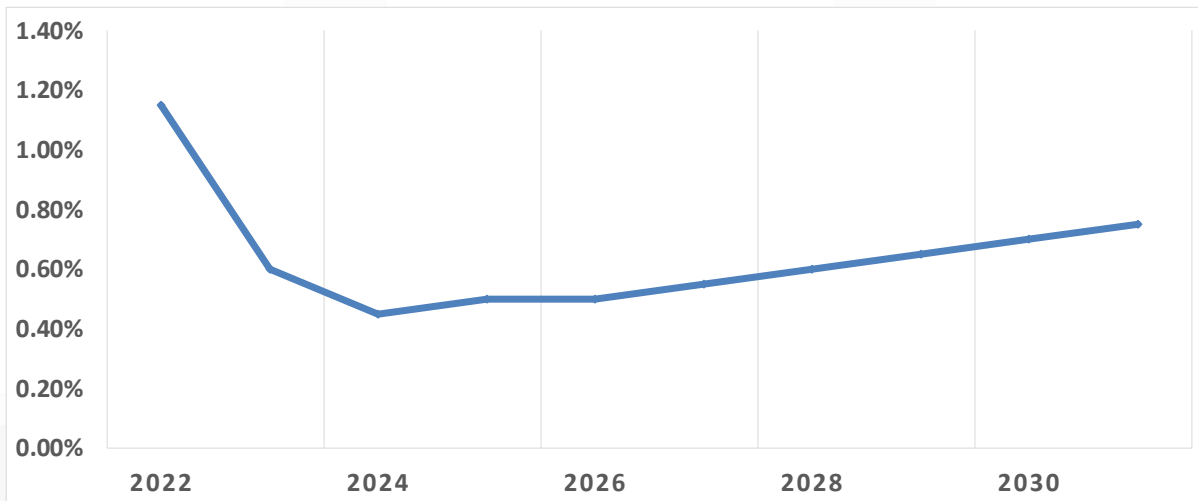
Anticipated cash requirements to fund capital expenditure
Maintain benchmark of 1.5 years of average maturity in Core Component
Average maturity declined to 7 months based on market



Accept Changes in Market Value

TVWD generally holds securities to maturity (book yield)
When interest rates increase securities may lose market value
District still earns the book yield

FORECAST OF INTEREST EARNINGS RATES




TVWD'S BUSINESS CASE EVALUATION GUIDELINES

Description	Years					
	3	5	7	10	20	30
Inflation Rates and Escalation Rates						
General Inflation	2.06%	2.16%	2.21%	2.23%	2.20%	2.16%
Personnel Services	2.53%	3.02%	3.10%	3.13%	3.10%	3.03%
Construction	2.30%	2.60%	2.65%	2.68%	2.65%	2.59%
Discount Rates						
Cost/Benefit Analysis						
Nominal	3.57%	3.68%	3.68%	3.68%	4.39%	5.34%
Real	1.48%	1.48%	1.44%	1.42%	2.14%	3.11%
Cost Effectiveness Analysis						
Nominal	1.35%	5.50%	5.50%	5.50%	5.50%	5.50%
Real	0.00%	3.26%	3.22%	3.20%	3.23%	3.27%

SUMMARY


Finding the Right Balance

- TVWD's strategy emphasizes safety, liquidity and risk management
- Important to keep yield in proper perspective in today's volatile and low interest rate market
- Having a strategy is critical to managing yield and risk while still earning attractive yields



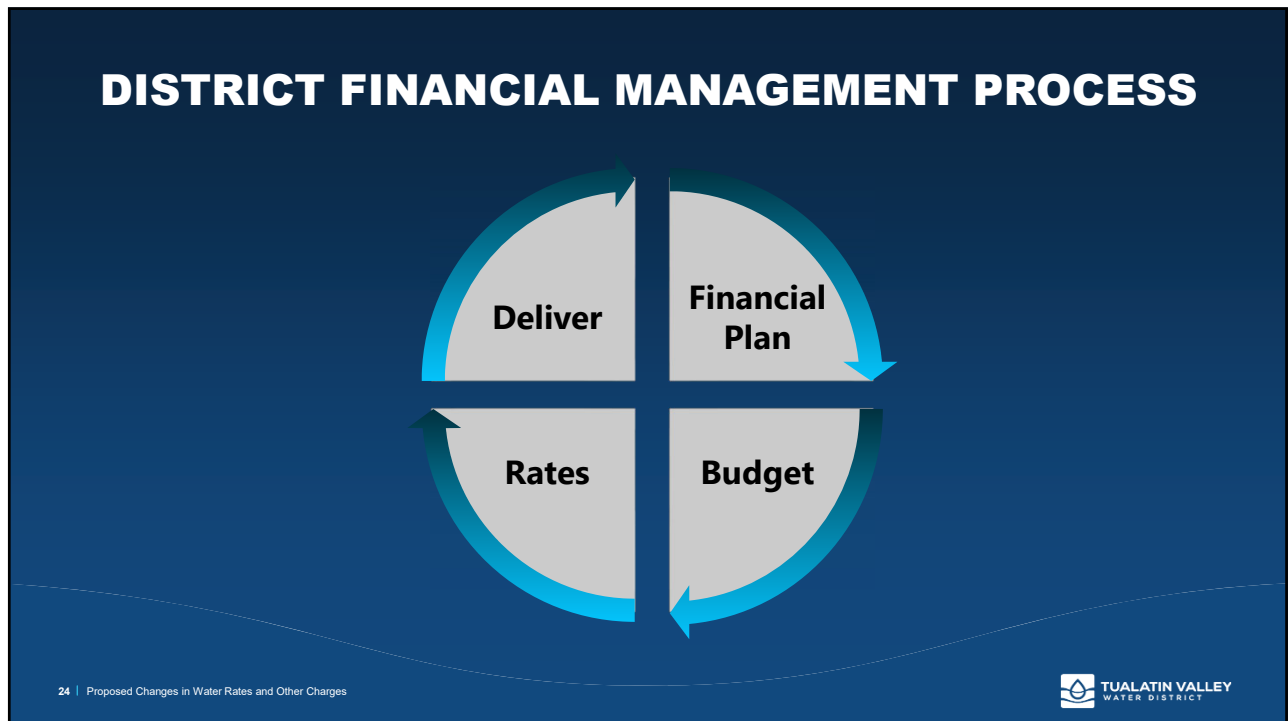
TUALATIN VALLEY
WATER DISTRICT

PROPOSED CHANGES TO WATER RATES AND OTHER SERVICE CHARGES



Paul L. Matthews
September 15, 2021

23



24

APPROVED RATE-SETTING PROCESS

Virtual Open Houses (Talkin' Water)

- Wednesday August 11
 - Noon to 1:30 pm
 - 6:00 pm to 7:30 pm
- Receive public comment

August 18th Regular Meeting

- Open public hearing
- Receive public comment

Virtual Open Houses (Talkin' Water)

- Saturday, August 21, 9:30 am to 11:00 am
- Receive public comment

Close Public Comment

- August 25th
- Close public comment period at 4:00 p.m.

September 15th Regular Meeting

- Adopt rates



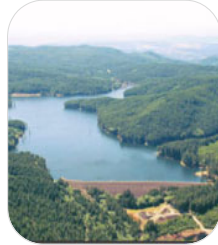
Risks threaten our water supply:

- Earthquakes**
- Drought**
- Climate change**
- Power outages**
- Fires**

MULTIPLE WATER SOURCES SYSTEM RELIABILITY AND RESILIENCE



River water



Reservoirs



Aquifer Storage
and Recovery



Regional
Partnerships



Water
conservation

HOW YOUR MONEY IS USED

Major Rate Drivers



Construction of the
additional water supply

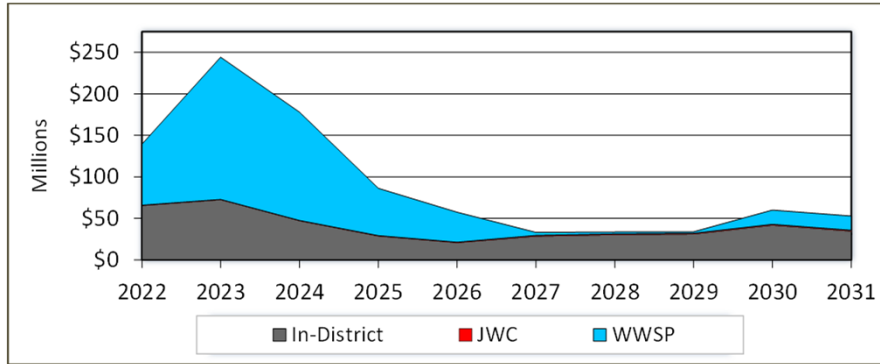


Operating the system
and funding repairs and
replacements of aging
infrastructure



Purchased Water

NEAR-TERM INFRASTRUCTURE INVESTMENTS



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
WWSP*	\$73.4	\$171.3	\$130.4	\$56.9	\$36.1	\$3.6	\$2.4	\$1.9	\$17.3	\$17.1	\$510.3
JWC*	0.6	0.1	0.3	0.7	0.6	1.0	1.0	1.1	1.1	1.1	7.7
In-District	65.5	72.6	47.3	28.6	20.7	28.4	30.2	30.9	41.7	34.5	400.5
Totals	\$139.4	\$244.0	\$177.9	\$86.3	\$57.5	\$33.0	\$33.6	\$33.9	\$60.1	\$52.7	\$918.4

* TVWD share of projected total costs.

WHAT WE HAVE DONE TO MANAGE COSTS?

Reduced, Deferred, Partnered

Reduced Personnel Services Budget by 2.8%



Deferred \$50 million of Infrastructure Projects



Partnered with other utilities to lower and share costs



DISTRICT'S FINANCIAL PERFORMANCE 2019-21 BIENNIUM

Revenue

- COVID-19 negatively affected water sales revenue
- System development charges exceeded plan

Expenditures

- Management focused on savings to provide financial flexibility during COVID-19
- Operating expenditures below budget
- Higher than anticipated bad-debt expense
- Capital expenditures below budget

31

DISTRICT'S FINANCIAL PERFORMANCE 2019-21 BIENNIUM

Cash

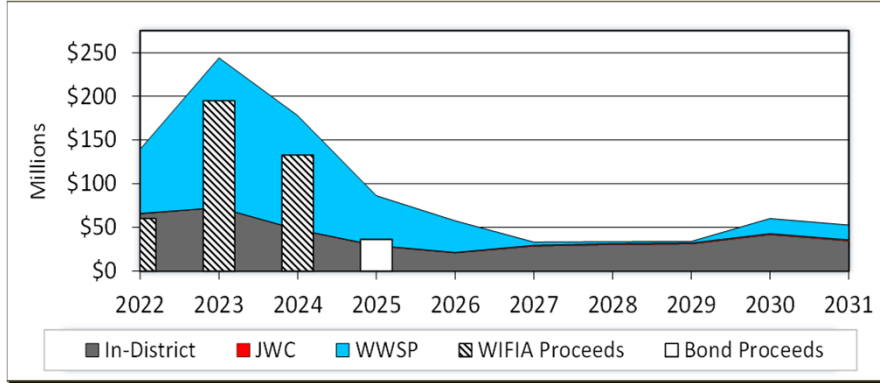
- Projected ending fund balances higher than expected
- \$68+ million in cash accessible from WIFIA loan

Conclusions

- COVID-19 reduced revenue affecting the District's financial performance and debt strategy
- Savings have offset near-term losses in revenue despite increases in bad-debt expenses
- District's cash position remains strong

32

PLANNED DEBT FINANCING BY FISCAL YEAR



	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Totals
WIFIA*	\$60	\$195	\$133	-	-	-	-	-	-	-	\$388
Bonds*	-	-	-	\$36	-	-	-	-	-	-	36
Totals	\$60	\$195	\$133	\$36	-	-	-	-	-	-	\$424

*Net proceeds for capital expenditures (after issuance costs).

33

RISKS TO THE FORECAST

Higher Costs from Portland	Interest Rates	Capital Expenditures	Others
<ul style="list-style-type: none"> Costs for treatment facilities Changes to peaking factors Contract difficulties Other O&M and CIP 	<ul style="list-style-type: none"> Loss of tax-exempt bonds Reduction in credit rating General increase in interest rates 	<ul style="list-style-type: none"> Increase in the rate of inflation Timing/unplanned failure Project definitions Construction costs Loss of a partner 	<ul style="list-style-type: none"> Economic downturn Changes in water demands Annexations with withdrawals Curtailment of water sales

34

DISTRICT'S RATE STRUCTURE

Rate Structure

- **Water Rates**
 - Volume charges
 - *Block 1*
 - *Block 2*
- **Fixed Charges**
- **Other Charges**

PROPOSED VOLUME RATES (\$/CCF¹)

Rates (\$/CCF)	Current	Nov 2021	Nov 2022
Block 1	\$5.62	\$6.15	\$6.73
Block 2	\$8.01	\$8.77	\$9.60

¹ One CCF is 100 cubic feet of water or about 748 gallons.

² Single-Family Residential Class: Block 1 = Water use up to 28 CCF every two months.
Block 2 = All consumption over 28 CCF every two months.

³ All other classes: Block 1 = Water use up to 140% of 12-month moving avg.
Block 2 = All consumption exceeding the Block 1 threshold.

PROPOSED FIXED MONTHLY CHARGES

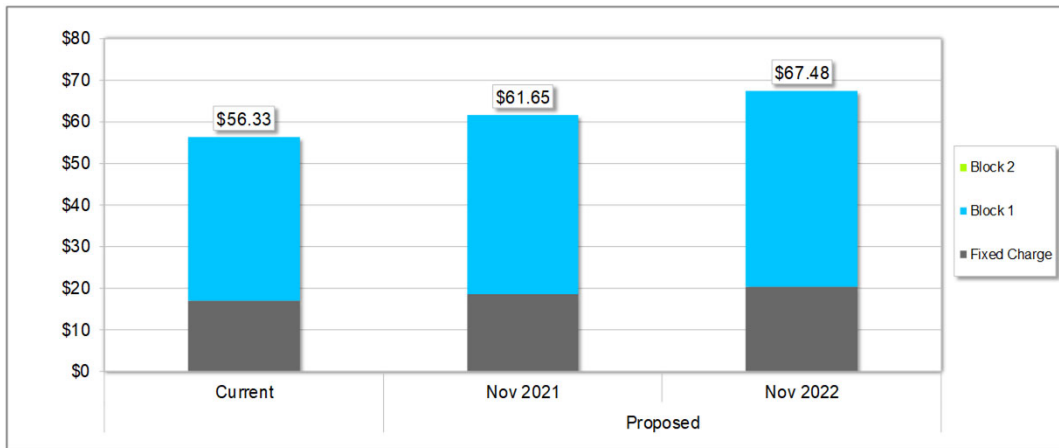
Meter Size	Current	Nov 2021	Nov 2022
5/8 Inch	\$16.99	\$18.60	\$20.37
3/4 Inch	18.71	20.49	22.44
1 Inch	23.06	25.25	27.65
1.5 Inch	30.99	33.93	37.15
2 Inch	45.71	50.05	54.80
3 Inch	127.27	139.36	152.60
4 Inch	170.53	186.73	204.47
6 Inch	274.83	300.94	329.53

37 | Proposed Changes in Water Rates and Other Charges



37

CUSTOMER IMPACT FOR PROPOSED INCREASES (TYPICAL CUSTOMER USING 7 CCF¹ PER MONTH)



¹ One CCF is 100 cubic feet of water or about 748 gallons. Typical customer at TVWD uses 7 CCF per month.

38 | Proposed Changes in Water Rates and Other Charges



38

CUSTOMER IMPACT
(TYPICAL CUSTOMER USING 7 CCF¹ PER MONTH)

Typical Single-Family Residential Bill			
5/8-Inch Meter	Current	Nov 2021	Nov 2022
Fixed Charge	\$16.99	\$18.60	\$20.37
Volume Charge	\$39.34	\$43.05	\$47.11
Total	\$56.33	\$61.65	\$67.48
Monthly Increase		\$5.32	\$5.83*

¹ One CCF is 100 cubic feet of water or about 748 gallons. Typical customer at TVWD uses 7 CCF per month.
*The postcard mailed to customers contained a transposition error.

CUSTOMER IMPACT
(ABOVE AVERAGE CUSTOMER USING 12 CCF¹ PER MONTH)

Above Average Single-Family Residential Bill			
5/8-Inch Meter	Current	Nov 2021	Nov 2022
Fixed Charge	\$16.99	\$18.60	\$20.37
Volume Charge	\$67.44	\$73.80	\$80.76
Total	\$84.43	\$92.40	\$101.13
Monthly Increase		\$7.97	\$8.73


¹ One CCF is 100 cubic feet of water or about 748 gallons.


CUSTOMER IMPACT
(HIGH-USE CUSTOMER USING 28 CCF¹ PER MONTH)

High-Use Single-Family Residential Bill			
5/8-Inch Meter	Current	Nov 2021	Nov 2022
Fixed Charge	\$16.99	\$18.60	\$20.37
Volume Charge	\$190.82	\$208.88	\$228.62
Total	\$207.81	\$227.48	\$248.99
Monthly Increase		\$19.67	\$21.51

¹One CCF is 100 cubic feet of water or about 748 gallons.

41





TUALATIN VALLEY
WATER DISTRICT

PUBLIC OUTREACH

42



OTHER FEES AND CHARGES

43

RECOMMENDED FEE CHANGES

Fee/Charge Description	Current	Proposed
Turning service on or off during office hours, regardless of the reason for action	\$100	\$105
Additional charge for turning service on or off outside of regular office hours	\$85	\$90
All snowbird turn offs	\$95	\$100
Removal of meter during construction or to enforce payment of bill	\$185	\$195
Installation or removal of locking device (listed by occurrence)	\$100, \$115, \$220 (1st, 2nd, 3rd)	\$105, \$120, \$230 (1st, 2nd, 3rd)
Upon request, testing water meters on premises (5/8-inch, 3/4-inch, and 1-inch meters)	\$185	\$195
Upon request, removal of meter for testing (5/8-inch, 3/4-inch, and 1-inch meters)	\$400	\$420
Repair of breakage/damage to District assets	Time & Materials	Time & Materials



44

BULK WATER FEE CHANGES

12-month Fire Hydrant Permit Fees*	Current	Proposed
Hydrant permit (tanks ≤500 gallons)	\$225	\$235
Hydrant permit (tanks 501-1499 gallons)	\$675	\$685
Hydrant permit (tanks 1500-2999 gallons)	\$1,220	\$1,225
Hydrant permit (tanks ≥3000 gallons)	\$2,410	\$2,420

*Note: Hydrant permit fees include water consumed; load reporting not required.

Other Hydrant Use Fees	Current	Proposed
Off-site tank inspection (does not include permit)	\$95	\$100
Hydrant meter administrative fee	\$510	\$535

45

OTHER RECOMMENDED FEE CHANGES

Fire Hydrant Flow Testing Fees	Current	Proposed
No existing information. Full test is requested	\$565	\$585
Extended pressure test (if requested as part of full flow test)	\$695	\$720
Extended pressure test without an additional flow test	\$470	\$485

Other Fees/Charges	Current	Proposed
SDC finance contract and recording fee	\$500	\$520
Temporary irrigation meter	\$2,305	\$2,355

Meter and Service Installation Charges (see Exhibit B of resolution):

Reductions from 0.0% to -0.85% depending on meter size and type (e.g., meter or service install)

46

Staff Recommendation

Staff recommends the Board adopt Resolution 10-21, a resolution establishing rates and other service charges for the Tualatin Valley Water District with an effective date of November 21, 2021.



| Proposed Changes in Water Rates and Other Charges



47

Update on Financial Performance

Paul L. Matthews
Chief Financial Officer

September 15, 2021



48

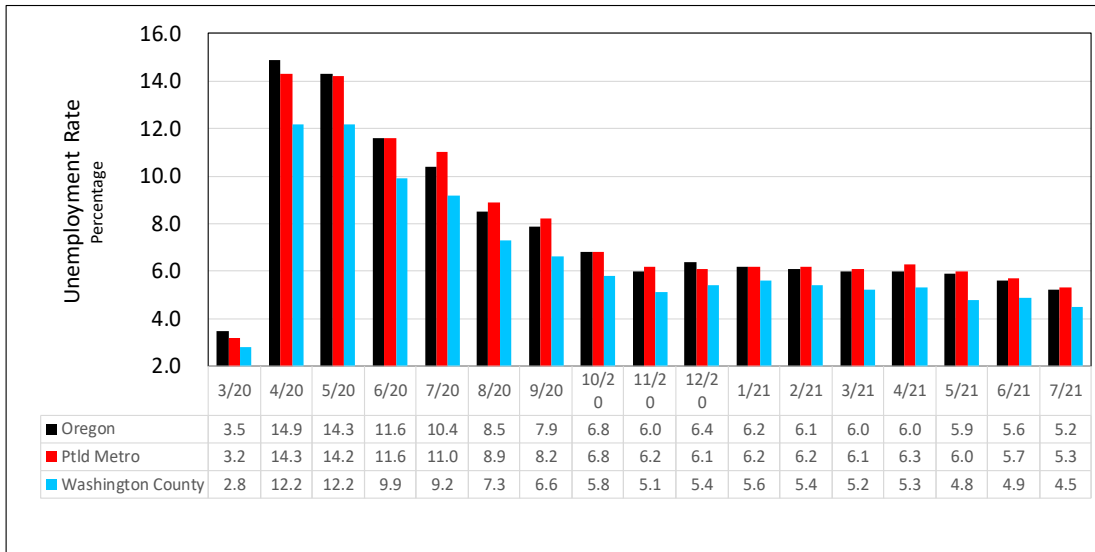
Overview of Tonight's Update

Updates on:

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

49

Mixed Improvements in Labor Market



50

Monitoring TVWD's Financial Performance



Revenue

- Impact on future water sales



Collections

- Capacity for customers to pay their water bills

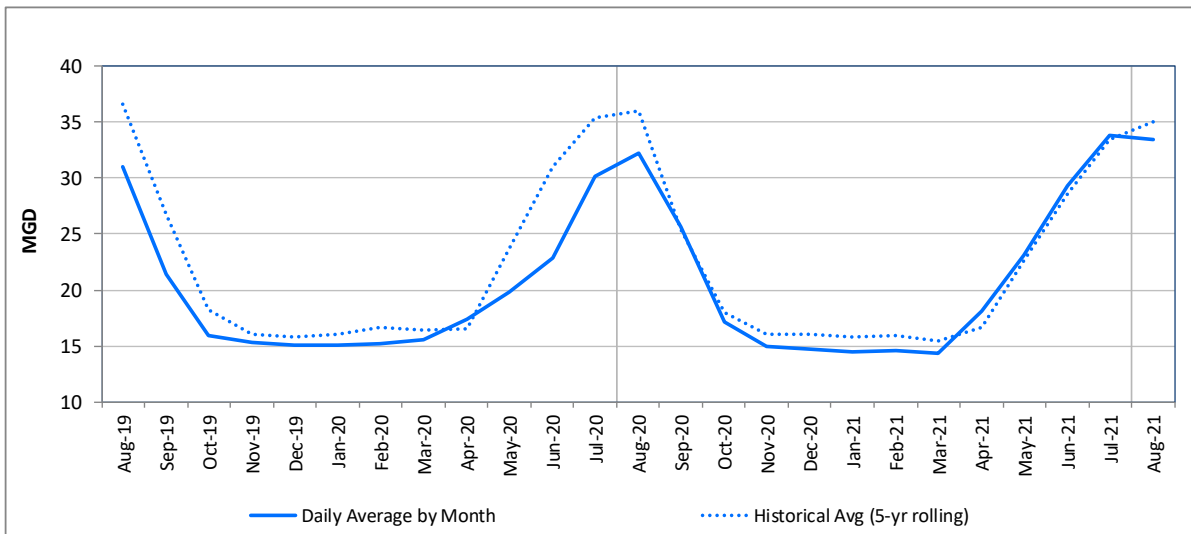


Expenses

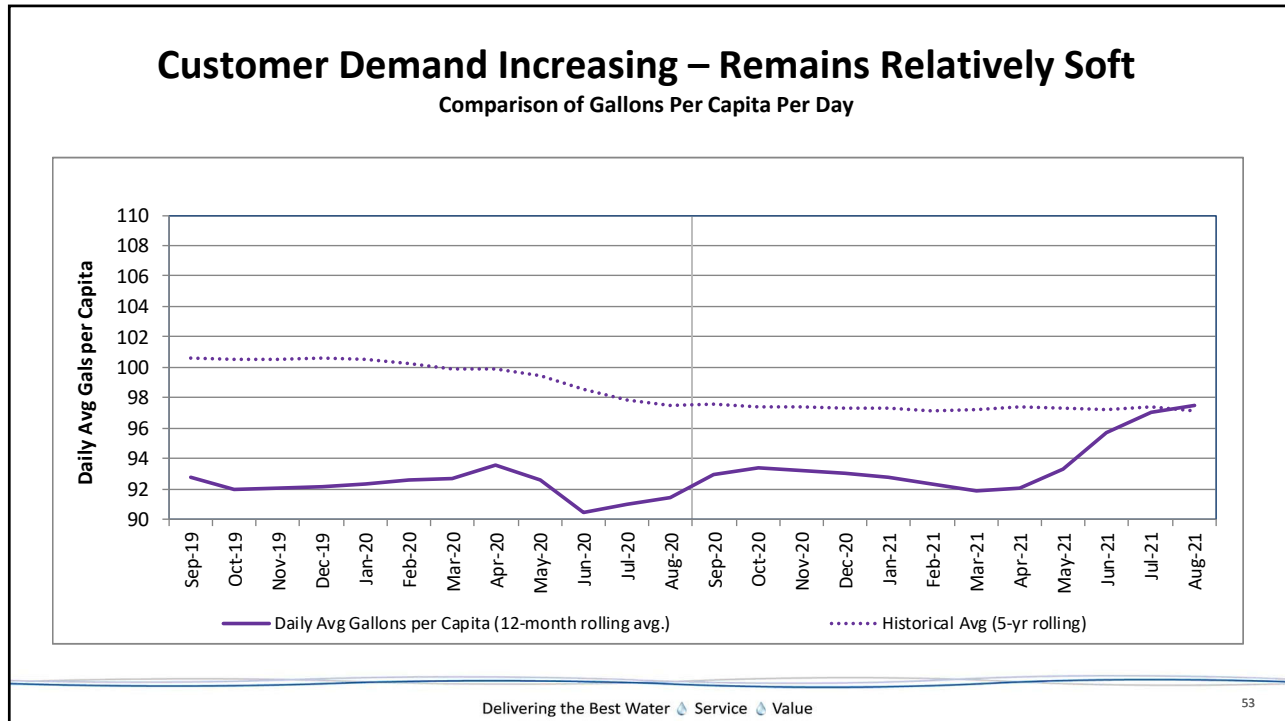
- Effect on budget to respond to COVID-19

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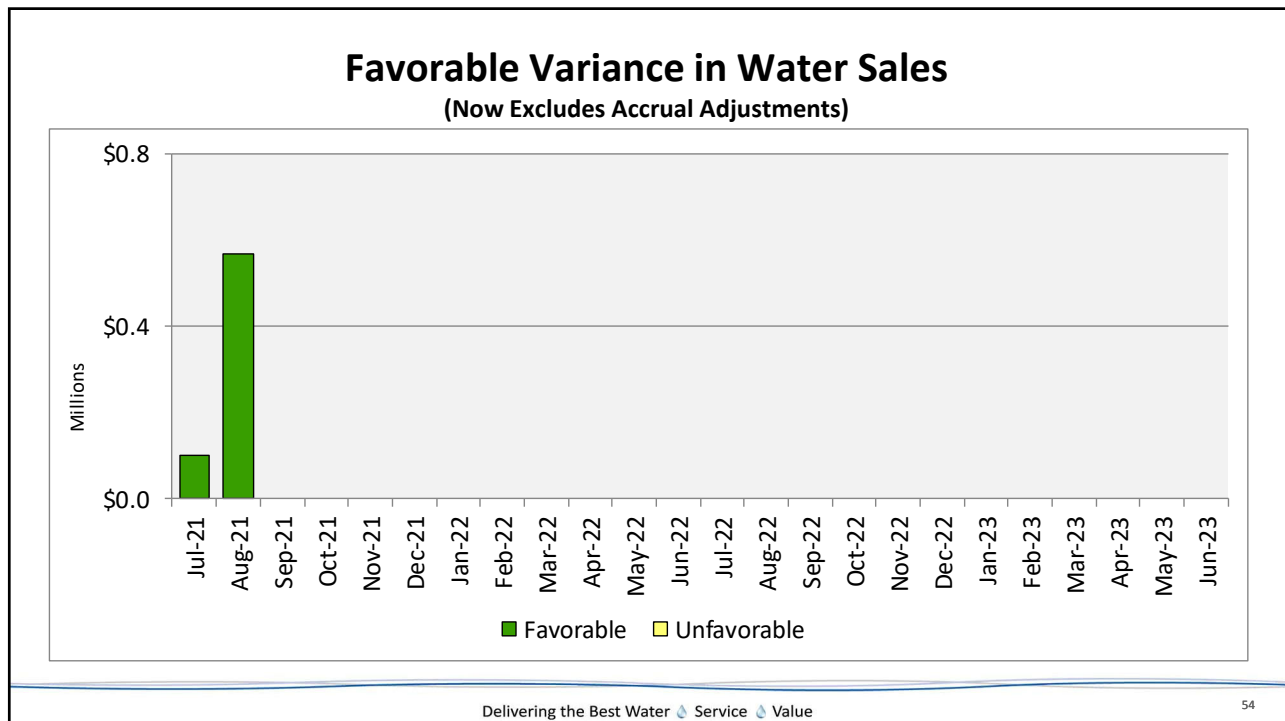
Water Deliveries Now Exceed 5-Year Average



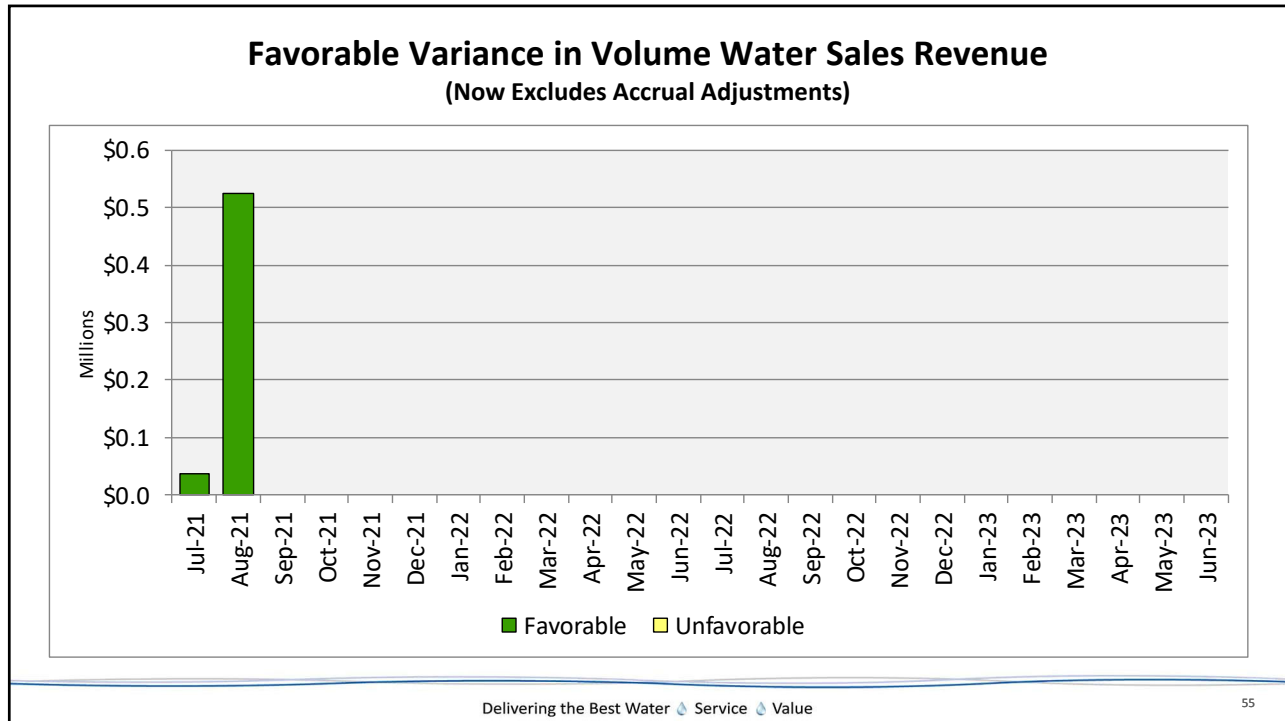
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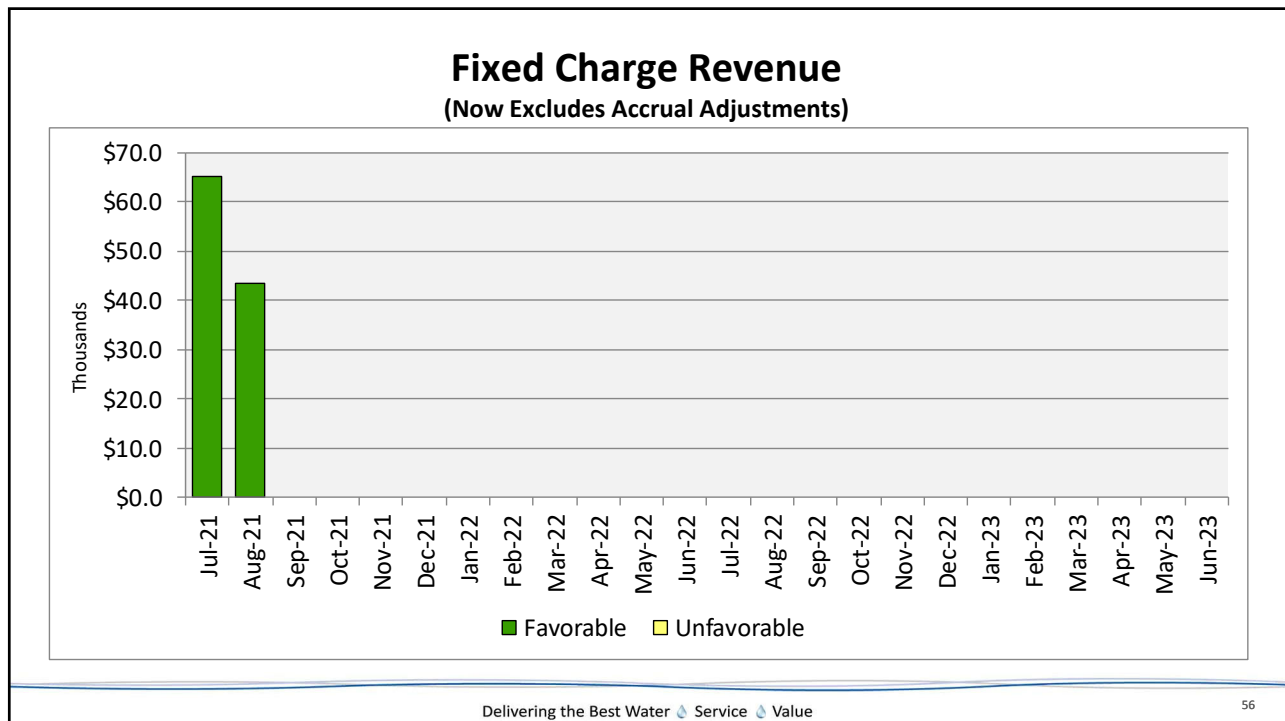
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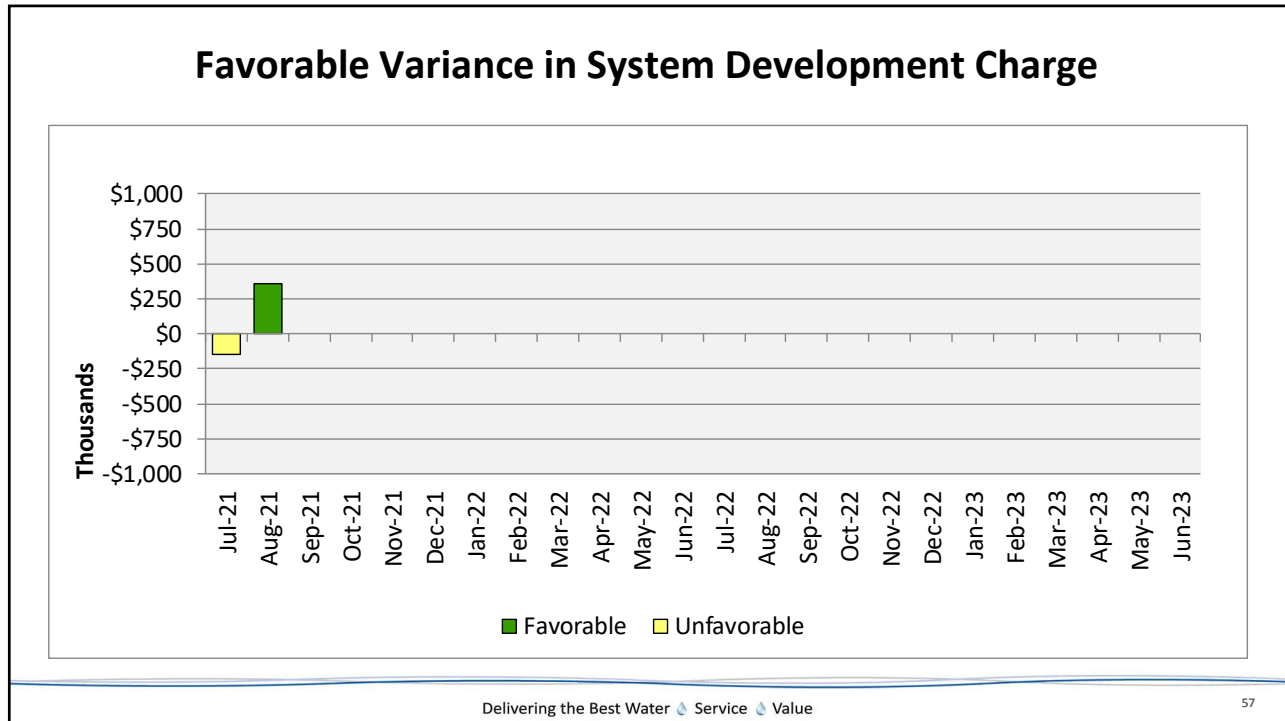
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56



57

Revenue Trends by Customer Class

Revenue	Challenges
<ul style="list-style-type: none"> Now reporting on a cash basis – Excluding accrual adjustments Strong accrual adjustment to end FY2021. About \$2.4 million increase in revenue recognition Favorable variance in water sales likely the result of dry and hot weather this summer 	<ul style="list-style-type: none"> COVID-19’s impact on the economy Bimonthly billing cycles Unbalanced billing cycles by month Limited data for fiscal year

Delivering the Best Water Service Value

58

Metric to Assess Trends

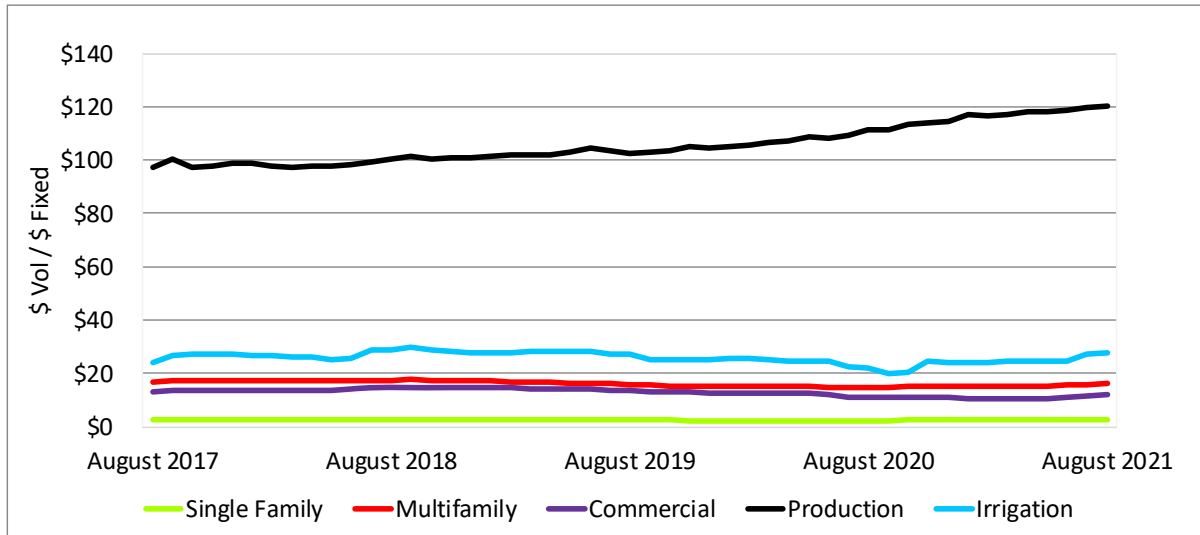
Approach

- 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

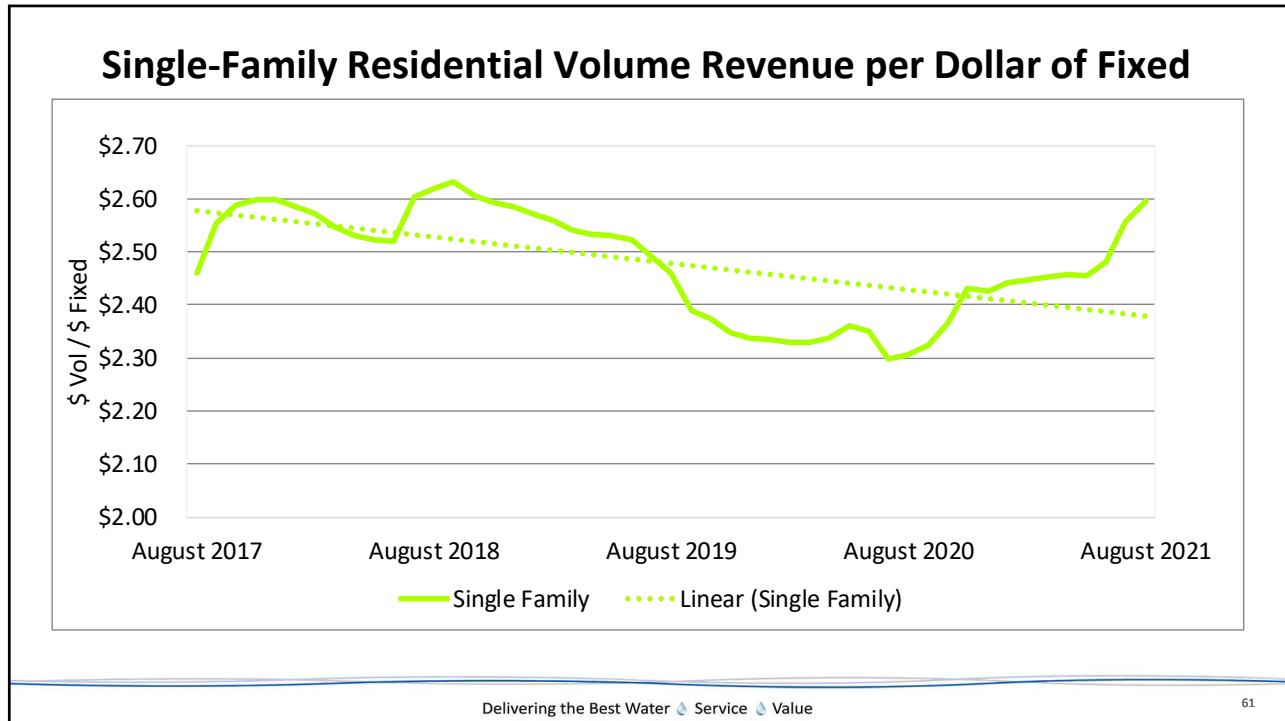
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Long-Term Trend By Customer Class

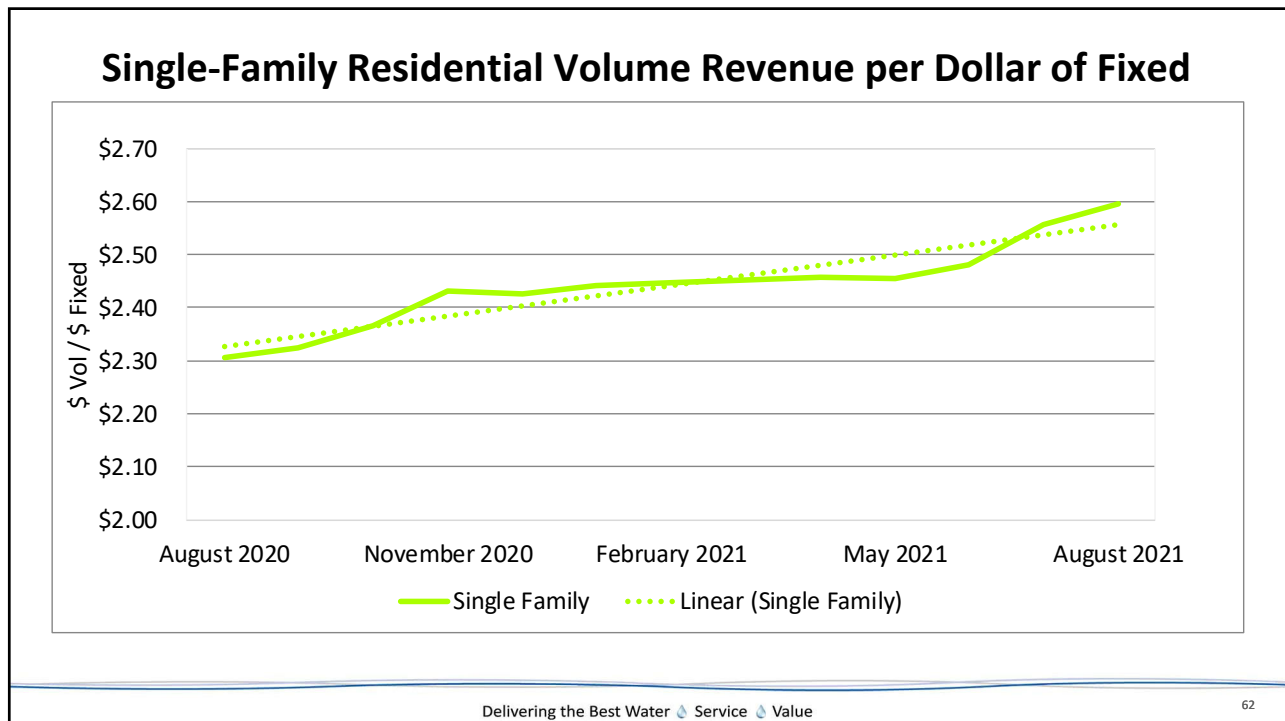
Volume Revenue per Dollar of Fixed Revenue



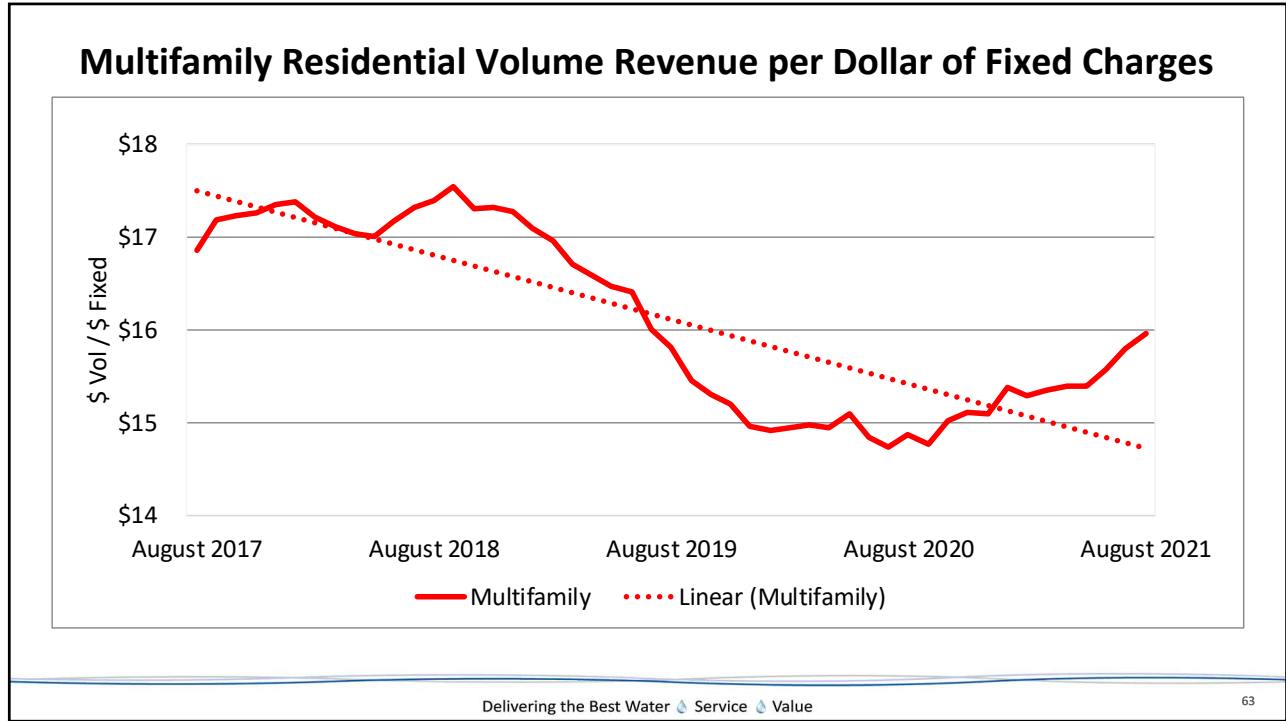
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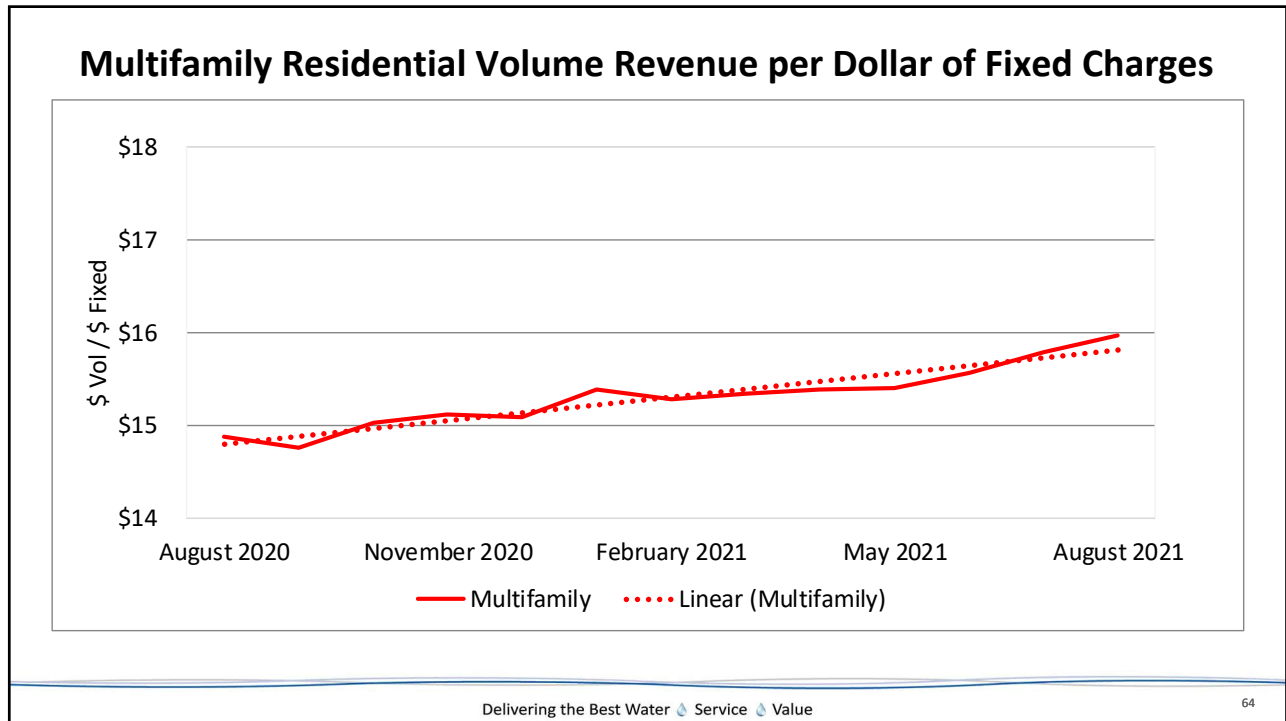
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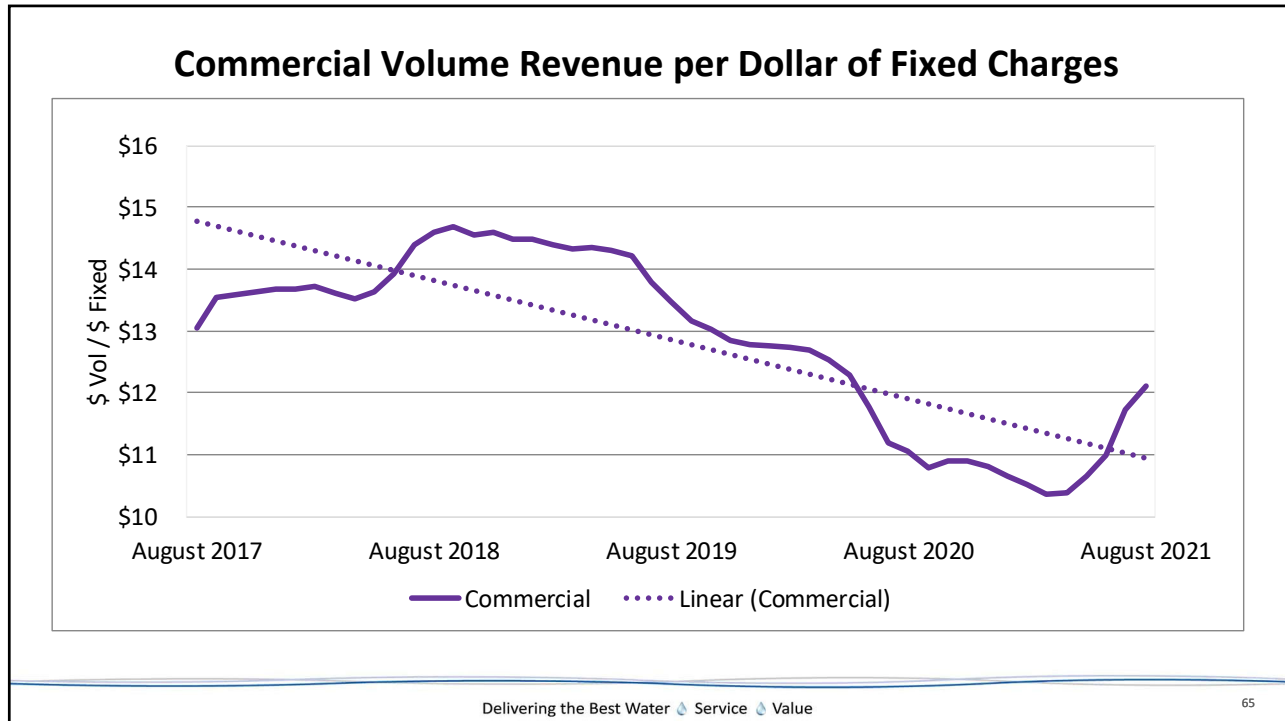
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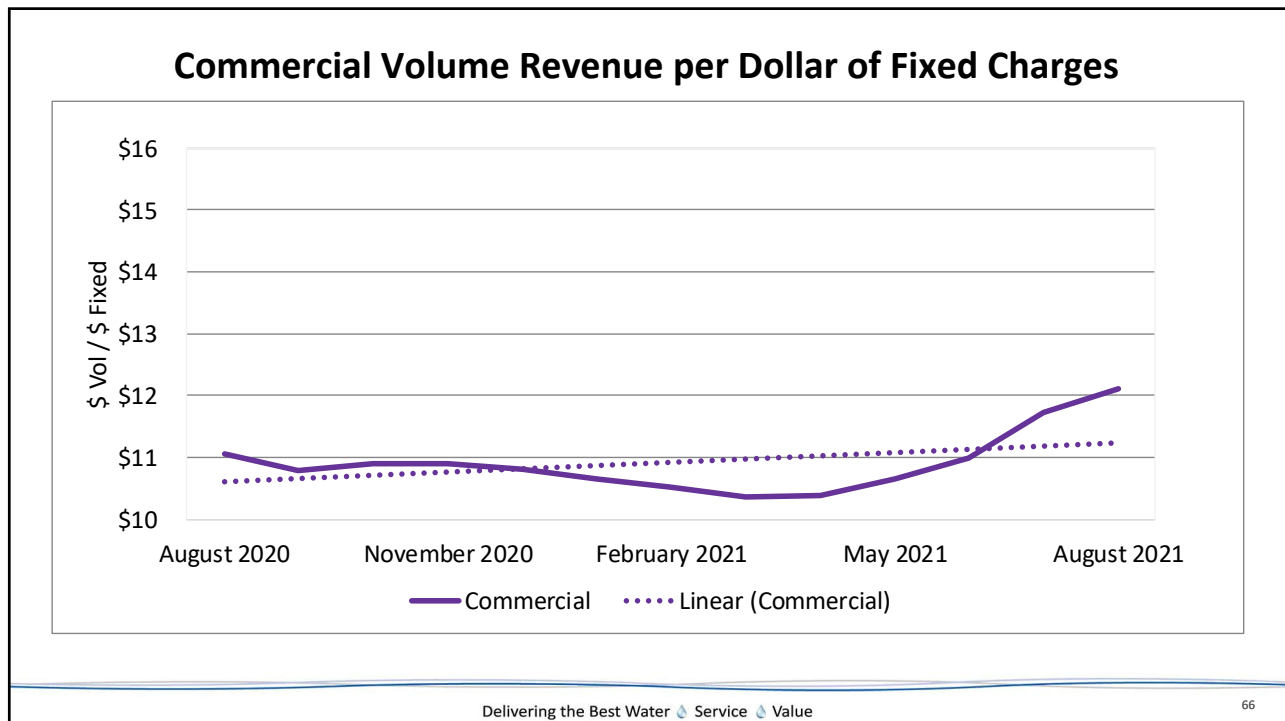
63



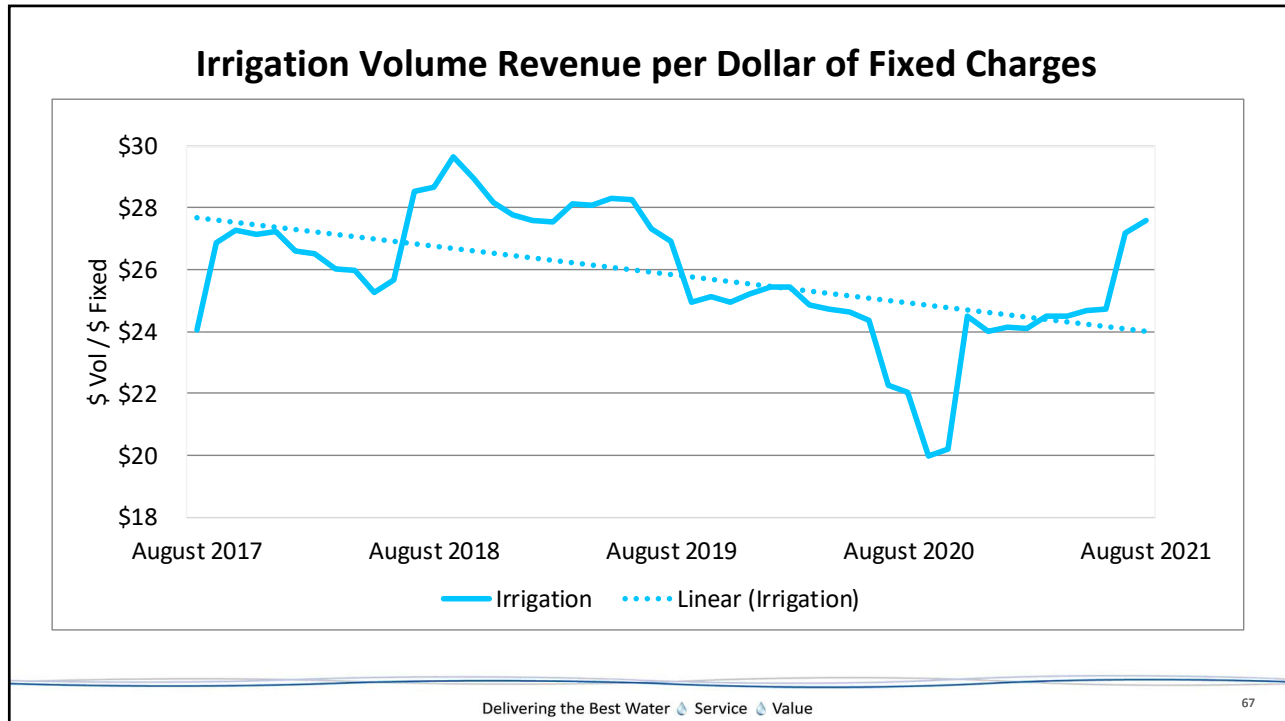
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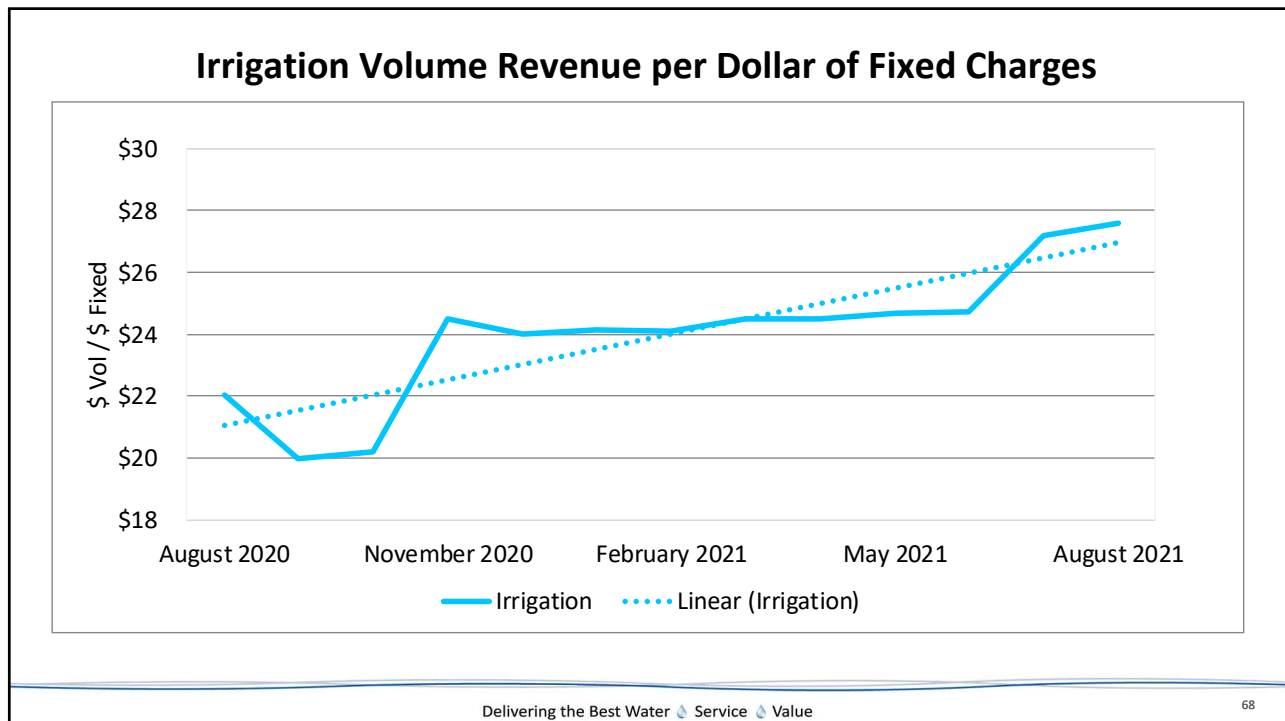
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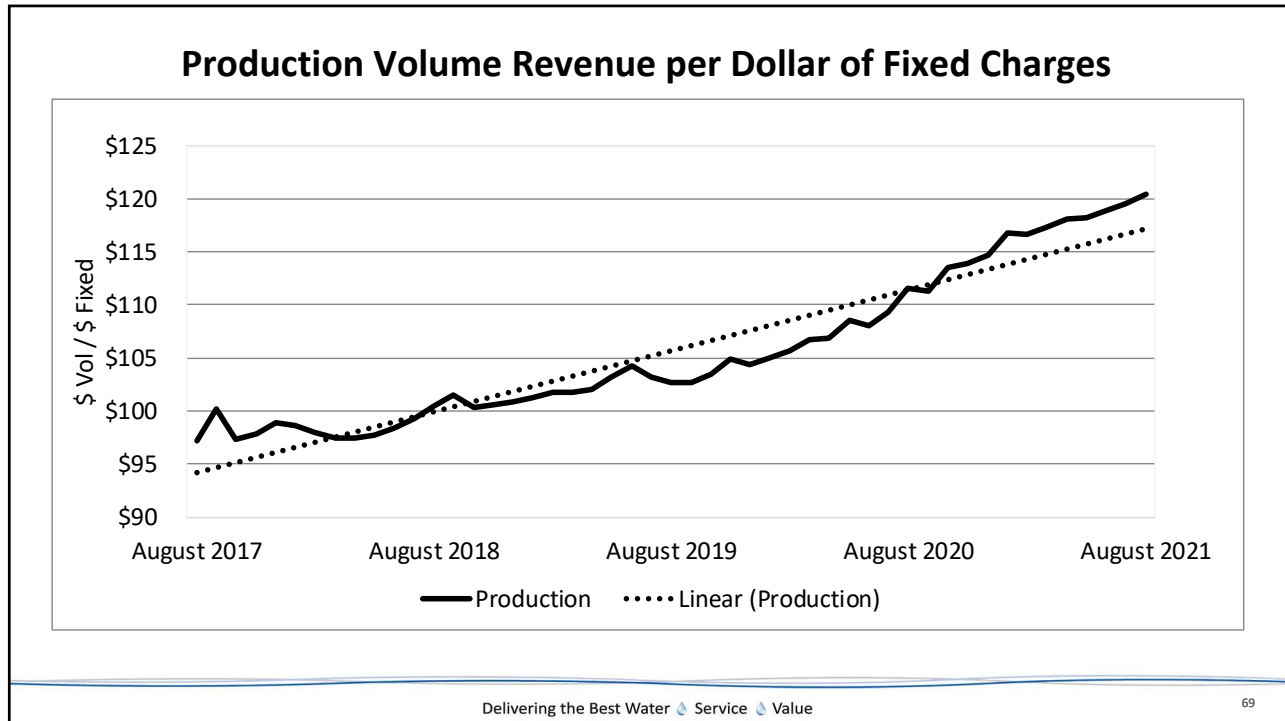
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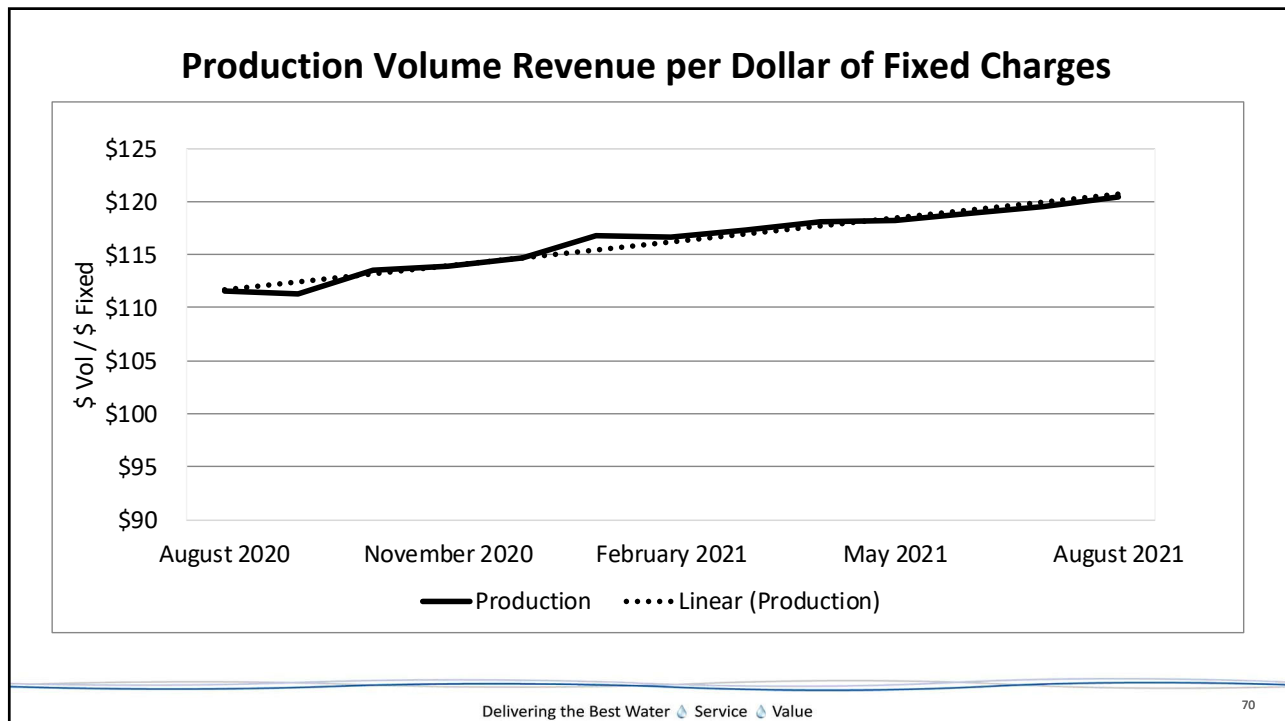
67



68



69



70

What We've Learned This Month

Revenue for August

- Unseasonably warm weather appears to have increased outdoor water use
- Commercial class appears to be recovering
- Single-family residential appears to be improving
- Multifamily residential continues slight improvement
- Production class remains strong

71

Monitoring TVWD's Financial Performance



Revenue

- Impact on future water sales



Collections

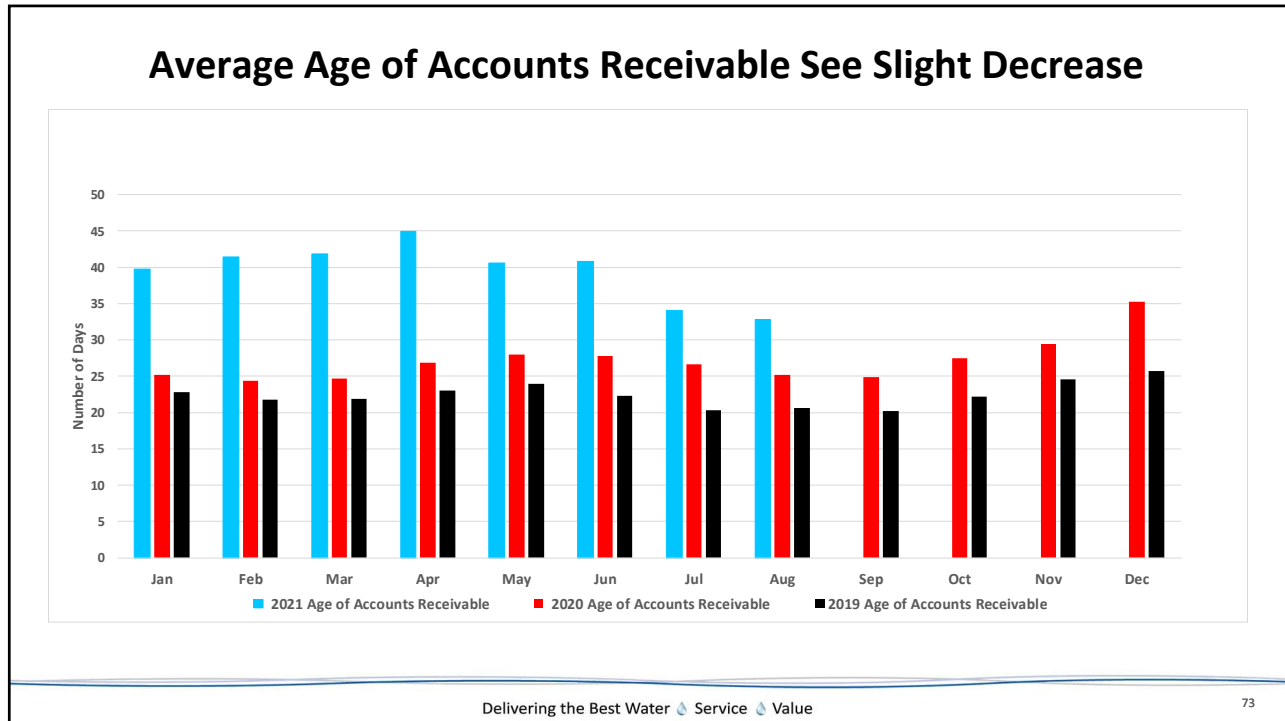
- Capacity for customers to pay their water bills



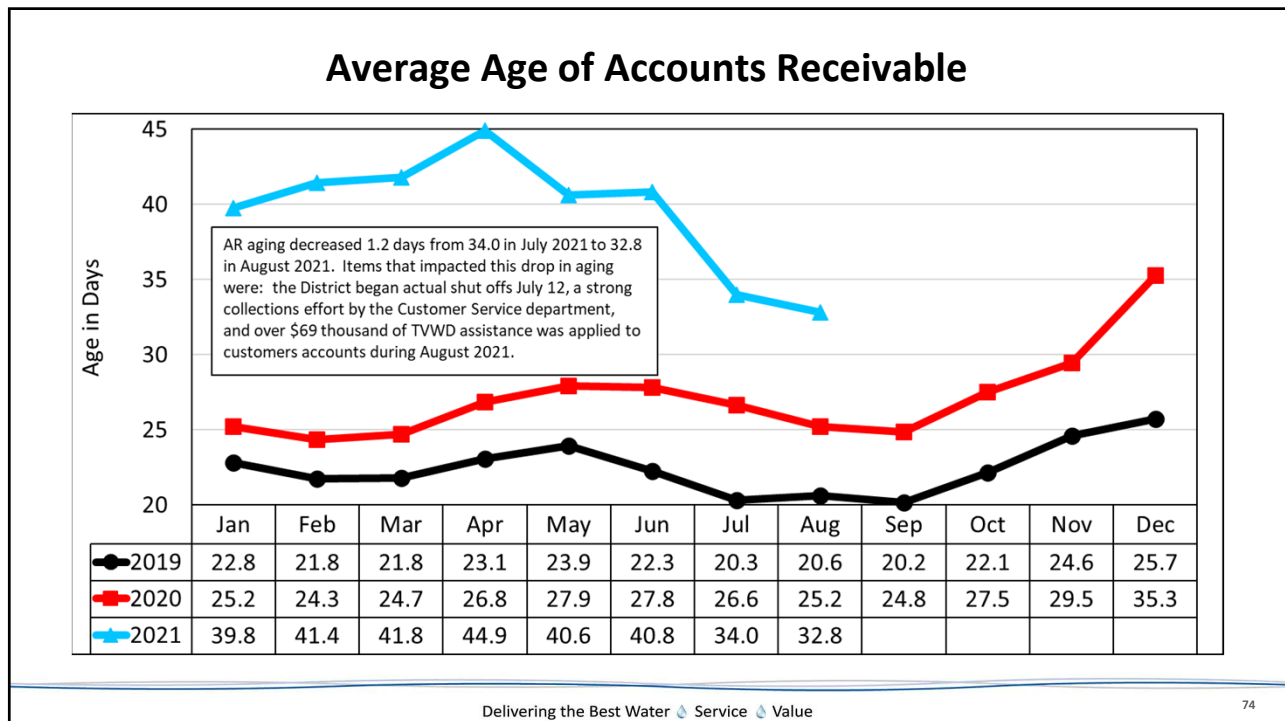
Expenses

- Effect on budget to respond to COVID-19

72



73



74

Days Sales Outstanding

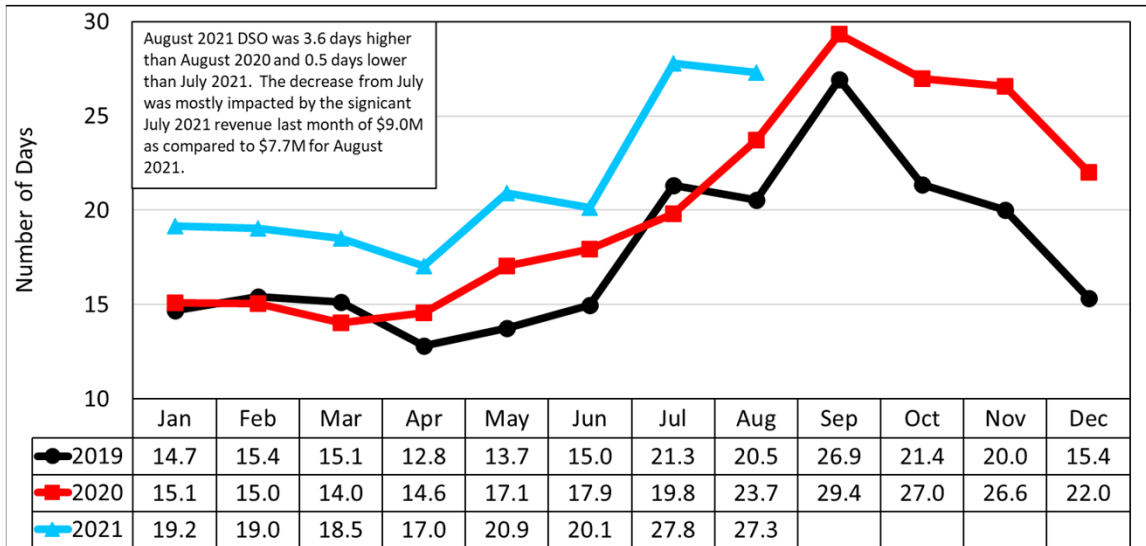
- Measures average number of days to collect on sales

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

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

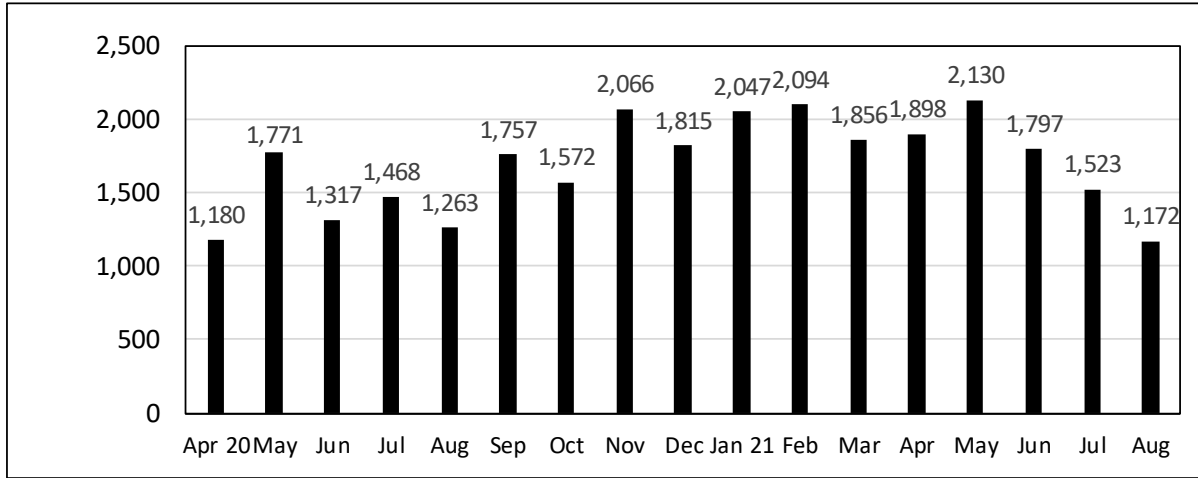
75

Days Sales Outstanding



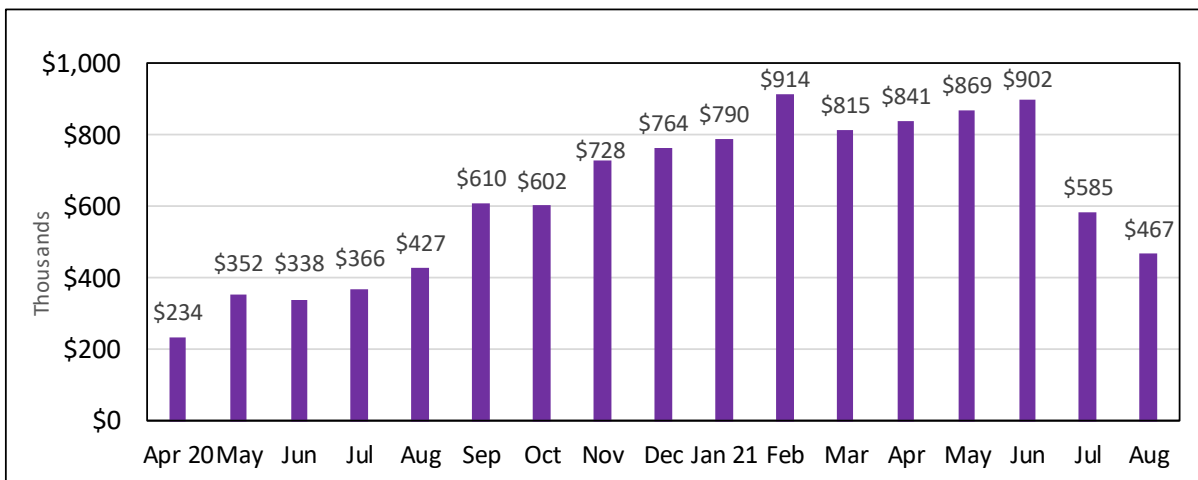
76

Number of Customers in "Shutoff" Status



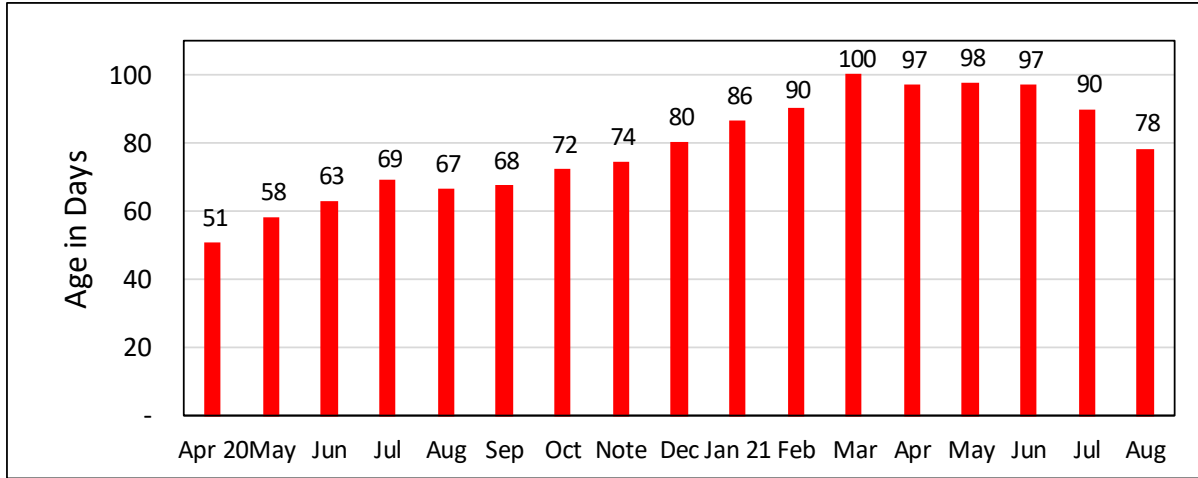
77

Accounts Receivable of Customers in "Shutoff" Status



78

Age of Accounts Receivable of Customers in "Shutoff" Status

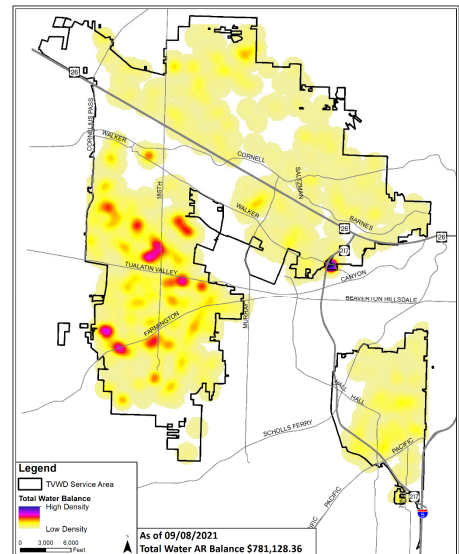


79

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 more red/blue in color



80

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

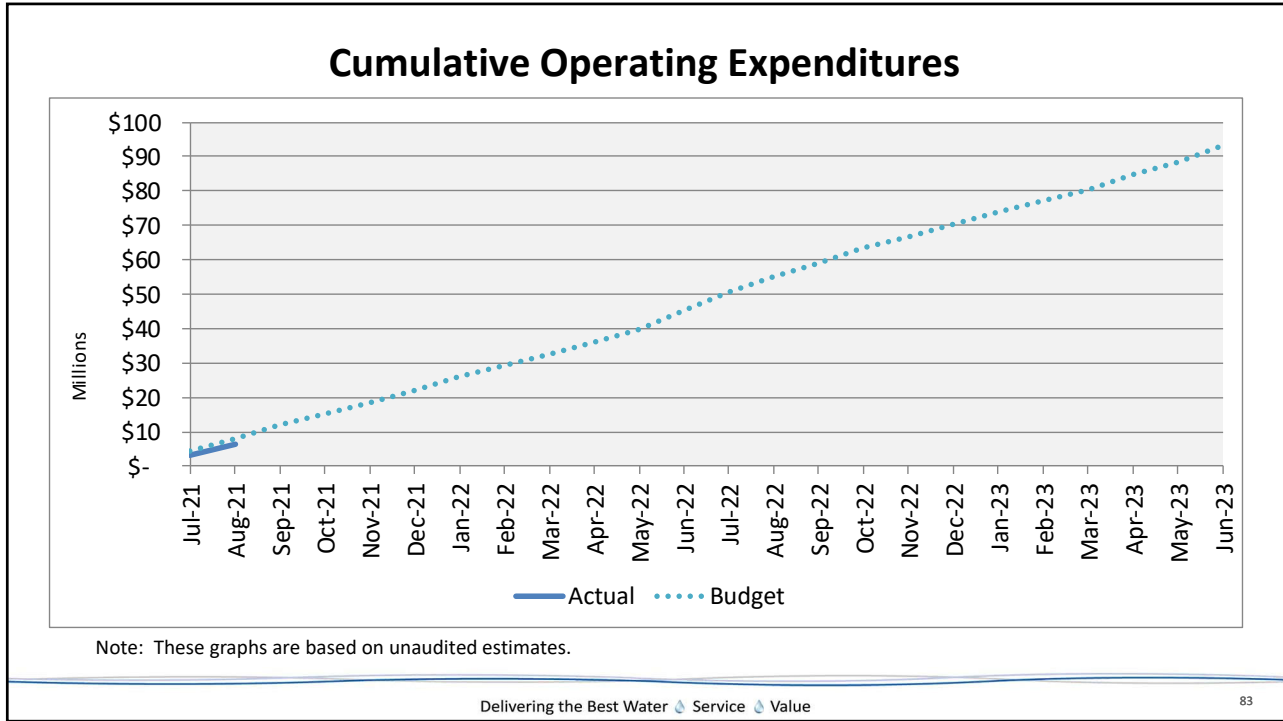
81

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%)
- Recent analysis for FY2021 audit indicates this rate seems appropriate
- Staff continues to monitor collections and allowance for doubtful accounts

82



83

Closing Thoughts

Final Thoughts




- Revenue seems to have improved.
- Summer revenue can be volatile.
- Final accrual adjustments for FY2021 is extremely favorable. Estimated \$2.4 million.
- Will be reviewing budget situation with Board Finance Committee later this week.

Delivering the Best Water Service Value

84




Questions and Comments
Update on Financial Performance

Paul L. Matthews
Chief Financial Officer

Tualatin Valley Water District

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85

Boneyard

Tualatin Valley Water District

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86

COMPARISON TO NEIGHBORING UTILITIES

City/Agency	Volume Charge	Fixed Charge ^[1]	Total Bill incl. 7 CCF ^[2]	Notes
Tigard	\$32.90	\$31.67	\$64.57	Effective July 1, 2021
TVWD - Proposed	\$43.05	\$18.60	\$61.65	Proposed Nov 1, 2021
Portland	\$42.20	\$18.24	\$60.44	Effective July 1, 2021
West Slope	\$40.11	\$18.71	\$58.82	Effective June 17, 2021
TVWD - Current	\$39.34	\$16.99	\$56.33	Effective Nov 1, 2020
Hillsboro - Upper System	\$28.98	\$25.50	\$54.48	Effective Jan 1, 2021
Sherwood	\$31.50	\$21.95	\$53.45	Effective July 1, 2021
Lake Oswego	\$21.21	\$28.79	\$50.00	Effective Jan 1, 2021
Clackamas R. Water	\$19.99	\$28.59	\$48.58	Effective May 1, 2021
Gresham	\$20.44	\$26.70	\$47.14	Effective Jan 1, 2021
Beaverton	\$29.61	\$17.00	\$46.61	Effective Dec. 1, 2020
Forest Grove	\$13.58	\$25.67	\$39.25	Effective July 1, 2019
Wilsonville	\$21.15	\$17.09	\$38.24	Effective May 1, 2021
Hillsboro - Inside City	\$19.32	\$17.00	\$36.32	Effective Jan 1, 2021
Sunrise Water Auth.	\$17.50	\$18.00	\$35.50	Effective July 1, 2021
Rockwood Wtr PUD	\$21.70	\$13.00	\$34.70	Effective July 1, 2021
City of Tualatin	\$23.38	\$9.42	\$32.80	Effective July 1, 2021

[1] Fixed water charges are fees assessed for water service, regardless of the amount of water used.

[2] One CCF = 100 cubic feet or 748 gallons of water. 7 CCF = 5,236 gallons of water.

Tualatin Valley Water District



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Report of Meetings Attended

Commissioner Bernice Bagnall

Date	Meeting or Function	Purpose	\$	Claimed
8/31/2021	CEO, Legal counsel, J. Duggan	Board policies review, chapters 1-5	\$50.00	X Yes <input type="checkbox"/> No
9/14/2021	CEO, Legal counsel, J. Duggan	Board policies review, chapters 6-11	\$50.00	X Yes <input type="checkbox"/> No
9/15/2021	Regular Board Meeting	District Business (rates)	\$50.00	X Yes <input type="checkbox"/> No
			\$150	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay D Carper	<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<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.

Tualatin Valley Water District



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Report of Meetings Attended

Commissioner Jim Doane

Date	Meeting or Function	Purpose	\$	Claimed
21 Aug	Rate Meeting		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
1 Sept	Webinar Reducing Earthquake Risk		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
15 Sept	Regular Board Meeting		50	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			\$150	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay CEAP D Carper	<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<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 Jim Duggan

Date	Meeting or Function	Purpose	\$	Claimed
08/21/2021	Talkin' Water: Rates Forum #3	Virtual Open House	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
08/31/2021	Board Policy Committee Mtg.	Update Review	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
09/02/2021	WWSS Board Meeting	Regular Monthly Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
09/08/2021	RWPC Exec. Committee Mtg.	Regular 1/3 Yr. Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
09/09/2021	WWSS – Document Mtg.	Sign Backlog	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
09/14/2021	Agenda & Board Policy Mtgs.	Agenda/Updates Review	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
09/15/2021	TVWD Board Meeting & Executive Session	Regular Monthly Mtg.	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$350	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay D Carper	<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
9/14/21	Board Agenda Planning meeting	Set agenda for Monthly meeting	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9/15/21	TVWD Board Meeting	Monthly Meeting, Finance and Rate Setting	50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$100	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay D Carper	<input type="checkbox"/> Yes <input type="checkbox"/> No
				<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.



Report of Meetings Attended

Commissioner Dick Schmidt

Date	Meeting or Function	Purpose	\$	Claimed
09152021	Regular board		50	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			\$50	<input type="checkbox"/> Yes <input type="checkbox"/> No
			OK to pay D Carper	<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.

Debbie Carper

From: Todd Sanders
Sent: Wednesday, September 15, 2021 5:45 PM
To: Debbie Carper
Subject: Re: Meetings attended forms approval

I approve the September Meetings Attended Forms for Jim Duggan, Bernice Bagnall, Dick Schmidt and Jim Doane.

From: Debbie Carper
Sent: Wednesday, September 15, 2021 4:25 PM
To: Todd Sanders
Subject: Meetings attended forms approval

Hi Commissioner Sanders,

Could I please have your email approval of the attached forms in lieu of a physical signature?

Debbie Carper, MMC

District Recorder

1850 SW 170th Avenue, Beaverton, OR 97003

direct 503-848-3014

www.tvwd.org

Tualatin Valley Water District

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Debbie Carper

From: Jim Doane
Sent: Thursday, September 16, 2021 1:00 AM
To: Debbie Carper
Cc: Todd Sanders
Subject: RE: Todd Sanders September 2021 Meeting Attended form

Debbie,

I approve the request from Todd Sanders.

Jim Doane

From: Debbie Carper
Sent: Wednesday, September 15, 2021 4:12 PM
To: Jim Doane
Subject: FW: Todd Sanders September 2021 Meeting Attended form

Hi Commissioner Doane,

Could I please have your email approval for the attached form in lieu of a signature?

Debbie C.

Tualatin Valley Water District



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Tualatin Valley Water District



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Board Work Session Minutes

October 5, 2021

This meeting was held by phone and the internet.

WORK SESSION – 6:04 PM

CALL TO ORDER

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

Staff Present: Tom Hickmann, PE, Chief Executive Officer; Paul Matthews, Chief Financial Officer; Dave Kraska, PE, Water Supply Program Director; Clark Balfour, General Counsel; Tim Boylan, IT Services Director; Carrie Pak, PE, Chief Engineer; Andrew Carlstrom, Customer Service Manager; Amy Blue, HR Director; Andrea Watson, Communications and Public Affairs Supervisor; Joe Healy, Senior Management Analyst; Debbie Carper, District Recorder

ANNOUNCEMENTS

Mr. Hickmann highlighted the upcoming Talkin' Water virtual forums and noted the update to the Board Communications Log (see attached memo). He also mentioned a news story that was aired yesterday regarding a customer leak and provided information recommending customers review their bills and contact the District if there are any questions. The story also contained an error in how customers can check their meters for a leak; staff has submitted a requested correction (the small dial indicates a leak). Mr. Hickmann said automated metering infrastructure (AMI) could help prevent issues like this one.

Mr. Kraska gave the safety moment on ladder safety.

1. DISCUSSION ITEMS

A. Willamette Water Supply System Commission Update. *Staff Report – Dave Kraska*

Mr. Kraska reviewed the WWSS Commission October agenda, the current approvals and procurement forecast and recent Willamette Water Supply Program activities (see attached presentation).

In response to a question, Mr. Kraska said the WWSS water treatment plant will use sodium hypochlorite, which should be more readily available than chlorine gas, which is currently experiencing a shortage. Mr. Hickmann said Joint Water Commission staff are investigating, as

part of their facilities master planning process, the possibility of a regional sodium hypochlorite-producing facility with cost sharing amongst various agencies.

B. Revisions to Board Policies. *Staff Report – Clark Balfour*

Mr. Balfour reviewed the suggested changes that came out of two recent Policy and Board Development Committee meetings (see attached presentation).

In response to potential changes, Commissioners accepted the redline changes as well as agreed to:

- Allow the CEO to approve real estate transactions up to \$150,000
- Allow the CEO to execute and administer programs in addition to policies within budget appropriations according to District policy and pursuant to ordinance or resolution
- Add the language “Board designee” rather than “third-party evaluator” to give flexibility to who facilitates the CEO evaluation process
- The addition of a non-political national annual conference to available educational options for Commissioners

In response to a question, staff said the Board can specifically earmark funds in the budget to be used for a third-party evaluator for the CEO evaluation process; however, staff recommends any potential funding reside in the materials and services portion of the budget to allow greater flexibility.

C. Consideration of Additional Holidays. *Staff Report – Amy Blue*

Ms. Blue reviewed the staff report.

Commissioner’s expressed support for the addition of Juneteenth and one floating holiday to employee benefits.

In response to a question, Ms. Blue indicated if Juneteenth falls on a Saturday, it would be observed on the prior day, and if it falls on a Sunday, it would be observed the next day.

D. District Initiatives Update and 2022 Goals Development. *Staff Report – Tom Hickmann*

Mr. Hickmann reiterated the District’s transitional organizational status, reviewed the 2019-21 financial situation, provided status updates on 2019-21 strategic initiatives, previewed the upcoming strategic planning process, gave an overview of 2021-23 strategic initiatives and project schedule, as well as listed progress on 2021 CEO goals (see attached presentation). He added that as of October 5, the District has established a bilingual pay program to recognize and compensate staff who provide additional service.

ADJOURNMENT

There being no further business, President Sanders adjourned the meeting at 8:08 p.m.

Todd Sanders, President

Jim Doane, Secretary



MEMO

Date: October 5, 2021

To: TVWD Board of Commissioners

From: Tom Hickmann, CEO

Re: CEO Announcements

The following Announcements will be covered during the work session:

1. **Be Sure to Unmute and Mute** – Just a reminder to please be sure to unmute whenever you are speaking and mute yourself when you are done during the work session this evening.
2. **October Talkin' Water** – The following Talkin' Water virtual forum events will be held this month:
 - October 26, 12:00 - 1:00pm, Future of Water in Washington County
 - October 28, 12:00 - 1:00pm, Winter Irrigation System Preparation

Registration information is available via the District's website.

3. **Board Communications Log** – There was one update to the Board communications log this month. Please see the attached, updated log which contains notes from the September 17th Finance Committee meeting.
4. **Safety Minute** – Dave Kraska, Willamette Water Supply Program Director, will present tonight's safety minute.

2021 Board Communications Log

Commissioner Questions/Topics: (includes research requests directed to staff via email or at Board meeting)

- Initial request sent to Tom (copy Board President)
- Tom responds with projected timeframe for response and any other logistical info
- Answer shared with the full Board during work sessions

Item Number	Requestor	Subject	Date Submitted	Response Date	Date Information Shared with Full Board
01-21	Doane	Polyethylene wrapped pipe locations	6/1/2021	6/7/2021	6/7/2021

Board Committee Information:

- Meeting notes/handouts shared with the full Board during work sessions

Meeting Date	Notes	Date Information Shared with the Full Board
Finance Committee		
February 16	Meeting synopsis prepared by Debbie Carper	March 2
September 17	Meeting synopsis prepared by Katherine DeSau	October 4
Policy and Board Development Committee		
August 31	Discuss revisions to Board Policies	September 30
September 14	Discuss revisions to Board Policies	September 30
Strategic Planning Committee		
Water Supply Committee		

Tualatin Valley Water District



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Finance Committee Meeting September 17, 2021

Meeting Notes

The meeting started at 1:02 p.m.

Attendees: Commissioners Bagnall and Duggan

Staff Present: Tom Hickmann, P.E., Chief Executive Officer; Paul Matthews, Chief Financial Officer; Carrie Pak, P.E., Chief Engineer; Katherine Lipari DeSau, Executive Assistant

1. 2021-2023 Biennium Budget Update

Paul Matthews provided an update on the 2021-2023 biennium budget (see attached presentation). Following is a summary of the key trends:

- Unexpectedly high increase in the Consumer Price Index
- Collection expenses in customer service
- Potential increases in Customer Information System project
- Resources required to pursue grants and other funding opportunities
- Costs for Leadership Team development and CEO Evaluation
- Expenses of COVID-19 response
- Favorable current water sales
- Favorable FY2021 accrual adjustment

Commissioners expressed appreciation for the estimated, potential cost of COVID testing and requested that the full Board be apprised of the financial impact once more is known. Mr. Hickmann indicated that a financial update, pertinent to COVID testing, will be incorporated into the upcoming November 2nd work session.

Members requested quarterly Finance Committee meetings for the time being. Staff will continue to monitor the District's financial performance, take action as needed, and notify the committee if there are any areas of significant concern.

The meeting adjourned at 2:17 p.m.

2021-23 Biennium Budget Update

Board Finance Committee

September 17, 2021

Tualatin Valley Water District



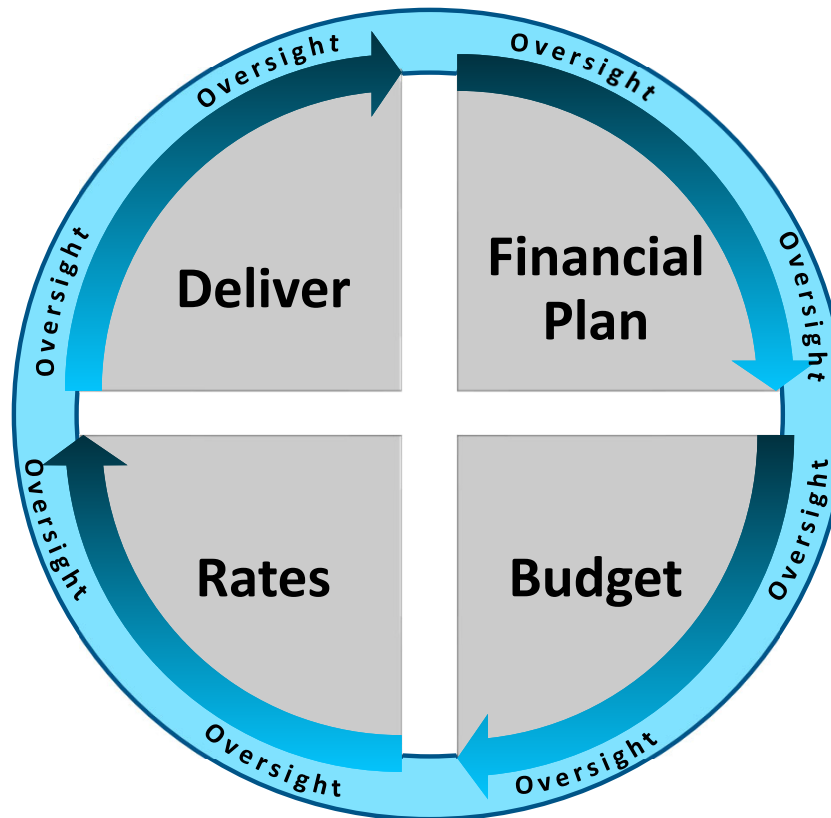
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Topic for Discussion

Update on Biennial Budget

- Discuss initial trends for biennium
- Identify issues the Finance Committee would like to review in more depth
- Develop an approach to discussing with the full Board

District Financial Management Process Interdependencies



Knowledge and Uncertainty



Things you
know



Things you
know you don't
know



Things you
don't know you
don't know



Things you
thought you
knew but didn't



Trends to Discuss

Surprises for New Budget

- Unexpectedly high increase in the Consumer Price Index
- Collection expenses in customer service
- Potential increases in CIS project
- Resources required to pursue grants and other funding opportunities
- Costs for Leadership Team development and CEO Evaluation
- Expenses of COVID-19 response

Good News

- Current water sales
- FY2021 accrual adjustment

Increase in Consumer Price Index

Issue

- The CPI is used in TVWD's performance-based pay system
- The estimate for the CPI in the personnel service budget was 2.0%
- The actual CPI published in June was 4.1%

Impact

- Increase in Personnel Services budget of about \$1.0 million
- Vacancies are planned to offset some of the impact
- Reliance on temporary services staffing for Customer Service has reduced Personnel Services by approximately \$100 thousand
- Early indications suggest healthcare costs will be lower than planned. (Savings between \$150 to \$200 thousand)

Requested Action

- None at present. Monitoring the situation.
- If necessary, would request transfer of contingency

Collection Expenses

Issue

- Customer Service has requested additional staffing to manage payment arrangements and COVID assistance
- Combination of temp staffing and limited duration employees
- Request is in addition to augmented staffing for CIS
- Focus through the end of the calendar year

Impact

- Vacancies are planned to offset some of the impact
- Materials and Services estimated at \$20 to \$30 thousand
- Personal services would be another \$20 to \$30 thousand

Requested Action

- None at present. Monitoring the situation.
- If necessary, would request transfer of contingency

CIS Project Update

Issue	Impact	Requested Action
<ul style="list-style-type: none">• Additional schedule required to implement CIS solution• Schedule drives costs for AAC (our consultants), Open International, and TVWD staff costs• SaaS fees will be assessed before post-go-live stabilization occurs• Contribution by Clean Water Services still being determined	<ul style="list-style-type: none">• Staffing impacts are still being developed• Cost estimates are being finalized. Current estimate is between \$1.5 to \$2.3 million.• Expenditures are budgeted as a capital outlay in Fund 11• Fund 11 normally has favorable variance• May favorably affect <i>Sales to other Funds</i>	<ul style="list-style-type: none">• None at present. Monitoring the situation.• If necessary, would request transfer of contingency

Grants and Funding Opportunities

Issue

- Federal and state grants are being pursued to lower TVWD's costs
- Grants may allow acceleration of AMI project
- Consulting support from CFM being used to position TVWD for future grants

Impact

- Materials and services budget did not include funding for grant assistance
- Estimated cost of grant assistance is between \$100 to \$200 thousand.
- Actual costs will vary depending on grant opportunities

Requested Action

- None at present. Monitoring the situation.
- If necessary, would request transfer of contingency

Leadership Development and CEO Evaluation

Issue	Impact	Requested Action
<ul style="list-style-type: none">• Additional appropriation may be required to implement leadership team development• Additional appropriation may be required to fund consultant conducting CEO evaluation	<ul style="list-style-type: none">• Small impact on materials and services budget• Total additional expenditure currently estimated to be approximately \$50 thousand	<ul style="list-style-type: none">• None at present. Monitoring the situation.• If necessary, would request transfer of contingency

COVID-19 Response

Issue

- Additional appropriation may be required to fund weekly testing
- Testing requirements will be determined by vaccination rates and exemptions

Impact

- Full testing of unvaccinated employees could cost approximately \$500 thousand for the biennium
- Expecting many employees to become vaccinated

Requested Action

- None at present. Monitoring the situation.
- If necessary, would request transfer of contingency

Update on Water Sales

2021-23 Biennium Budget Update

Board Finance Committee

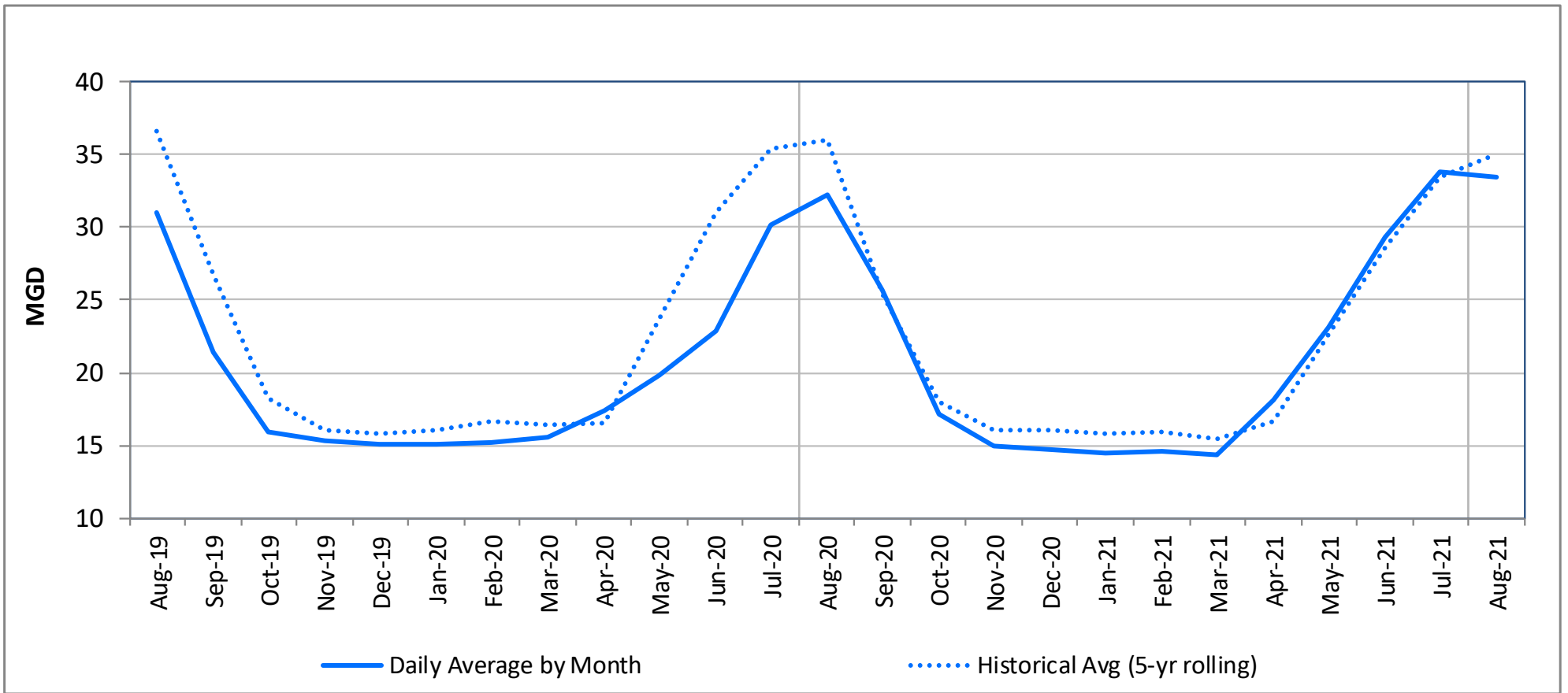
September 17, 2021

Tualatin Valley Water District



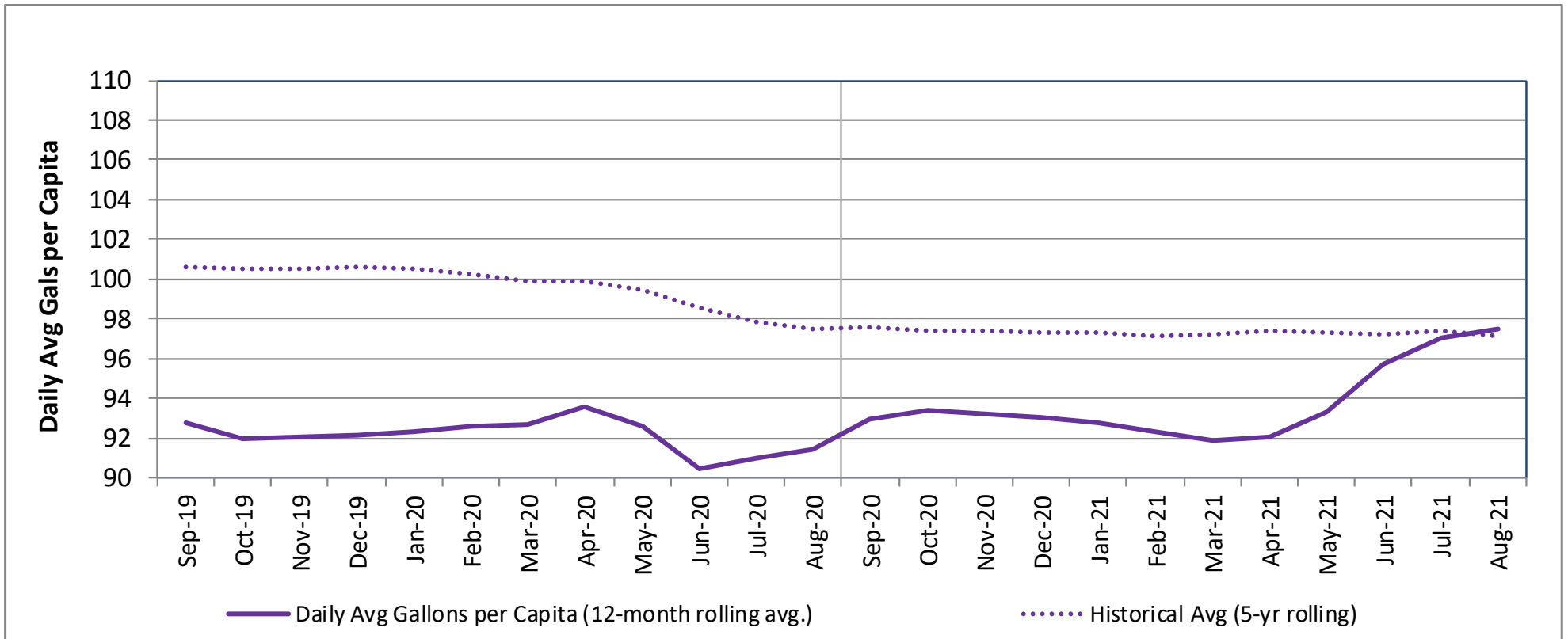
Delivering the Best Water 💧 Service 💧 Value

Water Deliveries Now Exceed 5-Year Average



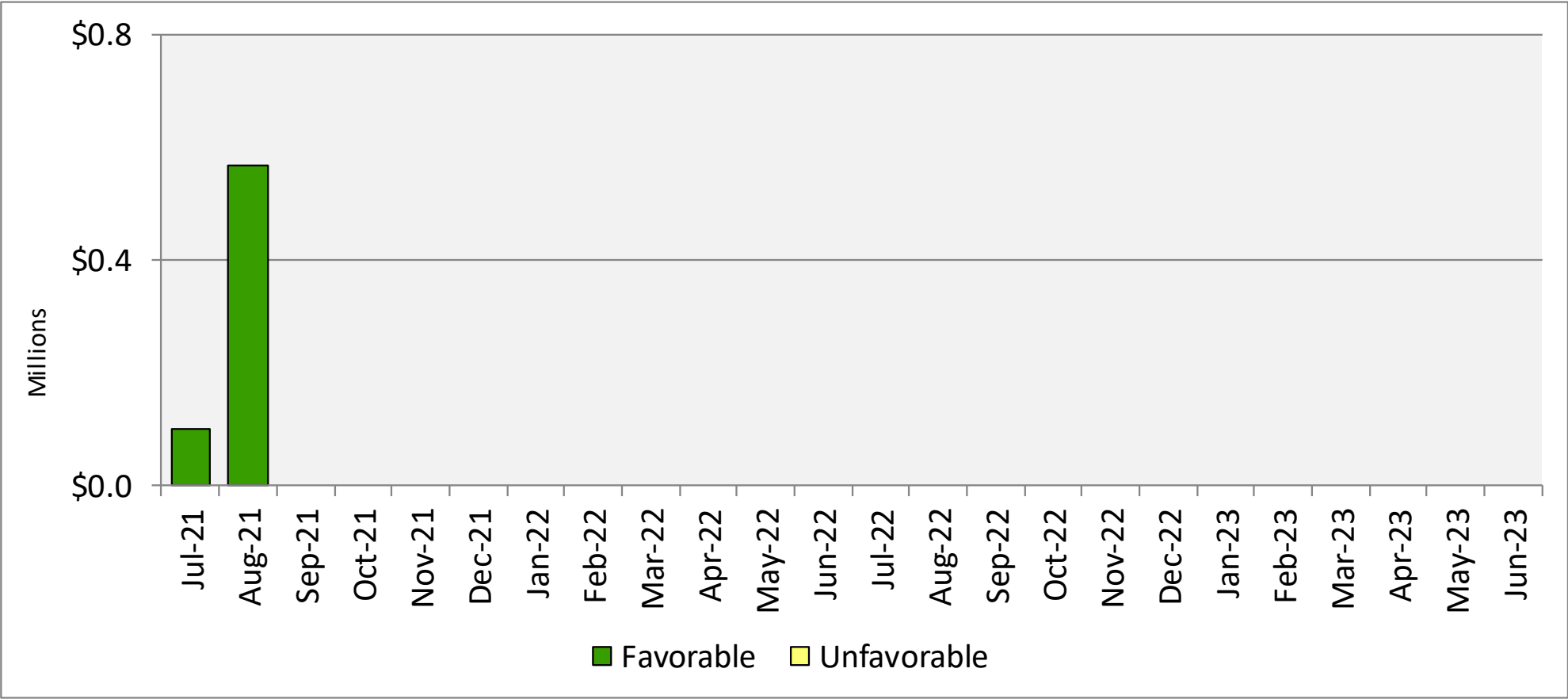
Customer Demand Increasing – Remains Relatively Soft

Comparison of Gallons Per Capita Per Day



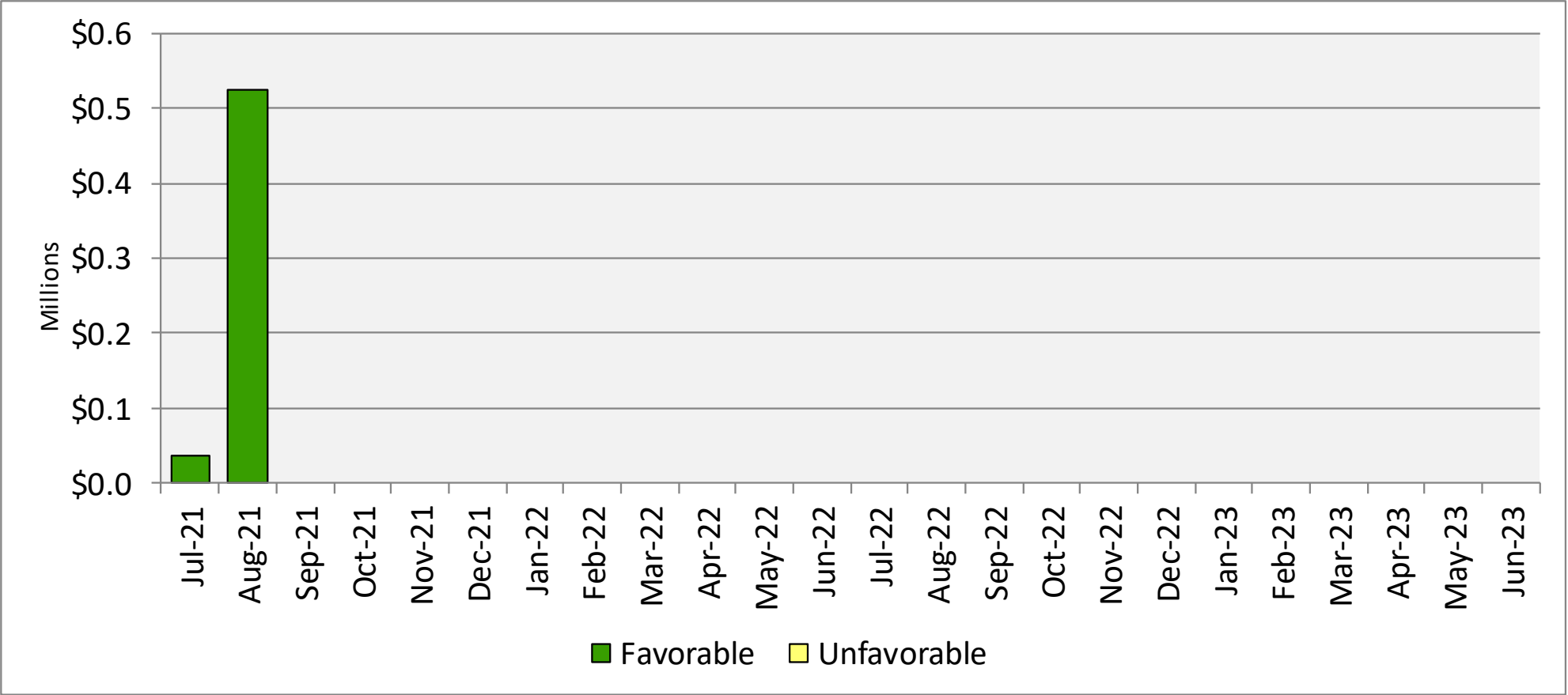
Favorable Variance in Water Sales

(Now Excludes Accrual Adjustments)



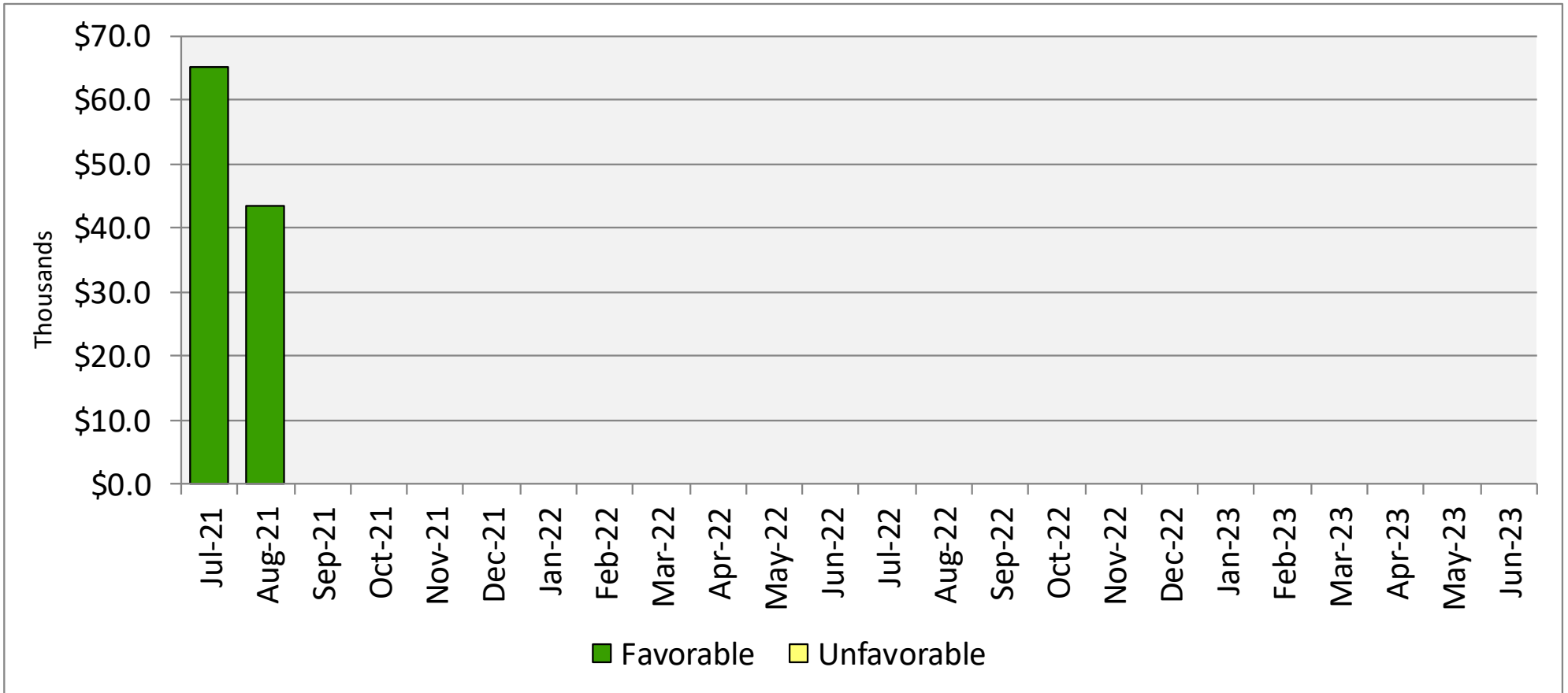
Favorable Variance in Volume Water Sales Revenue

(Now Excludes Accrual Adjustments)

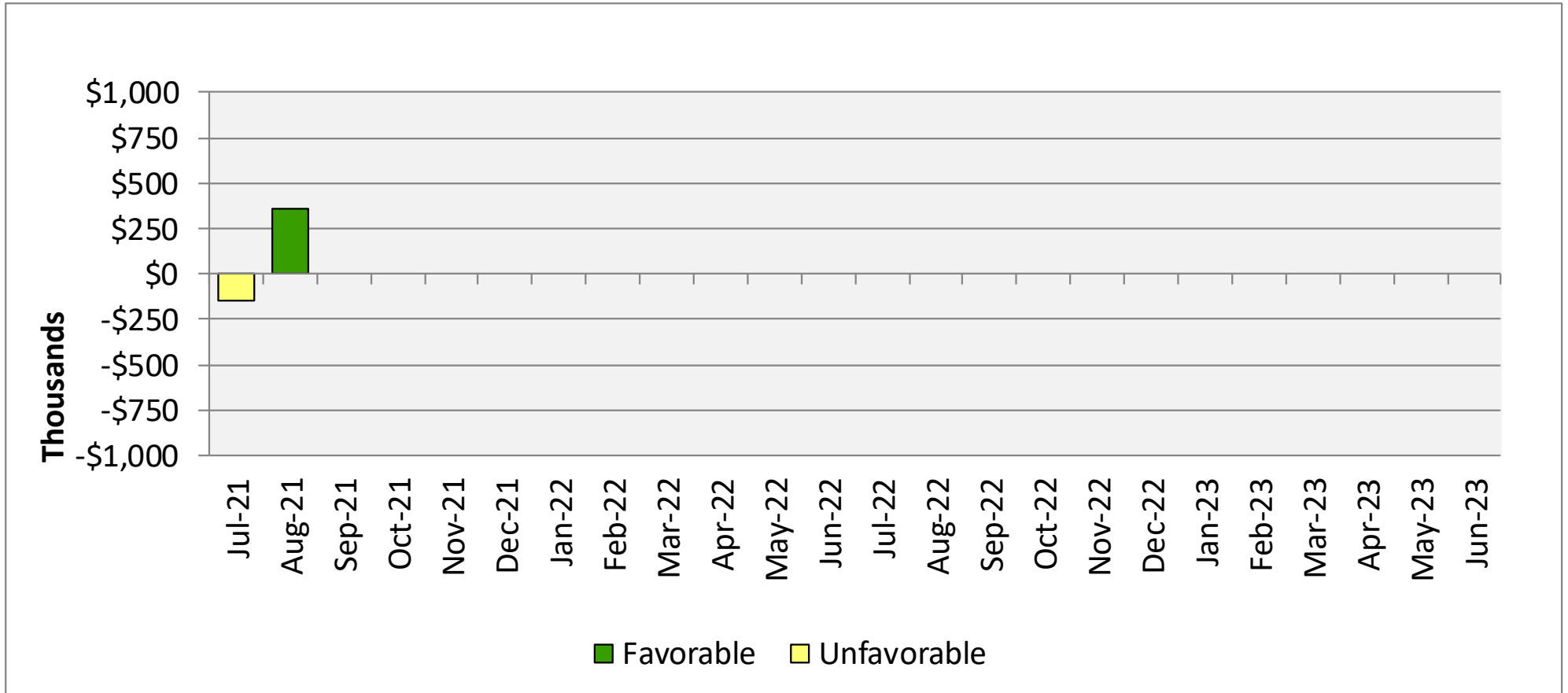


Fixed Charge Revenue

(Now Excludes Accrual Adjustments)



Favorable Variance in System Development Charge



Revenue Trends by Customer Class

Revenue

- Now reporting on a cash basis – Excluding accrual adjustments
- Strong accrual adjustment to end FY2021. About \$2.4 million increase in revenue recognition
- Favorable variance in water sales likely the result of dry and hot weather this summer

Challenges

- COVID-19's impact on the economy
- Bimonthly billing cycles
- Unbalanced billing cycles by month
- Limited data for fiscal year

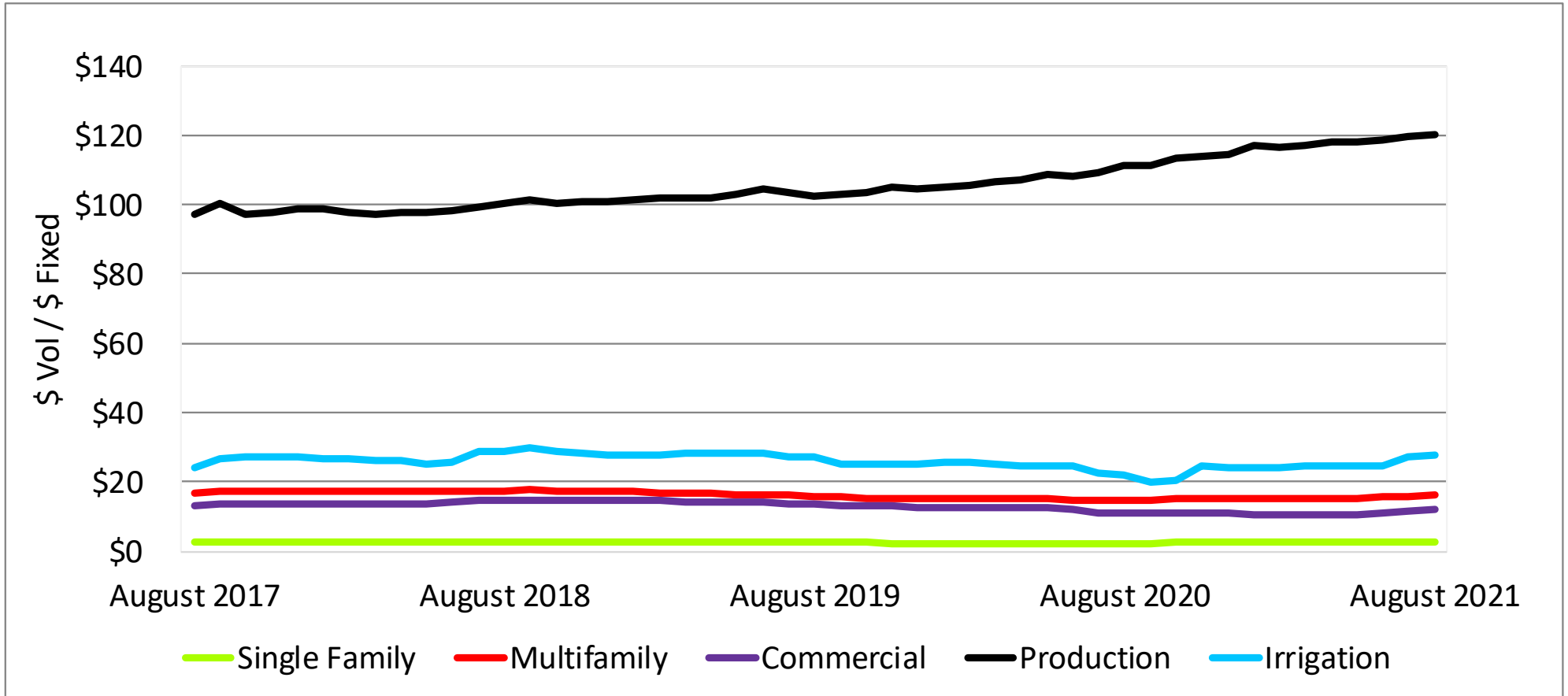
Metric to Assess Trends

Approach

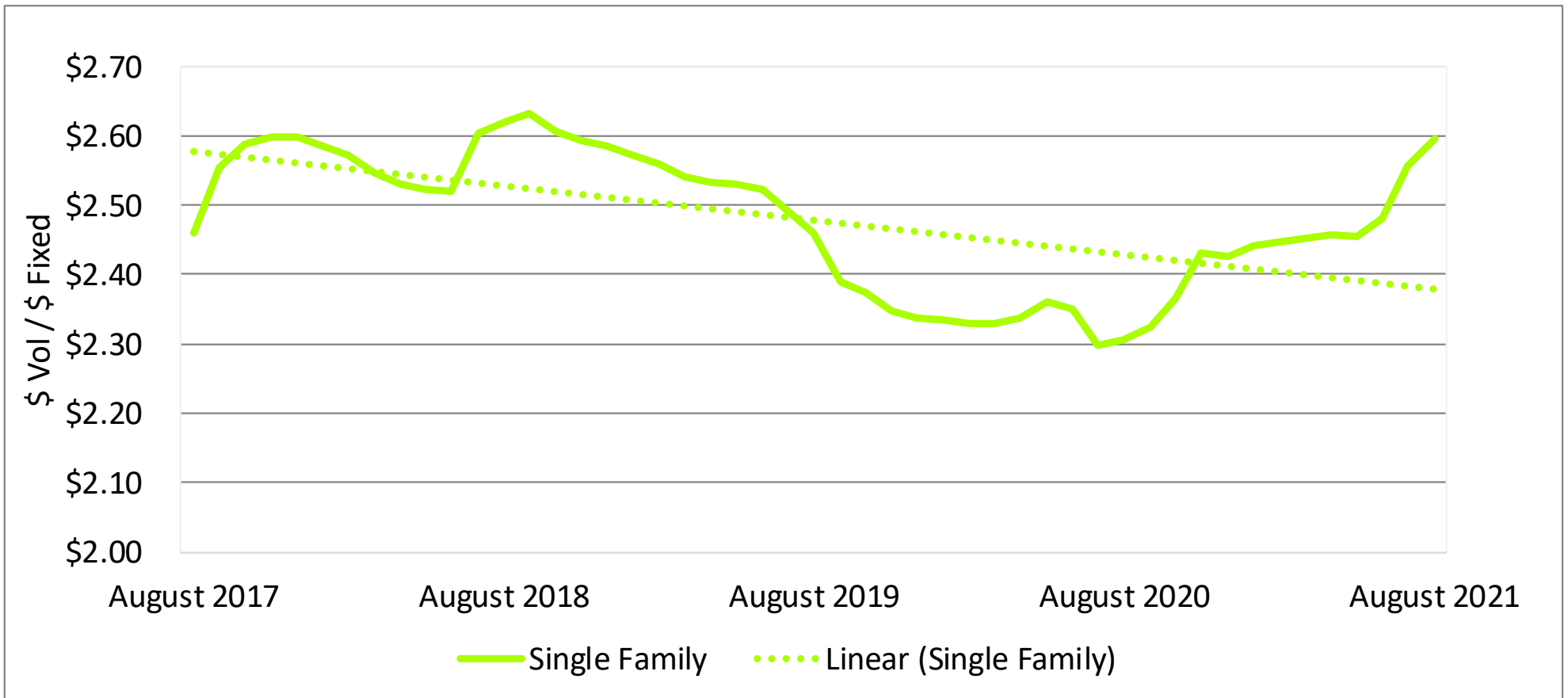
- Volume-based revenue per dollar of fixed charges
- Reduces the impact of seasonal variability in revenue
- Addresses the challenges of unbalanced billing cycles
- Provides meaningful trend data over time

Long-Term Trend By Customer Class

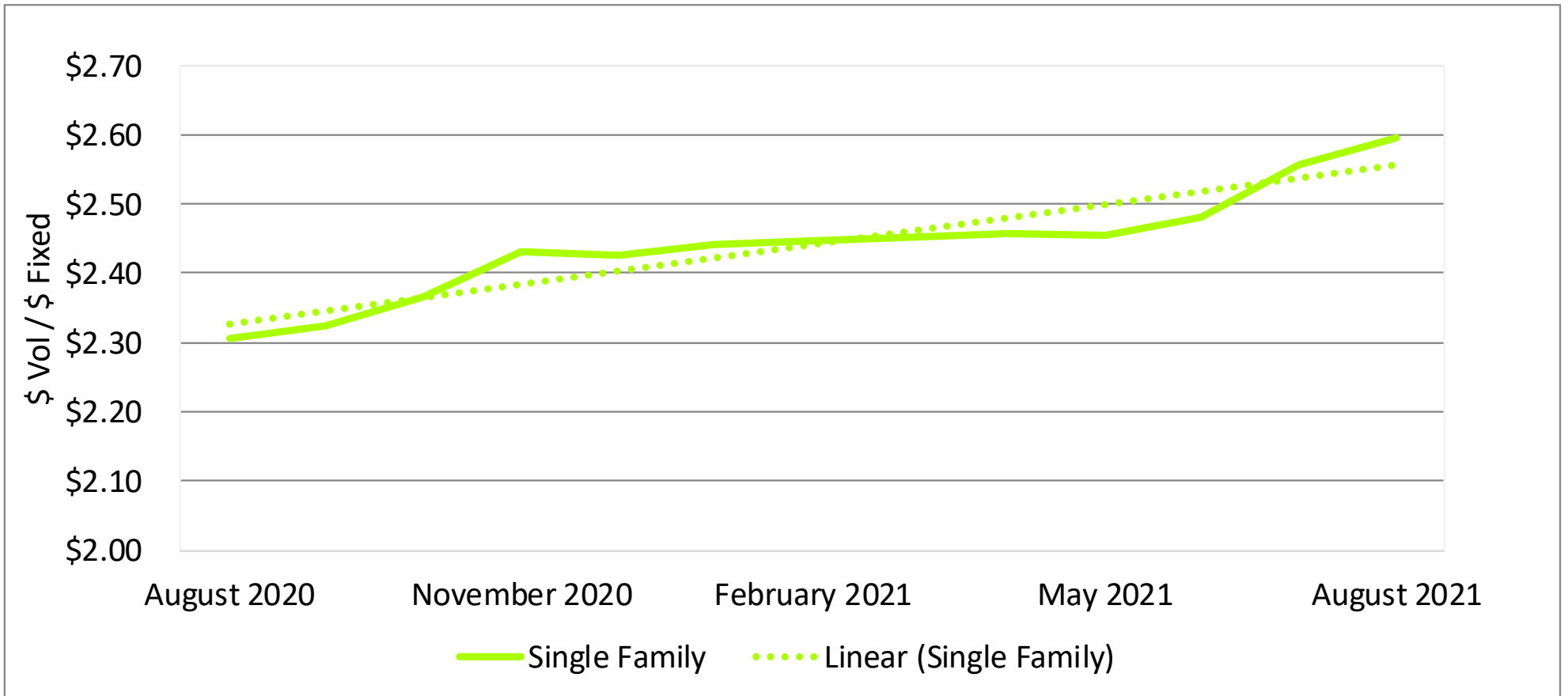
Volume Revenue per Dollar of Fixed Revenue



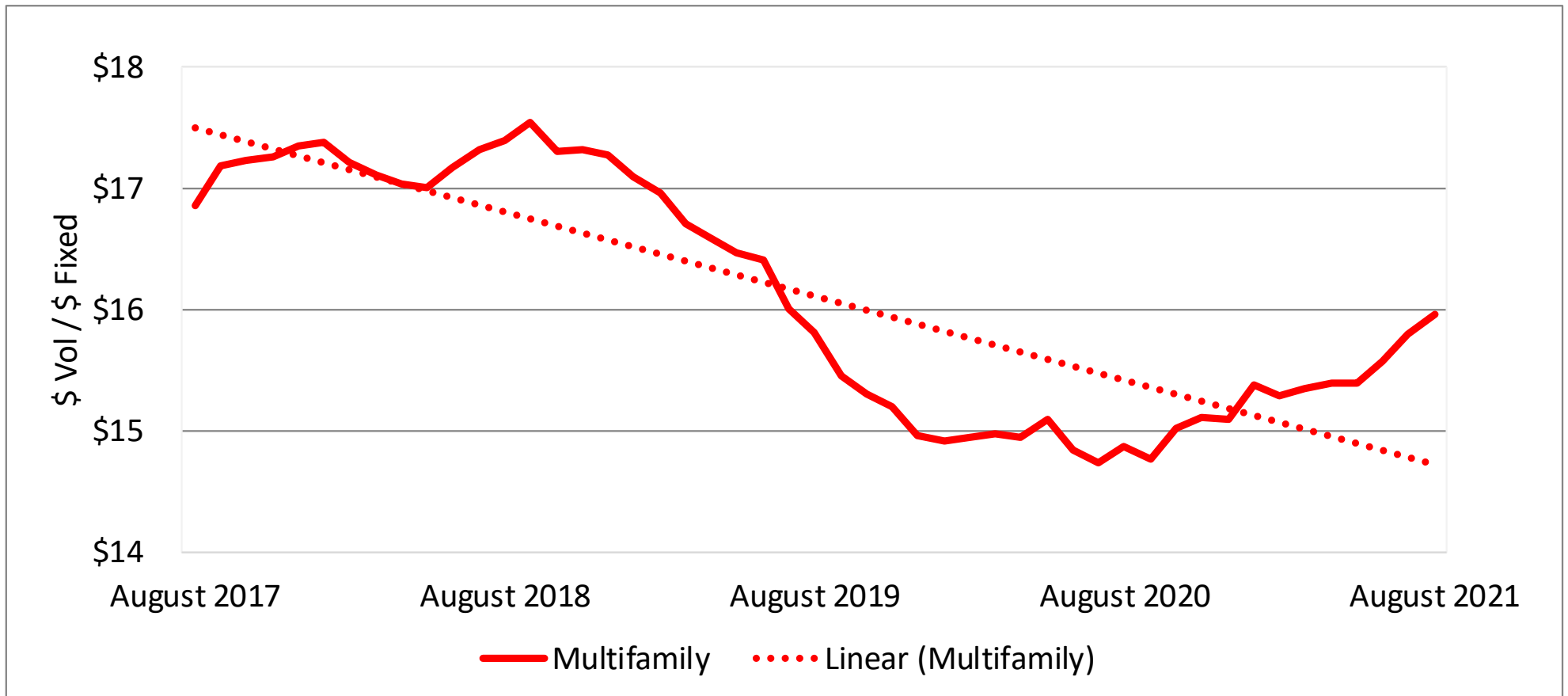
Single-Family Residential Volume Revenue per Dollar of Fixed



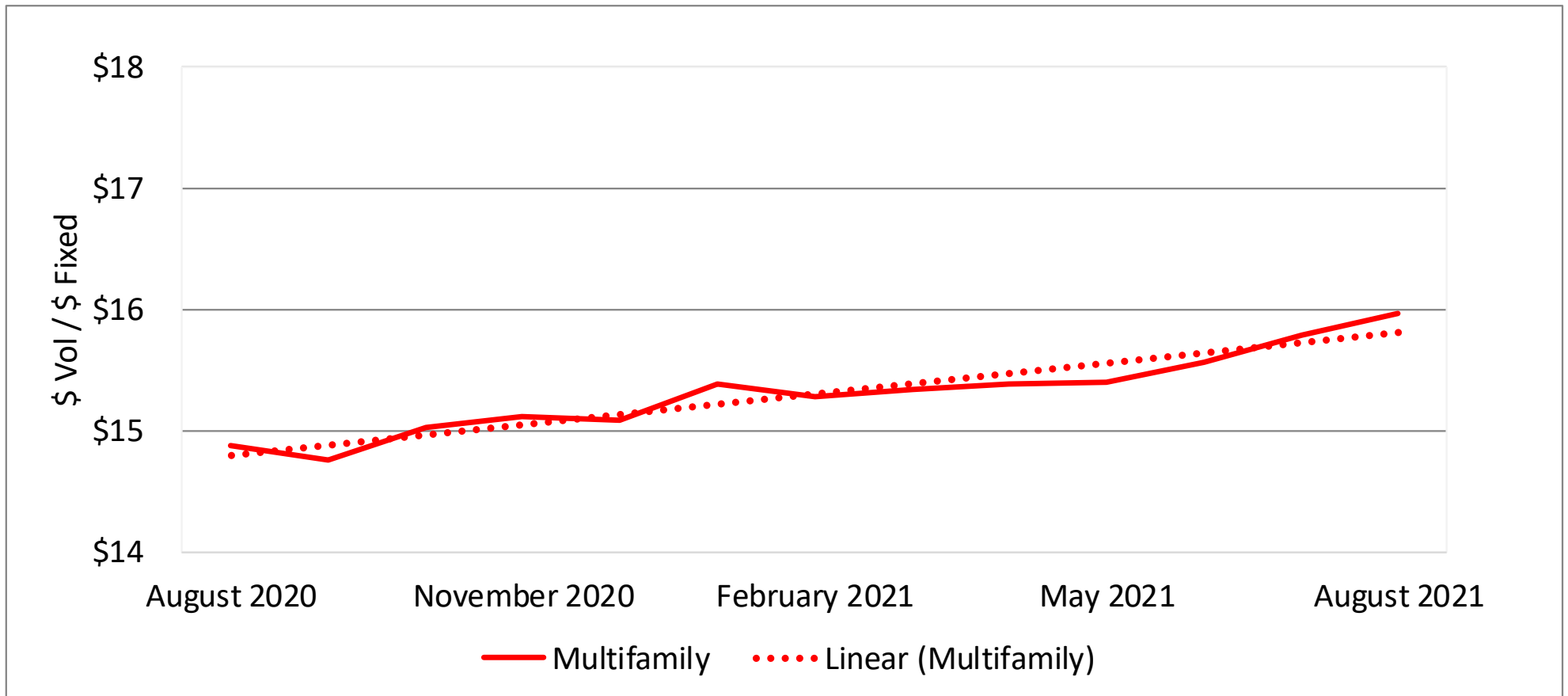
Single-Family Residential Volume Revenue per Dollar of Fixed



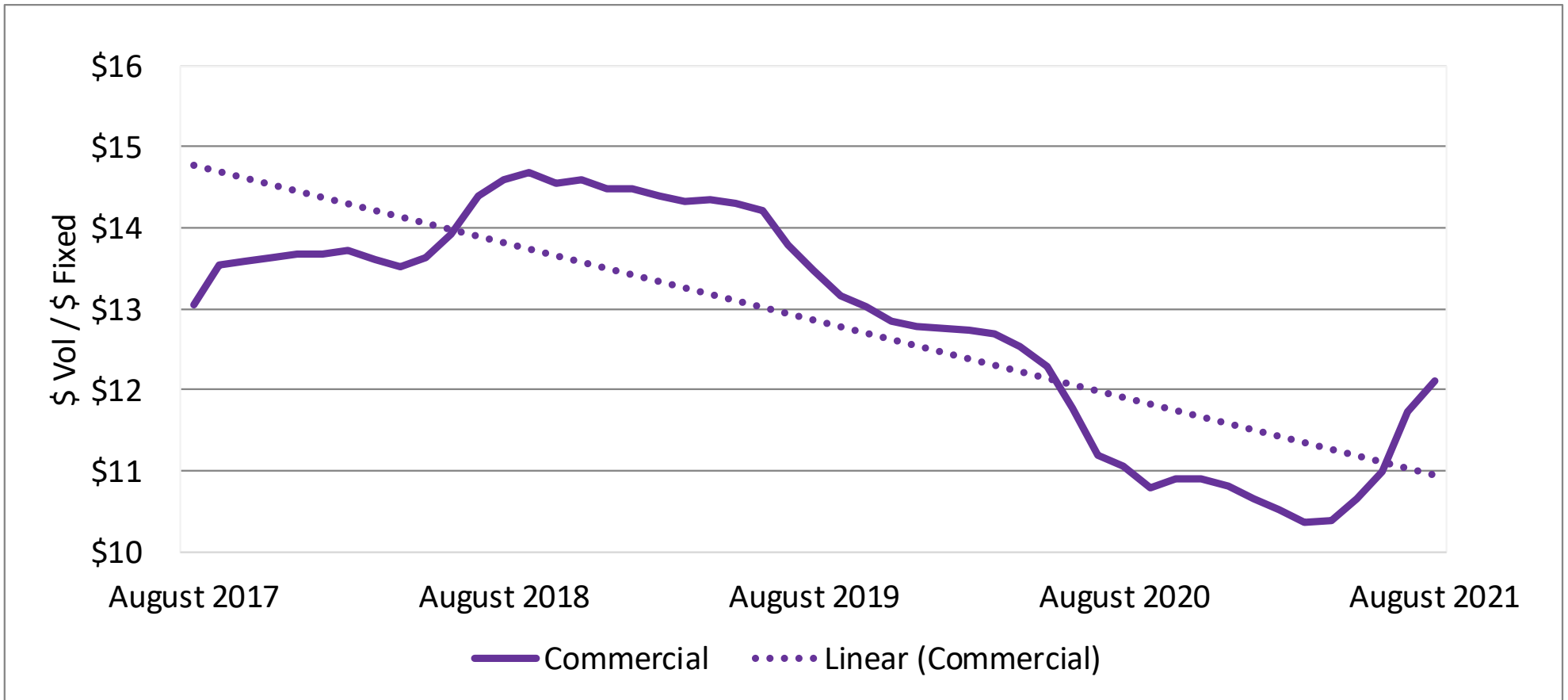
Multifamily Residential Volume Revenue per Dollar of Fixed Charges



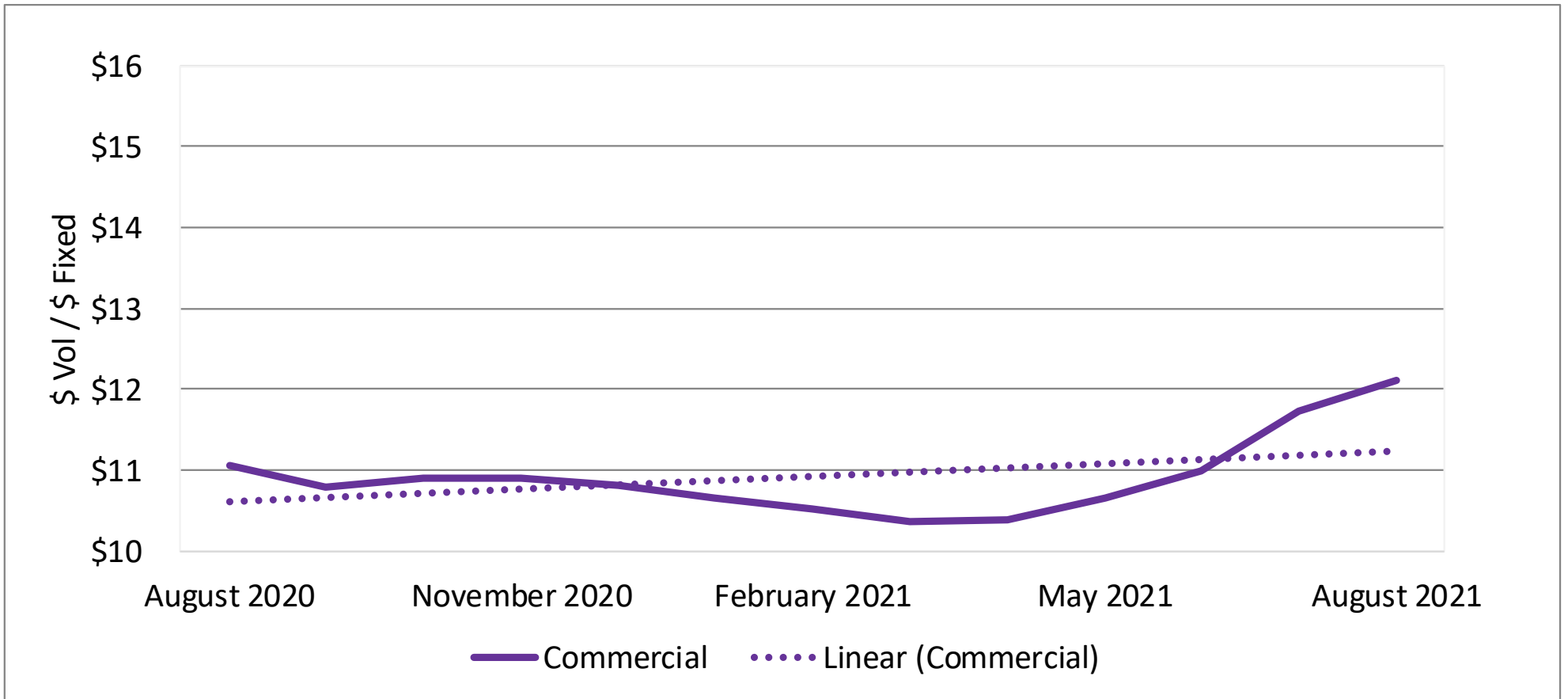
Multifamily Residential Volume Revenue per Dollar of Fixed Charges



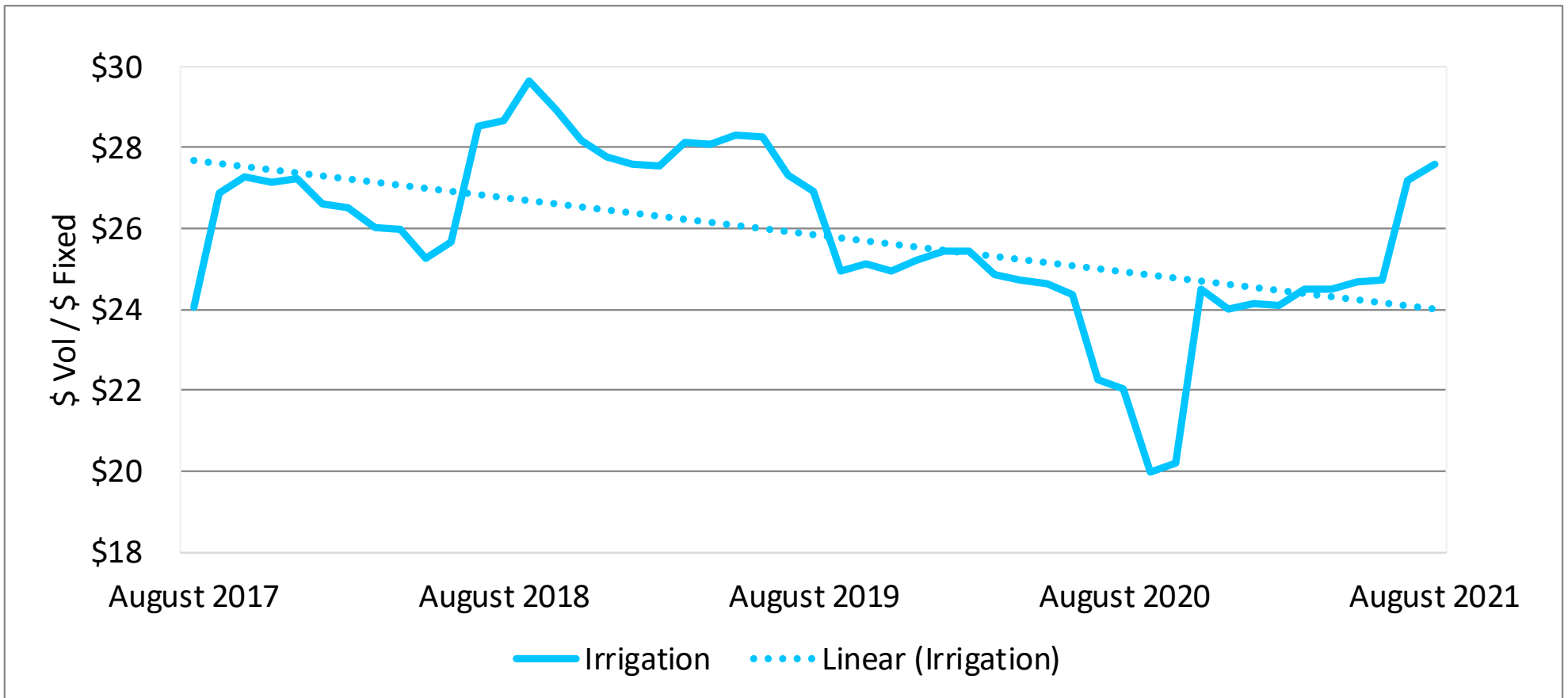
Commercial Volume Revenue per Dollar of Fixed Charges



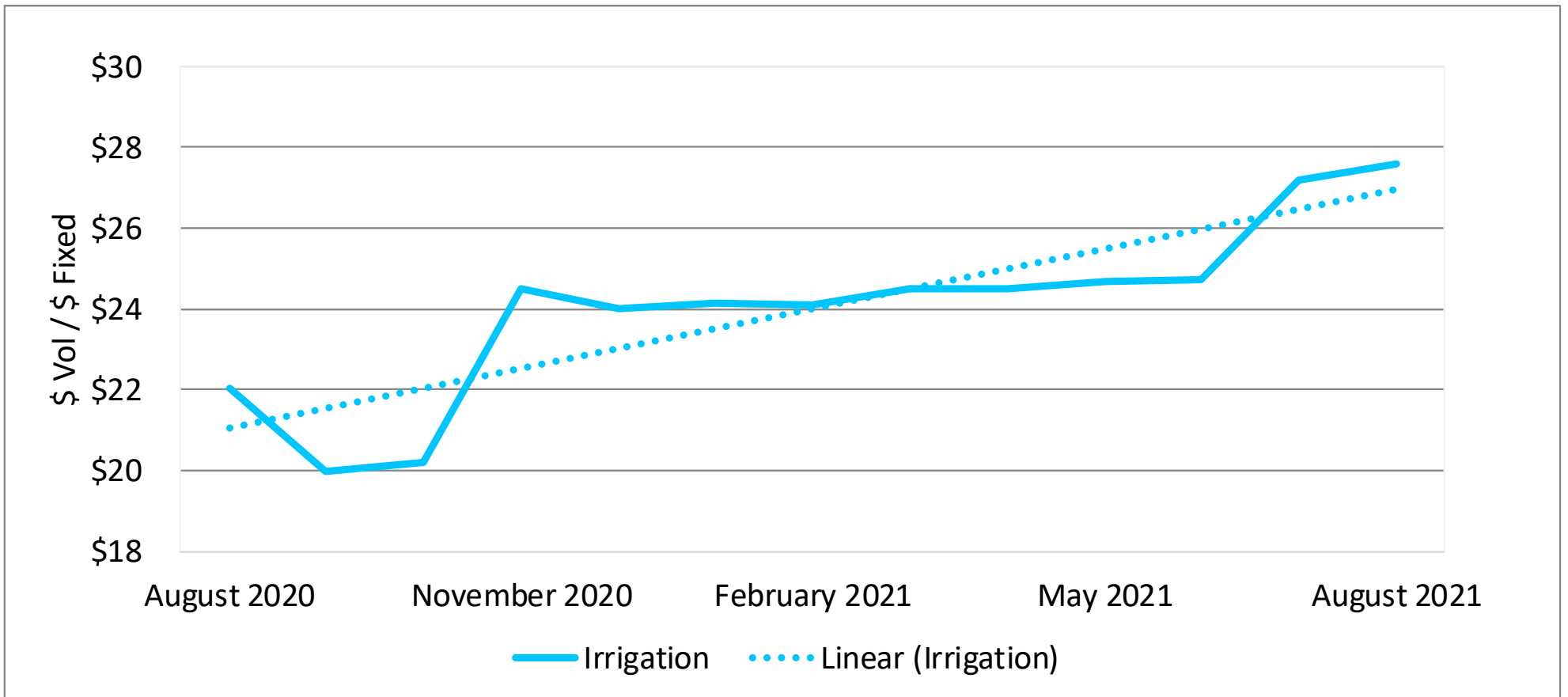
Commercial Volume Revenue per Dollar of Fixed Charges



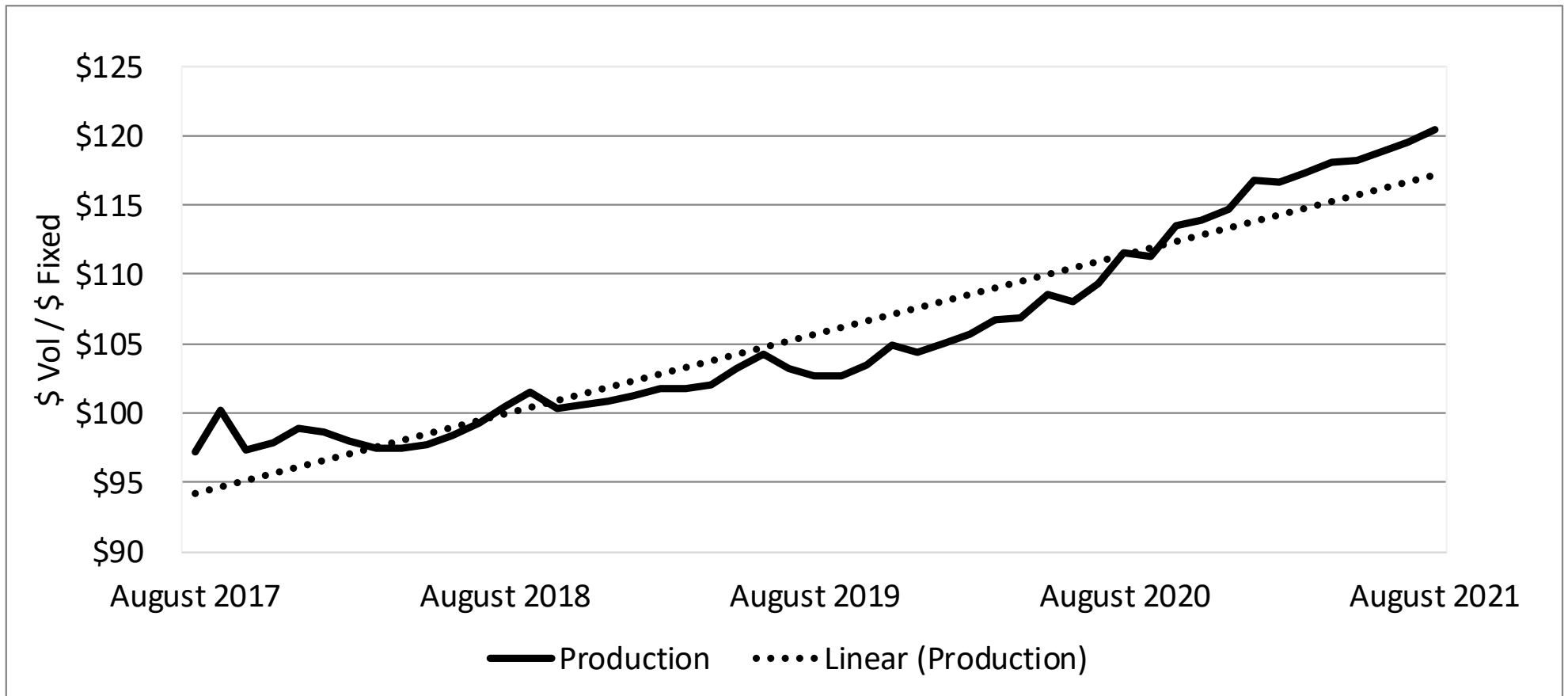
Irrigation Volume Revenue per Dollar of Fixed Charges



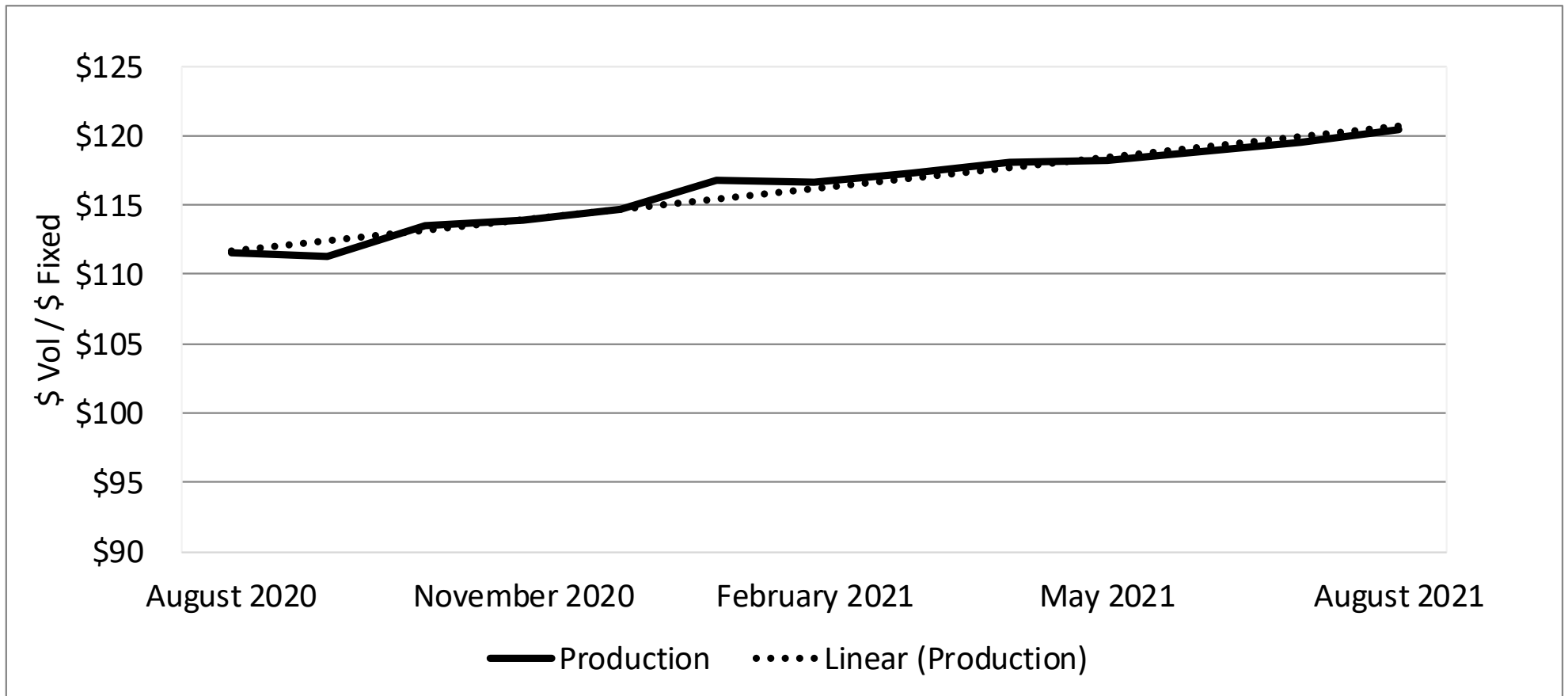
Irrigation Volume Revenue per Dollar of Fixed Charges



Production Volume Revenue per Dollar of Fixed Charges



Production Volume Revenue per Dollar of Fixed Charges



What We've Learned This Month

Revenue for August

- Unseasonably warm weather appears to have increased outdoor water use
- Commercial class appears to be recovering
- Single-family residential appears to be improving
- Multifamily residential continues slight improvement
- Production class remains strong

Closing Questions

Direction from Finance Committee

- Items on which you would like more information?
- Desire for future briefings?
- Thoughts about approach to discussing with full Board?

Willamette Water Supply
Our Reliable Water

Willamette Water Supply Commission Update
TVWD Work Session

October 5, 2021

1

Outline

Review October WWSS Commission Board Meeting Agenda → Review Approvals and Procurements Forecast → Update on WWSP Activities

Willamette Water Supply
Our Reliable Water

2

2

1

REVIEW OCTOBER WWSS COMMISSION BOARD MEETING AGENDA

3

Willamette Water Supply System Commission October 7, 2021 Board Meeting Agenda

1. General Manager's Report
2. Public Comment
3. Consent Agenda
 - A. Approve the September 2, 2021 meeting minutes
4. Business Agenda
 - A. Adopt MPE_1.3 Resolution of Need
 - B. Adopt PLM_1.3 Supplemental Resolution of Need (third supplemental)
 - C. Adopt WCLUT Master Coordination IGA Amendment 1
5. Information Items
 - A. Planned November Business Agenda items

4

2

REVIEW APPROVALS AND PROCUREMENTS FORECAST

5

5

5

Approvals and Procurement Forecast for September 2021 – November 2021

Program Baseline or Related Plans

Description	Program Director	WWSS Management Committee	WWSS Commission Board
WWSP Annual Baseline or Related Plans	NA	NA	NA

6

6

6

3

Approvals and Procurement Forecast for September 2021 – November 2021

Real Estate

Description	Program Director	WWSS Management Committee	WWSS Commission Board
PLW_1.3 Resolution of Need (3 rd supplemental)	NA	8/19/2021	9/2/2021
PLM_1.3 Resolution of Need (2 nd supplemental)	NA	8/19/2021	9/2/2021
MPE_1.3 Resolution of Need	NA	9/23/2021	10/7/2021
PLM_1.3 Resolution of Need (3 rd supplemental)	NA	9/23/2021	10/7/2021
PLM_1.3 Resolution of Need (4 th supplemental)	NA	10/21/2021	11/4/2021

Approvals and Procurement Forecast for September 2021 – November 2021

IGAs, MOUs, Permit Commitments

Metro and City of Hillsboro

- Settlement Agreement For Easement Through the Orenco Woods Nature Park (May)

City of Sherwood

- DCS_1.0 Broadband Services IGA (April)

Bonneville Power Administration

- PLM_1.3 Reimbursement Agreement (June)

Washington County Land Use & Trans

- PLW_1.2 Construction IGA (September)
- Master Coordination IGA Amendment 1 (October)
- RES_1.0 Grabhorn Road Realignment IGA (November)
- PLM_4.4 Construction IGA (November)
- PLM_4.2 Construction IGA (February)

City of Wilsonville

- PLM_1.0 Ground Lease Amendment 1 (September)

Approvals and Procurement Forecast for September 2021 – November 2021

Contracts

Title	Goal	Value	Key Dates
--	--	--	--

9

Approvals and Procurement Forecast for September 2021 – November 2021

Contract Amendments and Change Orders*

Title	Goal	Value	Key Dates
RES_1.0/PLM_5.3 GMP for Pipeline Materials	Secure pipe, valves, and vaults to construct RES_1.0 and PLM_5.3	\$19.05M	WWSS Board Approval: 9/2/2021
RES_1.0/PLM_5.3 GMP for Construction	Construct RES_1.0 and PLM_5.3	\$103.8M est.	WWSS Board Approval: 1/6/2021

*having values higher than the Program Director's authority

10

5

Approvals and Procurement Forecast for September 2021 – November 2021

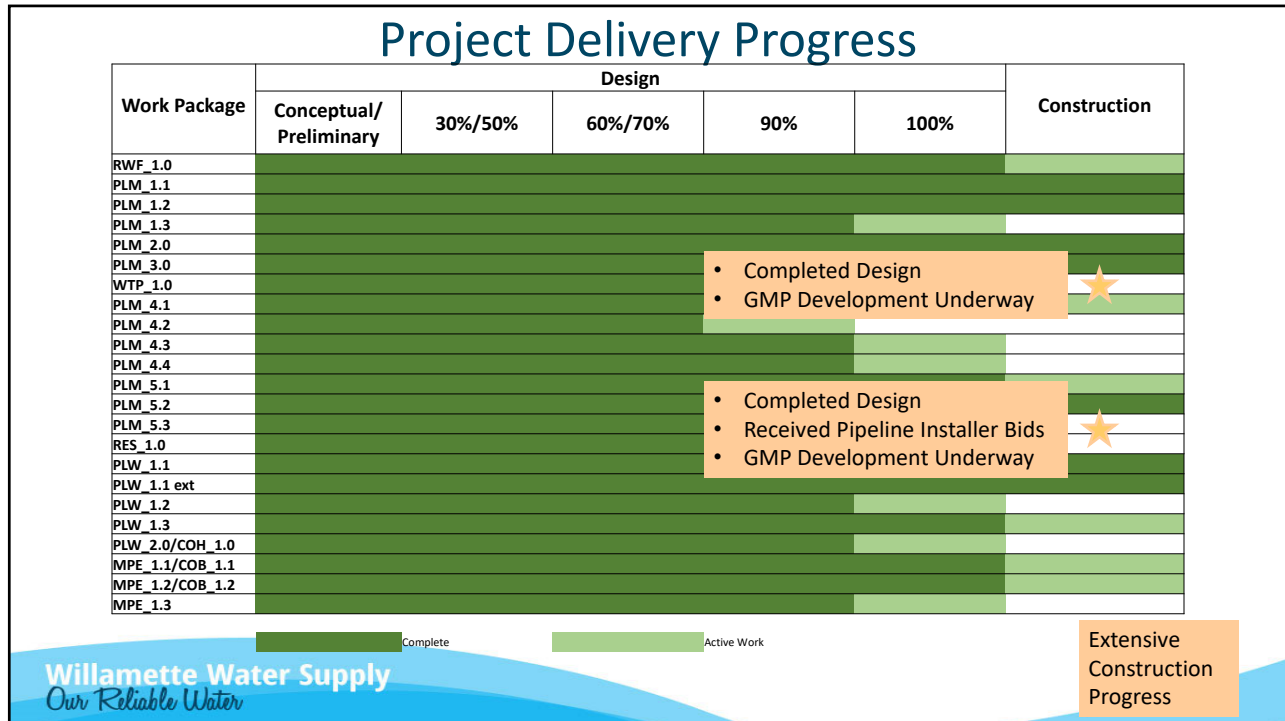
Local Contract Review Board Rule Exemption

Title	WWSS Management Committee Approval	WWSS Board Informational Item	WWSS Board Consider Approval
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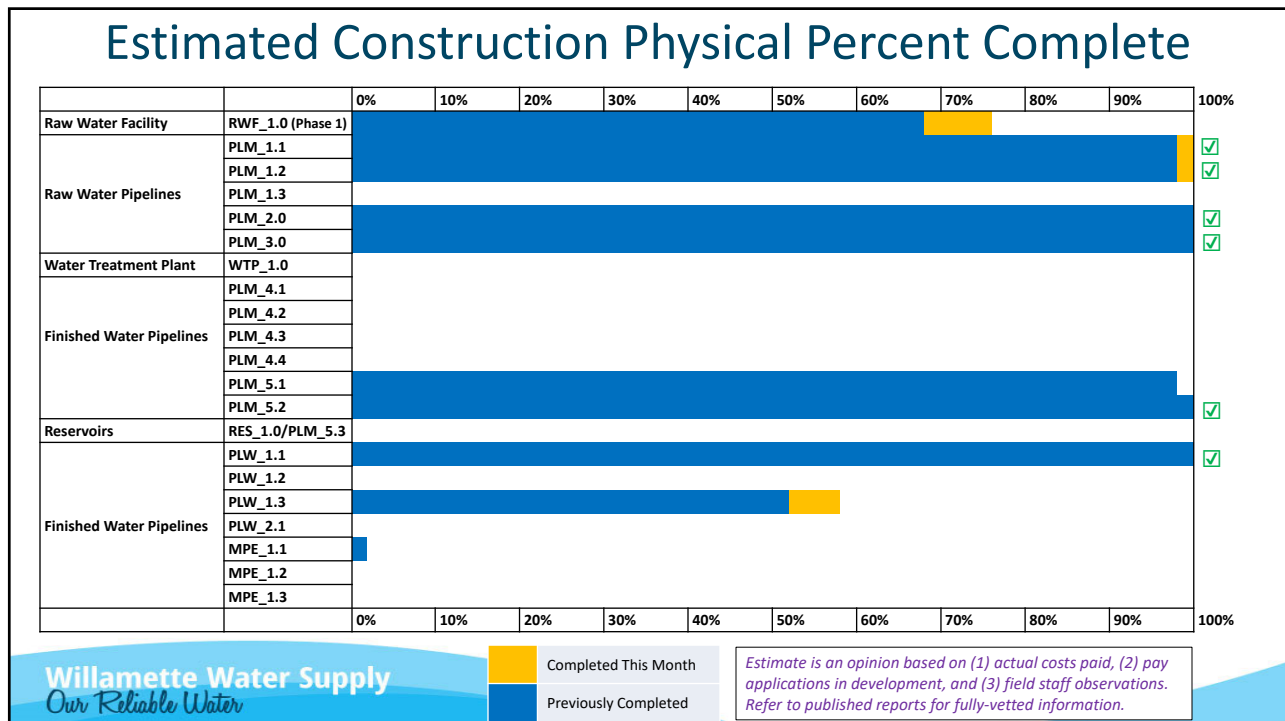
11

UPDATE ON WWSP ACTIVITIES

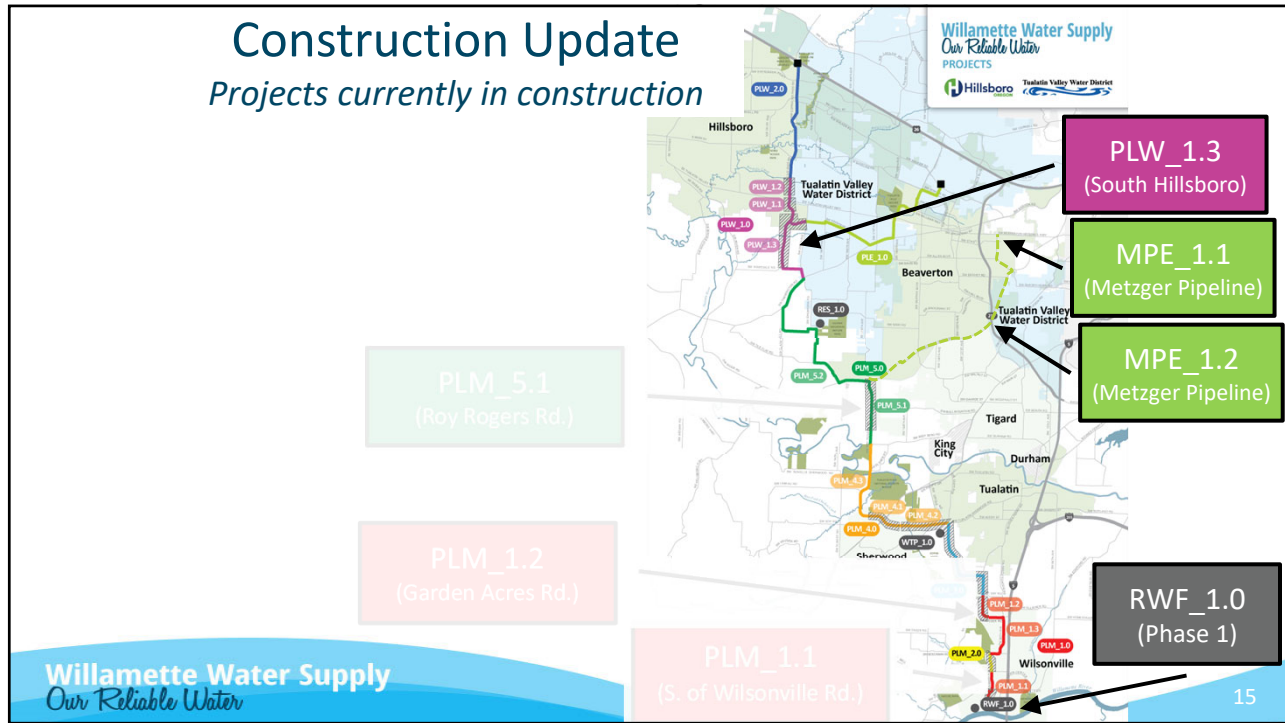
12



13



14



15

RWF_1.0

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

Current and Planned Activities:

- Continued backfill around vertical pipe in both tunnel shafts.
- Continued 66" pipe installation.
- Completed installation of electrical duct bank and vaults through park area.
- Continued structural seismic modifications work on the roof and walls of the RWPS.
- Constructed air burst air receiver tank slab.
- Continued work on 24" bypass piping, PRV, orifice plate, and vault near the raw water caisson.
- Mobilized barge and equipment for start of in-water work.

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Our Reliable Water

16

16

Construction Photos – RWF_1.0

In-water work:
protection piles,
catchment fence,
screen replacement,
and intake
modifications



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17

17

Construction Photos – RWF_1.0

New fish screens
delivered to site



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18

18

Construction Photos – RWF_1.0

Multiple vaults at south end of Raw Water Pump Station, and seismic modifications work south side



Construction Photos – RWF_1.0

Installing rebar for Raw Water Pump Station seismic modifications grade beam



Construction Photos – RWF_1.0

Raw Water Pump Station seismic modifications on roof, air burst receiver tank slab, 24" bypass line



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21

21

Construction Photos – RWF_1.0

66" Raw Water pipeline progress through the "pinch point"



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22

22

Construction Photos – RWF_1.0

66" RW pipeline progress through Upper Site – flow meter vault to surge tank slab



23

Construction Photos – RWF_1.0

Flow meter vault at Upper Site



24

Construction Photos – RWF_1.0

Riser pipe
installation using
two-crane pick



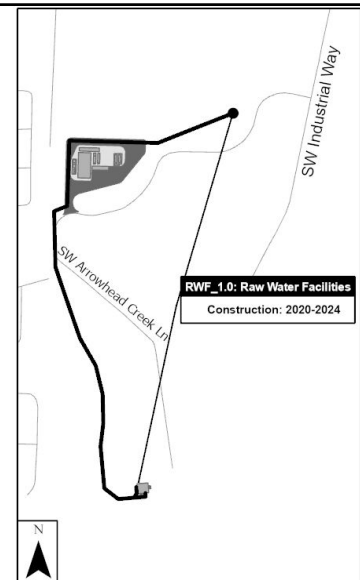
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25

25

RWF_1.0 Notable Topics

- External Coordination
 - Coordinating WRWTP shutdowns for in-water work with Veolia Operations staff
 - Continued coordinating with 5th & Kinsman Road Project
- Potential Claims
 - Differing site condition notice from Condon-Johnson on soil properties at deep soil mixing and jet grouting areas. Mediation scheduled for November.
- Delivery Challenges
 - Raw Water Pump Station seismic modifications conflict



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Our Reliable Water

26

26

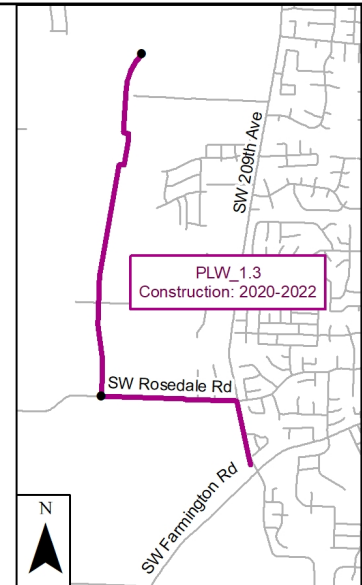
13

PLW_1.3

Contractor: Tapani, Inc.
Designer: Kennedy/Jenks

Current and Planned Activities:

- Continue 66-inch open cut pipe installation (approx. 1,800 LF installed)
- Completed carrier pipe in tunnel and annular space grouting
- Beginning installation of vertical pipe sections in tunnel shafts
- Completed corrective work on 30" pipe in Rosedale Rd.



27

Construction Photos – PLW_1.3

66-inch pipe
installation



28

Construction Photos – PLW_1.3

Trench compaction with remote operated compactor



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29

29

Construction Photos – PLW_1.3

66-inch carrier pipe installation at tunnel



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30

30

15

Construction Photos – PLW_1.3

Looking South: 66-inch pipe installation near Murphy Lane



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31

31

Construction Photos – PLW_1.3

Top of vertical pipe in North tunnel shaft



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32

32

Construction Photos – PLW_1.3

Air valve vent piping installation for 30" turnout pipe on Rosedale Rd.



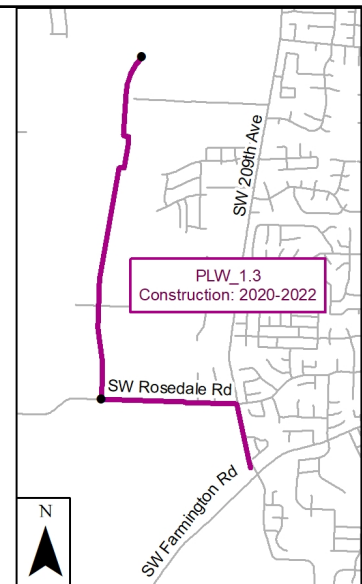
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33

33

PLW_1.3 Notable Topics

- External Coordination
 - Threat assessment team coordination
 - Coordinating work areas with COH and developers
- Potential Claims
 - None
- Delivery Challenges
 - None



Willamette Water Supply
Our Reliable Water

34

34

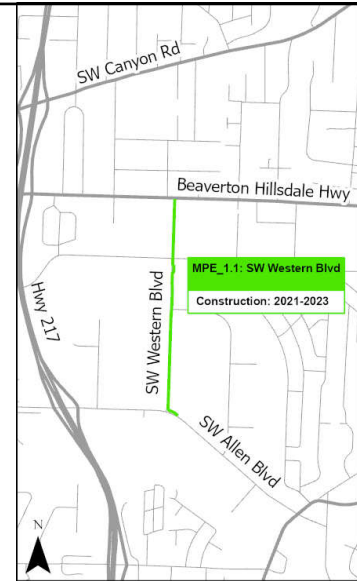
17

MPE_1.1

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

Current and Planned Activities:

- Tree removal and ROW clearing
- Sidewalk embankment grading
- Temporary pedestrian and traffic control
- Franchise utility trench coordination and installation
- WWSP submittals and RFIs



35

Construction Photos – MPE_1.1

Franchise utility
 installation in joint
 utility trench



36

Construction Photos – MPE_1.1

Bore pit for trenchless relocation and/or installation of franchise utilities



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37

37

Construction Photos – MPE_1.1

Joint utility trench work



Willamette Water Supply
Our Reliable Water

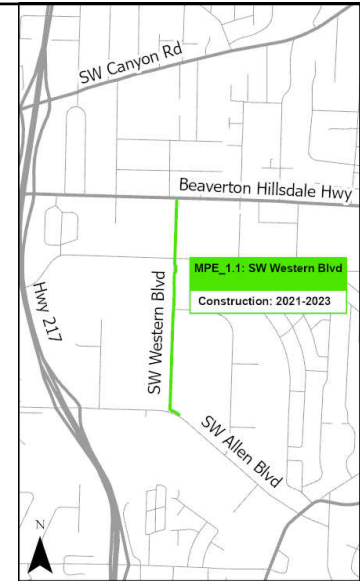
38

38

19

MPE_1.1 Notable Topics

- Partner Coordination
 - Ongoing coordination with City of Beaverton
- Potential Claims
 - None
- Delivery Challenges
 - Steel pipe and valve delivery schedule
 - Coordination with constraint for WCSL tie-in



39

MPE_1.2

Contractor: Emery & Sons
Designer: Brown & Caldwell

Current and Planned Activities:

- Submittals and RFIs
- Staging areas procured by WWSP
- Mobilization anticipated in October



40

20

MPE_1.2 Notable Topics

- External Coordination
 - No issues
- Potential Claims
 - None
- Delivery Challenges
 - None



QUESTIONS

Revisions to Board Policies

Clark Balfour
Legal Counsel

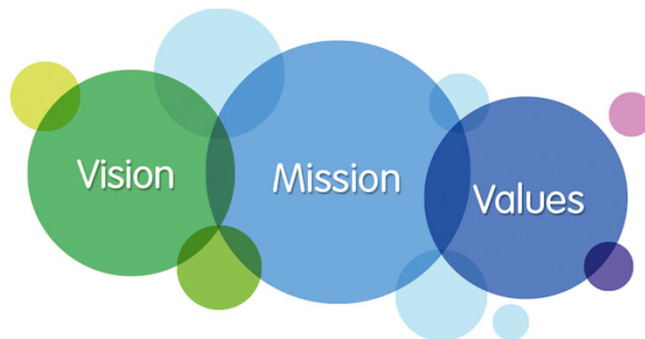
Tualatin Valley Water District

Delivering the Best Water  Service  Value

43

Chapter 1 – Vision, Mission and Values

- No changes
- Update will coincide with Districtwide Vision, Mission and Values refresh



Delivering the Best Water  Service  Value

44

44

22

Chapter 2 – Powers, Responsibilities and Conduct

- Consider aligning Willamette Water Supply Program (WWSP) Management Authority Matrix approval thresholds with CEO approval thresholds.
- Current language: “Real estate transactions greater than \$50,000 shall be subject to approval by the Board. The CEO has approval authority equal to or less than \$50,000.”
- **Decision point:** Consider raising the amount to \$150,000 to match the WWSP Management Authority Matrix.
- If approved, this would also require a change to Board Policies Chapter 5 and the CEO contract.



45

Chapter 3 – Officers

- No suggested changes. Staff checked statutory language references to “Board President” versus considering changing the title to “Board Chair”. The statute refers specifically to “President”, “Secretary” and “Treasurer”.



46

Chapter 4 – Policy Creation, Amendment and Suspension

- No suggested changes

47

Chapter 5 – Chief Executive Officer

- **Decision point:** Add language to CEO authority section “The execution and administration of District policies **and programs** within budget appropriations according to District policy and pursuant to ordinance or resolution”
- **Decision point:** Consider changing the CEO evaluation process to specify the use of a third-party evaluator as facilitator.
- If approved, changes will trigger updates to the CEO contract.

48

24

Chapter 6 – Communication

- Updated language to reflect the presence of internal legal counsel.



Chapter 7 – Education, Events and Reimbursement

- Added language that “the District supports education opportunities for Commissioners”.
- **Decision point:** Consider allowing attendance at another national conference other than the American Water Works Association (AWWA) annual conference each year without triggering additional Board approval.
- Added a reminder statement that no compensation is received for budget-related meetings.
- Added a statement giving Commissioners the discretion to claim or forego reimbursement for meetings.
- Added language to reflect Resolution 02-14 where a Commissioner who wants to report on a meeting but not claim reimbursement automatically redirects funds to the Customer Emergency Assistance Program.

Chapter 8 – Board Meeting Agenda and Preparation

- Added language making explicit the Board’s ability to change the order of meeting proceedings.
- Added a requirement that any electronically received executive session materials must be deleted by the end of the executive session. Reminders will be provided at the beginning and end of each executive session.



51

Chapter 9 – Board Meeting Procedures

- Added language allowing the Board President to delegate to staff the authority of muting or removing individuals who disrupt a virtual or hybrid meeting.
- Added the contents of the District’s Parliamentary Procedures document (previously provided to new Commissioners during orientation).
- Added language reflecting House Bill 2560 regarding public participation in virtual or hybrid public meetings.



52

Chapter 10 – Board Communication Devices

- Added language to reflect the potential for existence of public records on a personal device.
- Added language regarding the level of IT support expected for Commissioners' personal devices in use for District business.



53

Chapter 11 – Annexation, Merger and Consolidation

- Added language regarding fulfilling financial obligations before disposing of assets



54

27



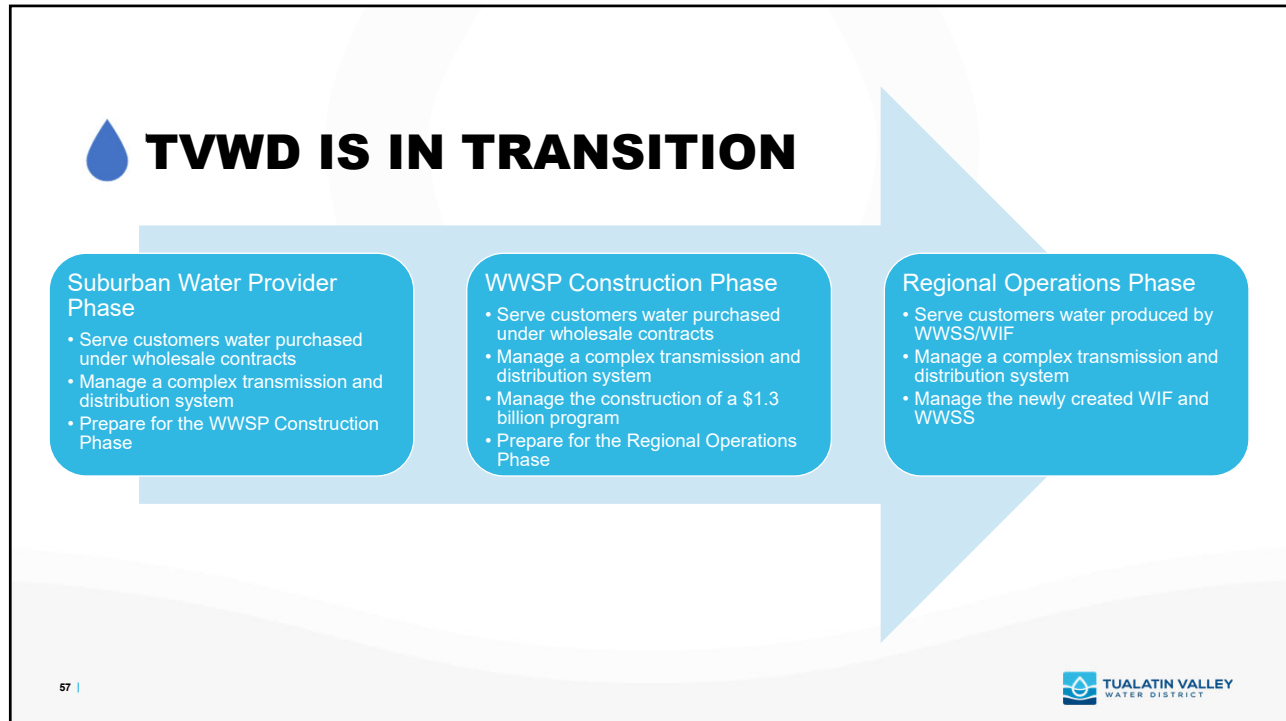
55

AGENDA

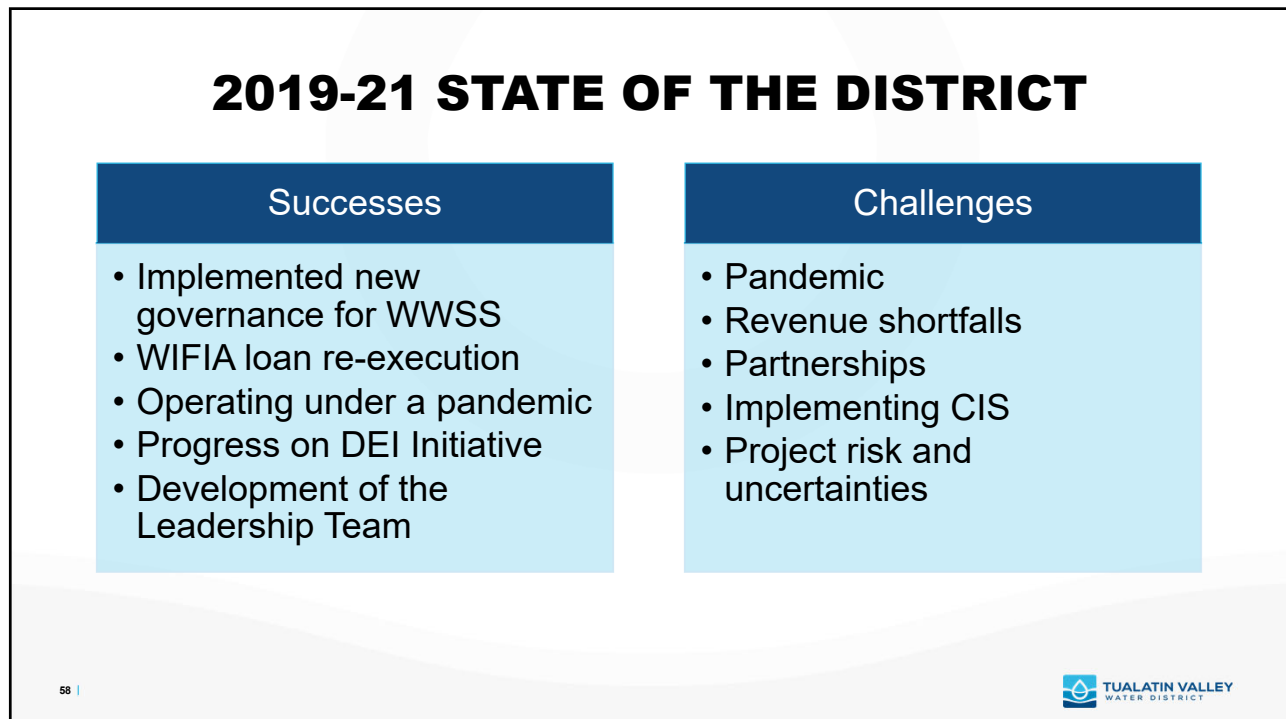
- TVWD in Transition: where we began and where we're going
- 2019-21 financial situation
- Status of 2019-21 strategic initiatives
- Strategic planning process for 2021-23 biennium
- Overview of 2021-23 strategic initiatives
- District project schedule for 2021-23

56 |

56



57



58

29

FINANCIAL CHALLENGES AND CHANGES TO CLOSE THE 2019-21 BIENNIUM

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* Adjustments to CIP*

59 | *CEO Goals for 2020

59

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)

Note: District's desired results were adopted by the Board of Commissioners in December 2012.

60 |

60

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	✓	✓	✓		✓

61 |



61

STATUS UPDATE ON 2019-21 STRATEGIC INITIATIVES

#	Description	Status	Status
1	Program for Management and Operation of the Willamette Water Supply System	G	●
2	Debt Program	C	✓
3	Strategic Communications Program	Y	●
4	Develop and Implement CIS	Y	●
5	District Resiliency Program	C	✓
6	Human Capital Strategy	C	✓

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

62 |



62

31

MAJOR THEMES FROM SWOT ANALYSIS

Human Investment	Intergovernmental Relations	Business Intelligence	Efficiency Through Modernization	Current Initiatives
<ul style="list-style-type: none"> Prepare staff for success in meeting future requirements of the District. 	<ul style="list-style-type: none"> Improve relations with neighboring governments and 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.

2021-23 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	✓	✓	✓	✓	✓

1 MISSION, VISION, AND VALUES

Objectives

- Develop District-wide buy-in for our mission, vision, and values
- Integrate 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

65 |



65

2 CONDUCT CLASS AND COMPENSATION STUDY

Objective

- Prepare workforce for transition to managing agency/operator of the WWSS and WIF
- Modernize compensation structure to better align with current market

Key Elements

- Assess TVWD's compensation structure against current needs
- Identify job class/compensation challenges in the modern labor market
- Prepare an implementation and change management plan

66 |



66

33

3 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

67 |



67

4 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

68 |



68

34

5 MODERNIZATION

Objectives

- Reduce costs of maintaining or improving customer service levels
- Align efforts with activities that provide greatest return to customers
- Manage risks

Key Elements

- Develop AMI strategy
- Develop/implement project management center
- Mature asset management strategy

69 |

69

6 COMPLETE EXISTING INITIATIVES

Objectives

- Successfully complete initiatives carried 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

70 |

70

35

DISTRICT PROJECT LIST & SCHEDULE

#	Project	Lead	Started?	Estimated		2021				2022								2023							
				Start	End	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	WWSP	Dave	Yes	--	Jun '26																				
2	Cumulus (CIS)	Andrew	Yes	Sep '21	May '22																				
3	Board Room Tech Refresh	Carrie	Yes	Aug '21	Feb '22																				
4	SCADA Master Plan Implementation	Pete	Yes	Sep '21	Jun '25																				
5	Asset Management	Matt	Yes	Aug '21	Jun '22																				
6	Mission, Vision, Values, and Strategic Plan	Paul	Yes	Aug '21	Sep '22																				
7	SDC Study	Paul	Yes	Aug '21	Jun '22																				
8	Migrate SharePoint to SharePoint Online	Tim	Yes	Sep '21	Jun '23																				
9	Facilities Master Plan	Matt	Yes	Sep '21	Jun '22																				
10	Lead Service Lines (Eng Add 6)	Joel	Yes	Sep '21	Sep '24																				
11	WWSS/WIF Financial Procedures	Paul	Yes	Sep '21	May '22																				
12	Branding (CS Add 4)	Andrea	Yes	Jul '19	Dec '21																				
13	Fleet Telematics (Eng Add 5)	Matt	Yes	Sep '21	Mar '22																				
14	ESRI Master Plan	Matt	No	Oct '21	Mar '22																				
15	Implement DEI (Admin Add 5)	Amy	No	Nov '21	Nov '22																				
16	AMI Planning (CS Add 2)	Steve	No	Nov '21	Apr '22																				
17	Customer Survey (CS Add 3)	Andrea	No	Nov '21	Jun '22																				
18	Class/Comp Study	Amy	No	Jan '22	Nov '22																				
19	Rate Study (Fin Add 1)	Joe	No	Jan '22	Jun '23																				
20	ESRI Utility Network Implementation	Matt	No	Mar '22	Jun '24																				
21	Data Warehouse (IT Add 1)	Tim	No	Jul '22	Dec '22																				
22	Dashboards / BI Reporting (IT Add 2)	Tim	No	Oct '22	Jun '25																				
23	Storeroom in Cityworks	Justin	No	Sep '21	Apr '22																				
24	Project Management	Nick	Yes	Jul '21	Jun '23																				
25	Grant Projects	Tom	Yes	Sep '21	Jun '23																				

Note: Projects in bold font are new for the 2021-23 biennium.



GOALS FOR CEO IN 2021

- Maintain good relationship with partners
 - Significant improvement with Beaverton and Hillsboro partnership. Better and more frequent communications.
- Meeting budget objectives while addressing financial challenges
 - Major adjustments to WWSS projects to address financial challenges for TVWD and partners.
 - Address critical issues while setting the District up for future by strategically investing in modernization in new budget.
- Addressing Beaverton's boundary changes
 - Have made improvements in understanding but much work remains.
 - City Management and political structure changes have created new opportunities.
 - This is a political decision by Beaverton elected officials.
 - We have had many discussions at a staff level to address challenges.
- Reintegration plan of WWSP staff
 - This work has begun and will continue to ensure a smooth transition.



Tualatin Valley Water District



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Tualatin Valley Water District



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To: Board of Commissioners

From: Amy Blue, Human Resources Director

Date: October 20, 2021

Subject: Consideration of Additional Holidays

Requested Board Action:

Consider approving the addition of Juneteenth and one floating holiday as an employee benefit starting in 2022.

Key Concepts:

- The Oregon Legislature created a state holiday for Juneteenth.
- Various options have been discussed by staff.
- The Board expressed interest in approving Juneteenth and one floating holiday during the October 5 work session.

Background:

On June 17, 2021, the President signed the Juneteenth National Independence Day Act which commemorates the end of slavery in the United States. The Oregon Legislature has also approved making Juneteenth a state holiday, extending the benefit to state employees. Other local public agencies have also added June 19th as an observed holiday.

TVWD has an existing holiday schedule recognizing 10 holidays where the office is closed. Staff needs direction from the Board regarding addition of Juneteenth as a recognized holiday, commencing in June 2022.

A related question is whether there should be an additional personal holiday for employees where important days are not on the recognized holiday list. The personal holiday can be considered a personal day off and may be used to celebrate one's birthday, anniversary, other religious holiday, etc.

TVWD offices are closed to the public on those 10 observed holidays. Adding the Juneteenth holiday and one personal holiday would be an additional benefit to TVWD employees for a total of 12 paid holidays and the District offices would be closed to the public on June 19th annually.

The Board indicated at the October 5 work session that it is in favor of adding Juneteenth and one personal holiday.

Budget Impact:

The Juneteenth office closure and the addition of one personal holiday may result in additional overtime and callback time. Due to the unpredictable nature of callback events, it is difficult to estimate the financial impact. Given the District's current positive variance in personnel services, we anticipate being able to absorb these costs without increasing the budgeted appropriations.

Staff Contact Information:

Tom Hickmann, PE; Chief Executive Officer; 503-848-3027; tom.hickmann@tvwd.org
Amy Blue; Human Resources Director; 503-848-3015; amy.blue@tvwd.org

Attachments:

None

Management Staff Initials:

Chief Executive Officer	<i>TRH</i>	Customer Service Manager	N/A
Chief Engineer	N/A	IT Services Director	N/A
Chief Financial Officer	N/A	Human Resources Director	<i>AB</i>
General Counsel	<i>CB</i>	Water Supply Program Director	N/A

Tualatin Valley Water District



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To: Board of Commissioners

From: Tom Hickmann, Chief Executive Officer

Date: October 20, 2021

Subject: Resolution Approving the Application for WaterSMART: Water and Energy Efficiency Grants through the Bureau of Reclamation for Fiscal Year 2022

Requested Action:

Consider adopting a resolution approving the application for grant funds through the Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grants for Fiscal Year 2022.

Key Concepts:

- The United States Bureau of Reclamation (BOR) administers the WaterSMART: Water and Energy Efficiency grant program (WaterSMART) and has available funds for the 2022 fiscal year.
- The grant application procedures require a resolution from the governing body certifying approval of the application along with acknowledgements and other commitments as precondition of submission of the application.
- This grant presents an opportunity to obtain funding for the TVWD Advanced Metering Infrastructure (AMI) Project which is one of the Board-approved District initiatives.
- Passage of the proposed resolution will be a critical step in making the grant application to BOR.

Background:

The Board has previously approved the AMI Project as part of the District Initiatives. The timing of implementation is uncertain as it depends on competing budget resources. Staff became aware of available grant funding for the WaterSMART program administered by the BOR that could provide funding in fiscal year 2022. Staff will likely submit two applications as BOR will award projects in two funding groups.

- Funding Group I: Up to \$500,000 in federal funds provided through this funding opportunity will be available for smaller on-the-ground projects to be completed within two years.
- Funding Group II: Up to \$2,000,000 in federal funds will be available for larger, phased on-the-ground projects that may take up to three years to complete.

The application process requires submission of a detailed application. One of the requirements is a resolution adopted by the Board of Commissioners prior to the submission of the grant application. The proposed resolution approves filing of the application and signifies to BOR that the governing body of the District is willing to enter into the grant agreement if the application is approved and commits to compliance with all conditions and requirements. Finally, it authorizes the CEO to prepare, submit and execute all documents to effectuate the grant if approved and awarded by BOR. This grant, if awarded,

Resolution Approving the Application for WaterSMART: Water and Energy Efficiency Grants through the Bureau of Reclamation for Fiscal Year 2022

will enable the District to implement AMI sooner than currently anticipated for the benefit of all District water system users.

Budget Impact:

There is no budget impact at this time; however, if successful, the grant would reduce the District's costs of implementing the AMI Project.

Staff Contact Information:

Steve Carper; Conservation Technician; 503-848-3064; steve.carper@tvwd.org
Tom Hickmann; Chief Executive Officer; 503-848-3088; tom.hickmann@tvwd.org

Attachments:

Proposed resolution

Management Staff Initials:

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

Tualatin Valley Water District



Delivering the Best Water Service Value

RESOLUTION NO. 11-21

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF TUALATIN VALLEY WATER DISTRICT, OREGON, APPROVING THE APPLICATION FOR GRANT FUNDS THROUGH THE BUREAU OF RECLAMATION FOR THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2022.

WHEREAS, the United States Department of Interior, Bureau of Reclamation has provided funds for the program shown above; and

WHEREAS, the Bureau of Reclamation has been delegated the responsibility for the administration of this grant program, establishing necessary procedures; and

WHEREAS, said procedures established by the Bureau of Reclamation require a resolution certifying the approval of application(s) by the applicant's governing board before submission of said application(s) to the federal government; and

WHEREAS, the Board of Commissioners of Tualatin Valley Water District, if selected, will enter into an agreement with the federal government to carry out the project.

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

Section 1: The District approves the filing of an application through the Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grants for Calendar Year 2022 for the "TVWD Advanced Metering Infrastructure Project."

Section 2: District staff certifies that Tualatin Valley Water District, as the applicant, understands the assurances and certifications in the application.

Section 3: District staff certifies that Tualatin Valley Water District will have sufficient funds to operate and maintain the project consistent with grant requirements or will secure the resources to do so.

Section 4: District staff certifies that the project will comply with any laws and regulations including, but not limited to, legal requirements for building codes, health and safety codes, disabled access laws, environmental laws and, that prior to commencement of construction, all applicable permits will have been obtained.

Section 5: The Board of Commissioners appoints the CEO, or designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payments requests and so on, which may be necessary for the completion of the aforementioned project.

Approved and adopted at a regular meeting held on the 20th day of October 2021.

Todd Sanders, 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: Clark Balfour, General Counsel

Date: October 20, 2021

Subject: Resolution Adopting Revised Policies of the Board of Commissioners

Requested Action:

Consider adopting a resolution adopting revised policies of the Board of Commissioners.

Key Concepts:

- Board Policies are periodically reviewed.
- A Board subcommittee reviewed the Board Policies and recommended changes set forth in the resolution attached hereto.
- The Board reviewed the proposed revisions at the October 5, 2021, work session.

Background:

The Board Policies were last revised in February 2019. The Policies are periodically reviewed by a Board subcommittee and staff. The current Board subcommittee, comprised of Commissioners Bagnall and Duggan, reviewed the Policies in a two-part process. The draft resolution provides for adoption of the proposed revisions in a redline version. The revisions were discussed at the October 5, 2021, work session and they are now ready for adoption.

Some revisions are clarifications to the existing policies regarding Board conferences and travel and disposition of executive session materials. New provisions include direction that declined meeting fees will be allocated to the Customer Emergency Assistance Fund; virtual attendance at meetings required by recent statutory amendments; incorporating the Board's separately adopted parliamentary procedures into the Board Policies so they reside with the Board Policies regarding meetings; and IT support expectations for electronic devices used by the Board in the conduct of District business.

Budget Impact:

There is no budget impact.

Staff Contact Information:

Clark Balfour; General Counsel; 503-848-3061; clark.balfour@tvwd.org

Attachments:

Proposed resolution
Board Policies – redline

Management Staff Initials:

Chief Executive Officer	ARH	Customer Service Manager	AC
Chief Engineer	CEP	IT Services Director	TB
Chief Financial Officer	PSM	Human Resources Director	AB
General Counsel	CS	Water Supply Program Director	TS



RESOLUTION NO. 12-21

A RESOLUTION ADOPTING REVISED POLICIES OF THE BOARD OF COMMISSIONERS.

WHEREAS, the Board of Commissioners (Board) has adopted Board Policies regarding the organization and conduct of Board proceedings and business; and

WHEREAS, the Board has periodically amended the Board Polices following review and recommendation by a subcommittee of the Board; and

WHEREAS, the Board reviewed the latest recommendations of the subcommittee at the work session on October 5, 2021, which are now attached to this Resolution as Exhibit A; and being fully advised.

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

Section 1: The Board Policies and revisions thereto attached hereto as Exhibit A and incorporated by reference, are hereby adopted.

Section 2: District staff is directed to incorporate the revisions into the Board Policies and perform other actions necessary to publish and implement the revisions.

Approved and adopted at a regular meeting held on the 20th day of October 2021.

Todd Sanders, President

Jim Doane, Secretary

Chapter 2 - Powers, Responsibilities and Conduct

The fundamental powers of the Board are set forth in Oregon Revised Statutes. The Board functions as a body, and individual Commissioners have no authority to act on the Board's behalf unless authorized by the majority of the Board.

1. District Oversight

- a. The Board will establish policy, organizational goals and objectives and provide the financial means to implement each.
- b. The Board will select a Chief Executive Officer, reserving all authority and responsibility not otherwise assigned to the CEO or others. The Board delegates to the CEO the responsibility of management of District operations and personnel as well as implementing Board policies. No Commissioner may direct the actions of individual staff members.
- c. The Board acts as the Local Contract Review Board for the District.
- d. The Board, along with five citizen members, serves on the Budget Committee for the District.
- e. The Board approves the selection of the independent external auditor, as determined through a request for proposals issued by the CEO.

2. Actions

- a. The Board establishes law by adopting ordinances. The majority of the ordinances adopted by the Board concern the District's Rules and Regulations, but the Board may adopt other ordinances regarding District operations.
- b. The Board exercises its administrative authority by adopting resolutions. Resolutions generally deal with matters of a special or temporary nature and can include establishing policies, setting fees, entering into intergovernmental agreements or considering real property transactions.
 - Real estate transactions greater than \$150,000 shall be subject to approval by the Board. The CEO has approval authority equal to or less than \$150,000.
 - All non-routine intergovernmental agreements and intergovernmental agreements related to routine joint improvement projects that cost greater than \$500,000 shall be subject to approval by the Board. The CEO has approval authority equal to or less

than \$500,000 unless the joint improvement project generates multiple agreements that taken together cost more than \$500,000.

- c. The Board can take action by motion or consensus without adopting an ordinance or a resolution. Such actions are in conformance with previously adopted ordinances and resolutions or operate within existing rules and policies and can include approving programs or making appointments.

3. Committees

- a. The Board may approve the creation of advisory committees as needed, outlining the purpose, duties and responsibilities of each committee at the time of creation.
- b. The Board will approve the appointments of all Commissioner or citizen members of each committee.
- c. All quorums of the Board and Board-appointed citizen advisory committees for the purpose of discussing District business will be considered public meetings, unless designated as executive sessions under public meetings law, and written minutes or meeting summaries will be considered public records.

4. Conduct

The Board recognizes that the manner in which Commissioners conduct themselves at all times has an impact on the community, the District and its employees. Commissioners are expected to:

- Maintain and cultivate positive relationships with the community, staff and agency partners;
- Set an example of ethical conduct;
- Distinguish between personal views and those of the District to avoid misrepresentation of the District;
- Refrain from disseminating or disclosing confidential, proprietary or sensitive information received in a Commissioner's official capacity; and
- Practice civility, professionalism and decorum in all discussions and debate.

5. Attendance

Commissioners are expected to attend all public Board-related meetings where District business is conducted having reviewed all meeting materials in advance. Following an absence, Commissioners are encouraged to contact the Board President and/or CEO to obtain a briefing

on meeting topics. Absence from meetings without prior notice, except in cases of emergency or illness, may result in censure.

6. Censure

- a. If a Commissioner substantially violates Board policy or state law, the Board may take action to protect Board integrity and may discipline the Commissioner with a public reprimand. Before issuing a reprimand, the Board must plainly state any concerns in writing or in an open public meeting, and the Commissioner must have a reasonable opportunity to respond. The Board may then investigate the actions of any Commissioner and meet in executive session to discuss any finding that reasonable grounds exist that a substantial violation has occurred. Under ORS 192.660(2)(b), the Commissioner under investigation may request an open hearing.
- b. Potential sanctions that may be imposed by the Board include:
 - Curtailment of District-paid conference or event attendance
 - Limitation on serving as a District representative on committees or other intergovernmental agencies or community groups
 - Removal from the office of Board President
 - Ineligibility to serve as Board President for a designated period of time

Chapter 3 – Officers

New Commissioners will have the opportunity to participate in a comprehensive orientation program led by the Chief Executive Officer.

The Board will approve annual appointments to the following positions at the first regular meeting of July.

1. President

- a. The President will review Board meeting agendas with the CEO prior to their finalization. The President will preside at all meetings and have the right to make motions, contribute to discussions and vote on any item. The President has the ability to call special meetings. The President serves as the Budget Committee chair pro tem until another committee member is selected as chair.
- b. The President will make committee appointments, subject to the approval of the majority of the Board.
- c. The President will sign ordinances, resolutions, minutes and other official and ceremonial Board documents on behalf of the Board. The CEO will sign all other Board-authorized documents.
- d. The President will represent the Board in deliberations with other boards, districts or agencies or assign an alternate Commissioner if necessary.
- e. No Commissioner may serve more than three consecutive one-year terms as President. If officer assignments change midyear, any period served in excess of six months will be considered a term.

2. Vice President

In the absence of the President, the Vice President will perform the duties and have the rights and obligations of the President.

3. Treasurer

The Treasurer will serve as Board liaison with staff on questions regarding financial policies. In the absence of both the President and Vice President, the Treasurer will perform the duties and have the rights and obligations of the President.

4. Secretary

The Secretary will countersign all ordinances, resolutions, minutes and other applicable official and ceremonial Board documents signed by the President.

5. Acting Secretary

In the absence of the Secretary, the Acting Secretary will countersign all ordinances, resolutions, minutes and other applicable official and ceremonial Board documents signed by the President.

Chapter 4 – Policy Creation, Amendment and Suspension

Proposals to create, amend or suspend a policy may be proposed by any Commissioner and will be reviewed by the Chief Executive Officer prior to Board consideration for action. All policy-related Board actions will be made by resolution.

The CEO must clearly state any known policy and budget implications when requesting Board action on an item.

1. Creation

- a. The Board will adopt written policies both to govern Board and District operations.
- b. The Board delegates the responsibility of approving administrative and personnel policies to the CEO. In the absence of written Board policy, the CEO will make decisions necessary for District operations.
- c. The Board may authorize reports and studies deemed necessary to monitor the execution of policies.

2. Amendment

The Board will review the policies governing Board operations on an annual basis. Any proposed amendments to Board policy will take place at a regular meeting.

3. Suspension

The Board may suspend or terminate any policy upon approval by a majority of the Board. Any policy found to be in conflict with state or federal law or the rules and regulations of a higher authority is automatically null and void without Board action. Staff will advise the Board of any such nullification.

Chapter 5 – Chief Executive Officer

The Board delegates to the CEO the responsibility of management of District operations and personnel as well as implementing Board policies. The Board reserves sole policy-making authority and exclusive control over entering into the majority of intergovernmental agreements as well as governing fiscal policy, budget and financial matters.

The CEO shall be bound by and administer the affairs of the District in accordance with state law and all the rules, regulations and policies now in existence or hereafter adopted by the Board.

1. Authority

The authority of the CEO shall include, but not be limited to:

- a. Functioning as the District's registered agent
- b. Overall management, administration and direction of District operations, functions, activities and programs
- c. The hiring, supervising, disciplining and discharging of District employees and volunteers necessary to carry out the business of the District
- d. The administration of employee retirement and benefits, including serving as trustee and overseeing the investment of funds
- e. The supervision of acquisition, maintenance, upkeep and sale of any facilities and equipment owned or maintained by the District
- f. The keeping and maintaining of proper fiscal records for the District and overseeing all banking and financial matters, investments, payments of obligations and debt
- g. Functioning as the District's public contracting officer
- h. The execution and administration of District policies [and programs](#) within budget appropriations according to District policy and pursuant to ordinance or resolution
- i. The awarding of contracts according to the District Local Contract Review Board Rules
- j. The execution of memoranda of understanding

- k. The giving of policy advice to the Board and open communication with the community so as to foster responsive and courteous public service
- l. The encouragement, but not requirement, to provide assistance or services to other units of government when within the District's purposes and objectives to the extent reasonable and practical
- m. Approving real estate transactions equal to or less than \$150,000
- n. Approving routine joint improvement intergovernmental agreements that cost equal to or less than \$500,000

2. Selection

The Board will facilitate the transfer of CEO command at least six months in advance, when possible, of a planned vacancy. The Board will consider the following:

- a. The timeline for the selection process
- b. The process for recruitment and selection
- c. The desired management skills, leadership characteristics, education and experience
- d. An analysis of internal and external compensation factors
- e. Obtaining input from stakeholders

3. Evaluation

The Board will conduct an annual performance evaluation of the CEO, [facilitated by a Board designee](#), according to the employment agreement.

Chapter 6 – Communication

All written and electronic communications related to District business are public records. Commissioners will use District-provided email addresses for all District-related electronic communications. If a Commissioner receives an email at a private email address, the Commissioner will forward the email to their District-provided email address.

1. Staff Communication to Board

- a. Staff, through the Chief Executive Officer, will keep Commissioners informed on all relevant information relative to District operations as well as applicable conferences, meetings and publications. The CEO will coordinate subscriptions to applicable trade publications for the Board.
- b. All written and electronic informational materials requested by Commissioners will be made available to the entire Board with a note stating who requested the information.

2. Board Communication to Staff

- a. Commissioners will not attempt to direct employees, including the CEO, regarding administrative matters; however, the sharing of ideas on such matters is appropriate.
- b. Commissioner communication with, and information requests of, staff will be directed to the CEO to allow coordination of workloads, work plans and resource requirements.

3. Board Communication with ~~External~~ Legal Counsel

~~External~~ Legal counsel will advise the Board and staff on specific legal problems submitted by the CEO. The CEO is authorized to seek ~~external~~ legal counsel. Commissioners are not authorized to seek ~~external~~ legal counsel, ~~but~~ in situations where the interests of the Board and CEO are adverse or potentially adverse, ~~external~~ legal counsel will at all times represent the Board.

4. Board Communication with Public/Press

Commissioners may publicly represent Board positions once a decision has been reached by the Board. Commissioners will not make statements on behalf of the District or Board without prior approval by the Board, unless the statement is already published and attributable to the District. In all other circumstances, Commissioners must be clear that statements are the individual position of the Commissioner and not the Board or the District.

5. Political Endorsement

The Board will comply with Oregon Revised Statute 260.432. Any District position regarding election measures will be made by resolution adopted by the Board. Staff involvement in such resolutions will be limited to reformatting and including the resolution in the Board meeting packet for consideration by the Board.

Chapter 7 – Education, Events and Reimbursement

1. Education

a. The District will maintain active memberships in the American Water Works Association (AWWA) and Special Districts Association of Oregon (SDAO) for the Board.

~~a-b.~~ The District supports education opportunities for Commissioners. Commissioners are encouraged to attend the annual conferences of AWWA or one other non-political national conference as well as the annual conferences of the Pacific Northwest Section of AWWA and SDAO. Commissioners will obtain Board approval prior to attending any ~~other~~ additional conferences and meetings that require an overnight stay.

~~b-c.~~ Commissioners will be compensated by the District for the actual and reasonable expenses incurred by Commissioners in performing official duties as provided in the District's travel policy. If the District reimburses a Commissioner for the expenses and costs of traveling, the time spent traveling will not be considered a meeting or event for which compensation for services can be claimed under the reimbursement process outlined below.

~~c-d.~~ Commissioners traveling on District-related business may receive traveler loyalty program accruals, including for flights, hotels and rental cars, as a benefit that is part of Board compensation. Commissioners are responsible for determining any personal income tax implications arising from their use of such benefits.

2. Reimbursement

a. Commissioners will be compensated at the rate of \$50 per meeting or event with a maximum reimbursement of \$50 per day. Reimbursements processed are considered public records.

~~a-b.~~ In adherence to Oregon local budget law, no Commissioner may receive any compensation for their services as a member of the Budget Committee, including reimbursement for attendance at Budget Committee workshops and meetings.

~~b-c.~~ Meetings or events are defined as:

- Public meetings of the District as defined in public meetings law
- Public meetings of other public bodies as defined in public meetings law where the Commissioner is requested or designated to attend by the Board
- Meetings with staff to consider issues affecting the District

- Meetings or events specifically approved by the Board
- Meetings with groups or entities of which the District is a member and the Commissioner has been requested to attend by the Board or is consistent with duties of Board committees and assignments, provided the meetings do not include issues on a current or upcoming election ballot or the host or sponsor does not advocate for candidates or measures.

~~e.d.~~ Events where a Commissioner has not been designated to officially represent the Board are not eligible for reimbursement.

e. At each regular Board meeting, Commissioners will provide a brief summary of meeting topics for meetings for which the Commissioner is requesting reimbursement unless the meeting is a District meeting or another Commissioner has already provided a meeting summary.

f. Commissioners have the discretion to claim or forego reimbursement for meetings attended. Any meetings a Commissioner includes on a monthly report of meetings attended that are not claimed for reimbursement are directed to the Customer Emergency Assistance Fund.

Chapter 8 – Board Meeting Agenda and Preparation

The dates of monthly Board meetings will be adopted by resolution at the end of each calendar year for the subsequent year.

1. Agenda

- a. The Chief Executive Officer will prepare the agenda after conferring with the Board President. The Board President may place any item on the agenda for Board consideration.
- b. A Commissioner may propose an agenda item for consideration by submitting a proposed Commissioner Topic in writing to the Board President prior to or at a Board meeting. The request should include the issue, the reason the issue is of concern to the District and what specific information is requested. After notifying the full Board, the Board President will forward the request to the CEO. Staff will prepare and distribute to the Board an abbreviated report prior to the next regular Board meeting. At that meeting, if a majority of the Board believes the matter should be considered as an action item, the request will be added to the agenda of a future meeting after allowing staff enough time to provide a comprehensive report to allow the Board to make an informed decision.
- c. Subject to change at the Board's discretion, the ~~The general~~ order of regular meeting agendas are as follows:
 - Call to Order
 - Public Hearings (if needed)
 - Reports by Management Staff
 - Commissioner Communications
 - Report of Meetings Attended
 - Commissioner Topics
 - Public Comment (for items not on the agenda)
 - Consent Agenda
 - Business Agenda
 - Informational Presentations (if needed)
 - Adjournment
- d. The Board meeting packet, including the agenda and all explanatory materials, will be distributed to the Board at least four calendar days prior to the meeting. Commissioners will review and evaluate the information prior to the meeting. Commissioners are encouraged to contact the CEO prior to the meeting with any questions on agenda items

to allow the CEO to provide a comprehensive answer to questions either before or during the meeting.

- e. Upon Commissioner request, a short recess may be taken during a Board meeting at the discretion of the Board President so as not to interrupt the flow of business.

2. Minutes

- a. Staff will prepare minutes with sufficient detail to meet their intended use. Verbatim minutes are not required.
- b. The Board may amend the minutes to more accurately reflect what transpired at a meeting. Additions or corrections will be submitted to the CEO prior to the Board meeting where the minutes are scheduled for approval. Under no circumstances may the minutes be changed following approval by the Board, unless the Board authorizes such change.
- c. A Commissioner may vote to approve minutes for a meeting at which he or she was not in attendance.

3. Executive Sessions

- a. Executive sessions will be scheduled as needed.
- b. Only news-gathering representatives of established institutional media who ordinarily report activities of the District will be allowed to attend Board executive sessions. The definition of institutional news media is limited to entities that are formally organized for the purpose of gathering and disseminating news. Media representatives include individuals who gather news and who have a formal affiliation, whether through employment, by contract or some other agency authorization from or with an institutional news media entity. A representative will be asked to provide appropriate credentialing prior to the executive session.
- c. Commissioners will keep all discussions and written materials provided to them on matters of confidentiality under law in complete confidence to ensure the District's position is not compromised. [Materials received electronically must be deleted at the end of the executive session.](#) Failure to do so may lead to censure.

Chapter 9 – Board Meeting Procedures

1. Parliamentary Procedures

- a. Board meetings will be governed by the District's below parliamentary procedures, which constitute a standing rule. Matters not covered by these procedures will be governed-guided by Robert's Rules of Order Newly Revised. Rules may be amended and the order of business may be suspended at any meeting by majority vote. The Board President or presiding officer, or designee, has the inherent authority to keep order and to impose any reasonable restrictions necessary for the efficient and orderly conduct of meetings.
- b. The Presiding Officer calls the Board meeting to order. The District Recorder will record the names of Commissioners present in the minutes.
- c. Commissioners will address the Presiding Officer and await recognition to be able to speak. No persons other than Commissioners and the person having the floor shall enter into any discussion without the permission of the Presiding Officer.
- d. Commissioners must clearly and concisely state a motion if it is not reflected in the agenda item language as read by the Presiding Officer. Motions will die if they do not receive a second. Types of motions include:
- Main motions – Their purpose is to introduce items to the Board for consideration.
 - Subsidiary motions – Their purpose is to change or affect how a main motion is handled and is voted on before a main motion (e.g., to postpone to a certain time or indefinitely, to amend a motion).
 - Miscellaneous motions – Their purpose is to bring up items that are urgent about special or important matters unrelated to pending business (e.g., to take a recess, to adjourn) or a means of questioning procedure concerning another motion and must be considered before the other motion (e.g., point of order, suspension of the rules).
- e. Any Commissioner may withdraw his or her motion prior to a second. Once a motion is seconded, the motion may not be withdrawn without consent of the Commissioner seconding it.
- a.f. The Presiding Officer will adjourn the meeting once all business has been considered or postponed.

b.g. _____ When considering an action item, the following order applies:

- Staff presentation
- Public comment, if any

- Additional staff comments, if needed
- Board discussion
- Motion and any final Board comments
- Vote

2. Public Comment

- In general, Commissioners are not expected or obligated to respond to comments made during the public comment time, except to ask clarifying questions.
- Any public requests for Board action will be referred to the Chief Executive Officer for review and coordination with the Board President before being placed on a future agenda.
- Excluding executive sessions, all Board meetings are accessible to the public for attendance in-person, if available, or by telephone, video or other electronic or virtual means. Public comment may be received in writing in advance of the meeting or during the meeting by in-person attendance, if available, or telephone, video or other electronic or virtual means.

3. Voting

- The President may call for a voice vote or a roll call vote at his or her discretion. The Commissioners may also request a roll call vote.
- All Commissioners are expected to vote on each motion unless a Commissioner is disqualified for a specific reason. Commissioners will declare a potential conflict of interest and *may* abstain from voting. Commissioners will declare an actual conflict of interest and *will* abstain from voting. A Commissioner who does not vote must state the basis for any conflict of interest or other disqualification.
- If only three Commissioners are present, a unanimous vote with no abstentions is required to approve a motion.
- A motion that receives a tie vote fails.
- Votes will be recorded.
- Any Commissioner may request a vote be changed if such request is made prior to consideration of the next order of business.

Chapter 10 – Board Communication Devices

Each Commissioner will be issued a communication device (such as a laptop computer or tablet), including necessary related equipment and hardware, peripherals and software to conduct District business, if requested by the Commissioner.

1. Ownership and Use

- a. The device remains the property of the District and information stored on the device is District property. Commissioners have no right or expectation of privacy on the device. Information on the device may be considered public records. The District reserves the right to access and audit any and all District business-related records, including content sent, received or stored on the device, and such records may be subject to public disclosure.
- b. Software applications, music, video files or other content will not be downloaded without consent of the Chief Executive Officer.
- c. The device will not be used for personal use except for emergencies and therefore such use is restricted to being brief and infrequent.

2. Training and Support

- a. Staff will provide Commissioners basic training on the use of the device and will provide technical support for the care and maintenance of the hardware and software. Additional training classes may be made available through external sources and will be paid for by the District.
- b. If using a personal device for District business, Commissioners will adhere to the following procedures and responsibilities:
 - Use a device with a camera, speakers and microphone for participating in Teams meetings.
 - Understand the device's features and settings.
 - Install and maintain active antivirus and antimalware software.
 - Update the device's operating system and application software on a regular basis.
 - Utilize and maintain an appropriate broadband Internet connection.
 - Install, maintain and know how to use appropriate applications (e.g., Microsoft Teams) or web browsers (e.g., Chrome, Edge) that are certified to work with Microsoft Teams meetings.

- c. District staff will provide the following support services for personal devices:
- Troubleshooting to help diagnose potential Internet connectivity problems
 - Guidance about which applications to use for specific purposes
 - Assistance about where to find and change application settings
 - Manual resets of District-managed passwords
- d. Due to the vast array of device, network and software options, District staff are unable to guarantee support for the following for personal devices:
- Home network or Internet Service Provider configuration or troubleshooting
 - Device-specific configuration or troubleshooting
 - Third-party software configuration
 - Resolving virus or malware infections
 - Personal account password issues
- d. Any public records or information stored on a personal device is District property. Commissioners have no right or expectation of privacy on a personal device containing public records or information. The District reserves the right to access and audit any and all District business-related records, including content sent, received or stored on the personal device, and such records may be subject to public disclosure.

3. Costs

- a. The District will be responsible for the cost of the maintenance or replacement of any defective equipment or software. If the device is damaged because of a negligent or intentional act, or other act for which the Commissioner is responsible, the Commissioner will be responsible for replacement costs.
- b. Each Commissioner is responsible for costs associated with home and local internet access. Upon Commissioner travel outside the Portland metropolitan area, the District will pay the reasonable cost of connection to the internet for the Commissioner to conduct District business. Commissioners will pay any internet usage costs for personal use for emergencies.

4. Device Decommissioning

At the end of a Commissioner's term, or when the device is deemed by the CEO to no longer be useful to the District, the Commissioner may either purchase the device or return it to the District within 30 days. If the Commissioner elects to purchase the device, it will be sold at the District's depreciated cost of purchase. The District has adopted a four-year straight line depreciation schedule for the device. The purchase will be 100% in year one and decrease to 25% in year four. In years five and beyond, the price will be set by the CEO, serving as the public

contracting officer, based on the market value of comparable devices in the Portland metropolitan area.

Chapter 11 – Annexation, Merger and Consolidation

1. Annexation

- a. Each proposed annexation will be individually reviewed and examined for economic, customer and operational impact.
- b. Unless addressed in an urban services agreement, the Board will oppose annexation by another governmental entity where the annexing entity proposes to withdraw the territory annexed and District infrastructure. The Board will not oppose annexation where the annexing entity negotiates with the District for continuation of District services within the territory proposed for annexation on terms acceptable to the Board.

2. Merger or Consolidation

The Board supports the concept of merger or consolidation with neighboring governmental entities providing water service if the action provides economic and efficient delivery of public services.

3. Purchase

The Board will not dispose of assets in violation of bond or other financial covenants.

Tualatin Valley Water District



Delivering the Best Water 💧 Service 💧 Value

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Tualatin Valley Water District

Delivering the Best Water 💧 Service 💧 Value

To: Board of Commissioners

From: Matt Oglesby, Asset Management Division Manager

Date: October 20, 2021

Subject: Approval of Surplus Assets

Requested Board Action:

Consider approving the surplus and disposal of the Cornell Road water reservoir, a vehicle (Unit 130), and a piece of equipment (Unit 700).

Key Concepts:

- The District has three items for surplus and disposal: Cornell Road water reservoir and associated property; Unit 130: 2013 International Work Star 7600 / Vactor HXX Hydro Excavator; and Unit 700: 2014 Caterpillar 308 Track Hoe.

Background:

Cornell Road Reservoir. TVWD owns 0.84 acres of real property on the northeast corner of NW Cornell Road and NW Miller Hill Road (Tax Lot 1N1W36BC-00400). This site has historically been used as a reservoir but was decommissioned in the last 10 years. A structural engineering report in 2009 provided by OBEC Consulting Engineers determined that the reservoir was in fair condition and short-term repairs could maintain the reservoir in fair condition; however, it was not deemed to be structurally resistant to a code-level earthquake, and an upgrade would not be worth the cost to retrofit. In addition, it was assumed that if a new reservoir were to be placed at the site, it would need to be placed on piles due to slope instability concerns. Storage capacity in the 820-pressure zone of the West Hills is sufficient to handle anticipated water demands. As a result, the site is no longer deemed necessary or appropriate for water infrastructure and staff does not anticipate needing the site in the future. If the Board declares the property surplus, staff is prepared to have the property appraised and listed for sale on the open market.

Unit 130. Staff is requesting Board approval to surplus Unit 130 (a 2013 International Work Star 7600 / Vactor HXX Hydro Excavator) because its estimated value at auction exceeds \$25,000. Staff estimates Unit 130's value to be \$135,000. Currently the District has two hydro excavators of this size. Unit 130 was identified for replacement because it has multiple engine and vacuum-related issues. The multiple engine issues led to a class action lawsuit against Navistar/International. This vehicle will be replaced with a model that is more reliable.

Unit 700. Staff is requesting Board approval to surplus Unit 700 (a 2014 Caterpillar 308 Track Hoe) because its estimated value at auction exceeds \$25,000. Staff estimates Unit 700's value at \$38,500. Currently there are five track hoes in the District's fleet in varied size configurations. Staff identified the current underutilization of this type of equipment and reviewed expectations for future utilization. Staff

determined that this equipment will not be needed in the future and that it was in the District's interest to surplus it.

Budget Impact:

The sale of the property will generate revenue for the District. Staff will contract with a real estate appraiser to prepare an estimate of the property value prior to listing the site for sale. The adopted 2021-23 budget includes sufficient appropriations for the appraisal. There are no budget impacts for disposing of the surplus equipment. The equipment will be auctioned on GovDeals.com with all fees paid by the buyer.





Staff Contact Information:

Matt Oglesby; Asset Management Division Manager; 503-848-3069; matt.oglesby@tvwd.org

Attachments:

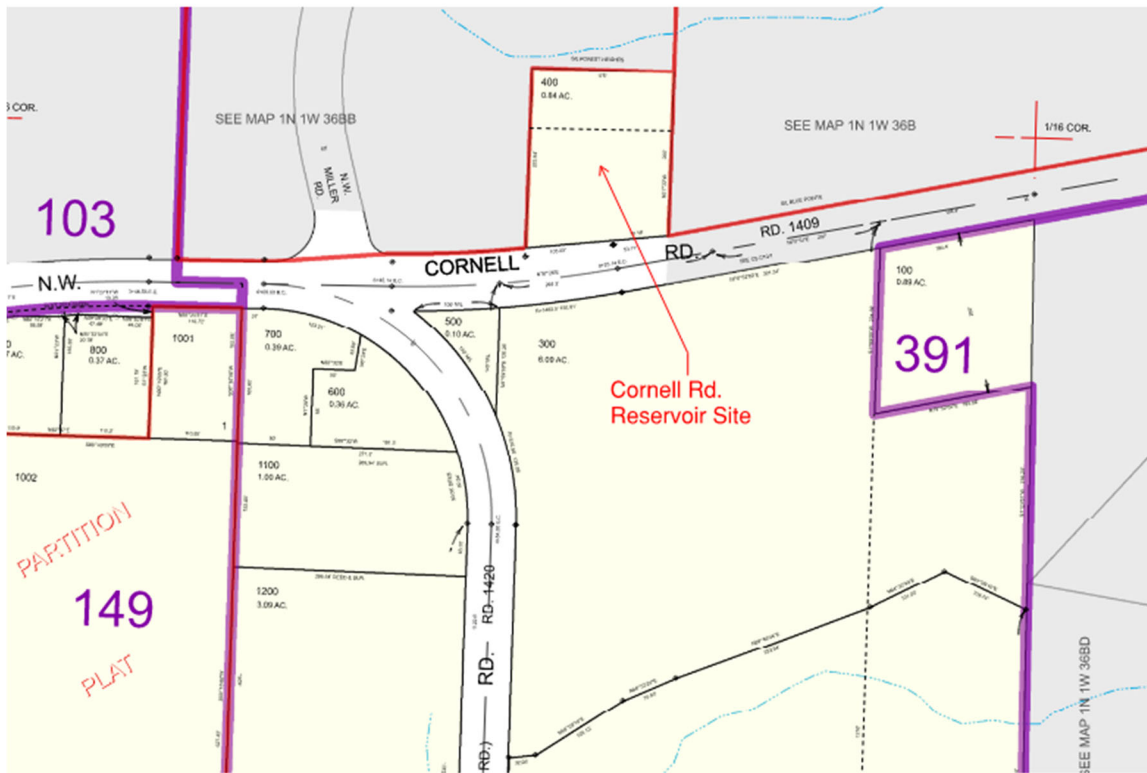
Map/Pictures

Management Staff Initials:

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

S.W.1/4 N.W.1/4 SEC.36 T.1N. R.1W. W.M.
MULTNOMAH COUNTY
1" = 100'

1N 1W 36BC
PORTLAND





Tualatin Valley Water District



Delivering the Best Water 💧 Service 💧 Value

To: Board of Commissioners

From: Clark Balfour, General Counsel

Date: October 20, 2021

Subject: Consideration of Amendment to the District's Rules and Regulations for Civil Penalties for Unauthorized Work Upon or Tampering with the District's Water System

Key Concepts:

- By ordinance, the Board has adopted Rules and Regulations governing use of the District's water system.
- The Rules and Regulations prohibit any unauthorized work or tampering with the District's water system.
- Staff recommends that the Rules and Regulations should be modified to contain specific provisions for imposition of civil penalties on construction contractors who perform unauthorized work or meddle with the District's water system in the course of construction.
- Staff also recommends that the Exhibit to Resolution 10-21 setting rates for the 2021-23 biennium be amended to add an Exhibit C that will create civil penalties for these occurrences.
- Based upon Board direction, staff will bring the matter back for consideration at the November regular meeting.

Background:

Staff is beginning a periodic review of the Rules and Regulations that will result in suggested amendments for Board consideration. If the Board agrees, the amendments will be scheduled for initial consideration at the November meeting.

The Rules and Regulations provide that unauthorized work or tampering with our system is prohibited and subject to a relatively small fee and civil penalty, along with termination of service. This usually arises in the customer service arena where delinquent customers break locks or pipe around the meter to avoid charges. Termination of service works well in the consumer venue but not in the construction venue.

There have been instances where construction contractors for private development turned valves or took other unauthorized action involving the District's system to aid their work. Staff recommends that the Water Rate Resolution (10-21) be amended to add an Exhibit C to provide enhanced civil penalties to deter this conduct.

The proposed amendment for Exhibit C is attached hereto for discussion. Staff will be prepared to provide details on the Canby Excavating situation and other examples.

Budget Impact:

There is no budget impact.

Staff Contact Information:

Clark Balfour; General Counsel; 503-848-3061; clark.balfour@twwd.org

Attachments:

Proposed Exhibit C

Management Staff Initials:

Chief Executive Officer	ARH	Customer Service Manager	N/A
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

**TUALATIN VALLEY WATER DISTRICT
EXHIBIT C - PENALTIES AND FINES**

**Effective TBD
(January
2022)**

1. Illegal use of water		\$150
	(plus water usage billed at current rates)	
2. Illegal use of fire line		
a. First occurrence		N/C
b. Second occurrence (plus estimated water usage billed at Block 1 rate)		\$150
c. Third occurrence (plus estimated water usage billed at Block 1 rate)		\$1,000
d. All subsequent occurrences subject to final remedies determined by CEO or designee on a case-by-case basis per District Rules and Regulations (plus estimated water usage billed at Block 1 rate)		
3. Illegal use of fire hydrants		
a. Penalty for unauthorized hydrant use (within a 12-month period):		
First offense		\$1,000
Second offense		\$2,000
Third offense		\$4,000
b. Penalty for using non-approved tank or creating unprotected cross connecton within a 12-month period (expired permit, uninspected tank, or other potential health hazard)		\$2,000
4. System tampering penalties		
a. Unauthorized alteration or manipulation of TVWD system		
1. Alteration or manipulation without causing impacts to customers	\$5,000 per occurrence (plus reimbursement of staff response)	
2. Alteration or manipulation which causes impacts to customers (reduced pressure, loss of pressure, etc.)	\$10,000 per occurrence (plus reimbursement of staff response)	
3. Additional infractions	Base fee listed above + \$10,000	

Penalty and Fine Waivers

The Chief Executive Officer (CEO) or designee may waive all or a portion of the Penalties in Exhibit B if the CEO or designee determines that it is in the equitable and best interest of the District considering the particular circumstances involved in each case.