



**TUALATIN VALLEY**  
WATER DISTRICT

## TVWD BOARD OF COMMISSIONERS

President Todd Sanders, PhD | Vice President Carl Fisher

Secretary Jim Doane, PE | Treasurer Elliot Lisac | Commissioner Jim Duggan, PE

# Board Work Session Agenda

February 6, 2024

**WORK SESSION – 6:00 PM – TVWD HEADQUARTERS**

**CALL TO ORDER**

**ANNOUNCEMENTS**

**DISCUSSION ITEMS**

- A. Willamette Water Supply System Commission Update. *Staff Report – David Kraska, P.E. Willamette Water Supply Program Director*
- B. Update on Revised District Priorities. *Staff Report – Paul Matthews, Chief Executive Officer*
- C. Beaverton Intergovernmental Agreement (2018). *Staff Report – Paul Matthews, Chief Executive Officer; Clark Balfour, General Counsel*

## ADJOURNMENT

If you wish to attend this meeting remotely or in person, please email [sam.kaufmann@twwd.org](mailto:sam.kaufmann@twwd.org) or call 503-848-3094 by 4:30 p.m. on February 6, 2024.

The meeting is accessible to persons with disabilities and those who need qualified bilingual interpreters. A request for an interpreter for the hearing impaired, a bilingual interpreter or for other accommodations should be made at least 72 hours before the meeting to the contact listed above.

For online meeting information, Commissioner bios and more, visit [twwd.org](http://twwd.org).



**TUALATIN VALLEY**  
WATER DISTRICT

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# TUALATIN VALLEY

## WATER DISTRICT

**Date:** February 6, 2024  
**To:** Board of Commissioners  
**From:** David Kraska, P.E., Willamette Water Supply Program Director  
**Subject:** Willamette Water Supply System Commission Update

### **Key Concepts:**

The purpose of this regular presentation is to update the TVWD Board on the current activities of the Willamette Water Supply System (WWSS) Commission. Since the TVWD Board has one representative on the WWSS Commission Board, these reports provide a means of keeping the other TVWD Board members current on relevant information. The topics of this month's update are:

- A. Review the February 2024 WWSS Commission Board Meeting agenda
- B. Review the Approvals and Procurements Forecast
- C. Update on Willamette Water Supply Program (WWSP) activities

### **Background:**

The February WWSS Commission Board meeting was held on February 1, 2024, and there was one Business Agenda item:

- A. Election of Officers

There were three informational items on the February agenda: 1) an update on the Water Treatment Plant construction schedule, 2) a summary of the planned April 2024 Business Agenda items, and 3) a notice regarding the next regular Board meeting scheduled for April 4, 2024.

The Approvals and Procurements Forecast (Forecast) is a WWSP tool that summarizes recent decisions made, and previews decisions and approvals that are coming up in the next four months. The Forecast is divided along the various types of approvals and procurements that occur on the WWSP and the different approval levels: Program Director, WWSS Committees, and WWSS Board. At the February TVWD Board work session, we will present a review of the current Forecast that covers the months of December 2023 through April 2024.

There remain fourteen projects in construction, and we are continuing to also make progress on other priorities including preparing for commissioning and startup of the new system. At the February TVWD Board work session, we will provide an update on our project delivery progress and on our active construction projects.

### **Budget Impact:**

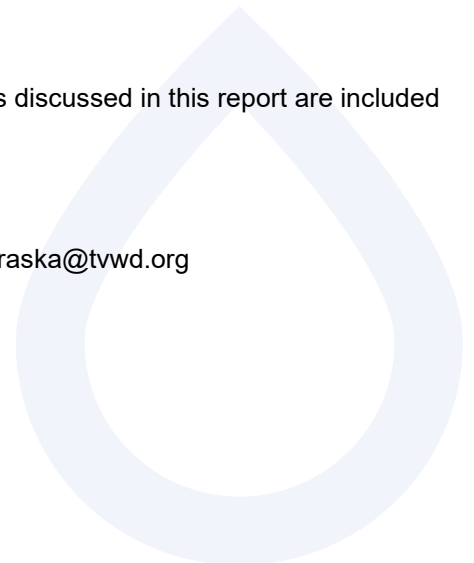
Informational item only. There are no budget impacts from this staff report. All items discussed in this report are included in WWSP Baseline 8.1 budget.

### **Staff Contact Information:**

David Kraska, P.E.; WWSS Commission General Manager; 503-941-4561; david.kraska@tvwd.org





### **Attachments:**

WWSS Commission February 2024 Board Meeting Agenda



WWSP Approvals and Procurements Forecast

**Leadership Team Initials:**

|                                 |   |                               |   |
|---------------------------------|---|-------------------------------|---|
| Chief Executive Officer         |  | Customer Service Manager      | N/A   |
| Chief Operating Officer         | N/A   | IT Services Director          | N/A   |
| Interim Chief Financial Officer |  | Human Resources Director      | N/A   |
| General Counsel                 |  | Water Supply Program Director |  |
| Communications Manager          | N/A   |                               |   |





**Approvals and Procurement Forecast: December 2023 through April 2024**

This report provides a five-month projection of (1) forthcoming actions under the WWSS Management Authority Matrix and (2) ongoing and forthcoming procurements.

- a = Actual date
- e = Email approval
- FC = Finance Committee
- LCRB = Local Contract Review Board
- MC = Management Committee
- N/A = Not applicable
- OC = Operations Committee

- Rec. = Recommendation
- t = Tentative date
- TBD = To be determined; sufficient information not available to project a date
- Note: Dates in **red text** indicate meetings needed outside the normal meeting schedule

| Type  | Description  | Projected Action | Body/Position (projected action date) |                 |             |
|---|--|------------------|---------------------------------------|-----------------|-------------|
|   |  |                  | Program Director                      | WWSS Committees | WWSS Board  |
| <b>Program Baseline or Related Plans</b> (above Program Director's Authority)     | 1. WWSP 2024 Rebaseline Schedule and Budget and WWSS Fiscal Year 2024-2025 Work Plan and Budget  | Approve          | N/A                                   | 3/21/2024 t     | 4/4/2024 t  |
|   |  | Execute          | N/A                                   | N/A             | N/A         |
| <b>Real Estate</b>  | 2. None  | Approve          | N/A                                   | N/A             | N/A         |
| <b>IGA's, MOU's, Permit Commitments, &amp; Similar Agreements</b>                 | 3. PLM_4.3 City of Tigard Temporary Commissioning Discharge Facility IGA   | Approve          | N/A                                   | 5/23/2024 t     | 6/6/2024 t  |
|   |  | Execute          | 6/7/2024 t                            | N/A             | N/A         |
| <b>Contracts</b> (above Program Director's Authority)                             | 4. None  | Approve          | N/A                                   | N/A             | N/A         |
|   |  | Execute          | N/A                                   | N/A             | N/A         |
| <b>Contract Amendments and Change Orders</b> (above Program Director's Authority) | 5. WTP_1.0 GMP2 Construction <ul style="list-style-type: none"> <li>• Goal: Construct WTP_1.0 which covers landscaping, asphalt, curb/sidewalks, striping, signage, fencing</li> <li>• Value: \$11.58 M</li> <li>• Contractor: Sundt Construction</li> </ul> | Approve          | N/A                                   | 11/28/2023 a    | 12/7/2023 a |
|   |  | Execute          | 12/20/2023 a                          | N/A             | N/A         |
|   | 6. WTP_1.0 GMP3 Construction <ul style="list-style-type: none"> <li>• Goal: Construct WTP_1.0 which covers finished water system commissioning</li> <li>• Value: TBD</li> <li>• Contractor: Sundt Construction</li> </ul>                                    | Approve          | N/A                                   | 3/21/2024 t     | 4/4/2024 t  |
|   |  | Execute          | 4/5/2024 t                            | N/A             | N/A         |
|   | 7. Permitting Services Contract Amendment for Next One-year Period <ul style="list-style-type: none"> <li>• Goal: Extend contract through March 2025</li> <li>• Value: \$1.4 M (estimated)</li> <li>• Consultant: David Evans Associates (DEA)</li> </ul>    | Approve          | N/A                                   | 3/21/2024 t     | 4/4/2024 t  |
|   |  | Execute          | 4/5/2024 t                            | N/A             | N/A         |
|   | <b>Local Contract Review Board (LCRB) Actions</b>  | 8. None          | Approve                               | N/A             | N/A         |
| Execute   |  |                  | N/A                                   | N/A             | N/A         |
| <b>Other</b>  | 9. Board Action Related to WWSP Performance Audit  | Approve          | N/A                                   | 3/21/2024 t     | 4/4/2024 t  |
|   |  | Execute          | N/A                                   | N/A             | N/A         |

**Willamette Water Supply System Commission  
Board Meeting Agenda  
Thursday, February 1, 2024 | 12:00 – 1:30 PM  
Microsoft Teams Meeting**

This meeting will not be held at a physical location. If you wish to attend and need dial-in information, please contact [annette.rehms@tvwd.org](mailto:annette.rehms@tvwd.org) or call 971-222-5957 by 10:00 a.m. on February 1, 2024. If you wish to address the WWSS Board, please request the Public Comment Form and return it 48 hours prior to the day of the meeting. The meeting is accessible to persons with disabilities and those who need qualified bilingual interpreters. A request for an interpreter for the hearing impaired, a bilingual interpreter or for other accommodations should be made at least 72 hours before the meeting to the contact listed above.

**REGULAR SESSION – 12:00 PM**

**CALL TO ORDER**

**1. GENERAL MANAGER’S REPORT – David Kraska**

*Brief presentation on current activities relative to the WWSS Commission*

**2. PUBLIC COMMENT**

*This time is set aside for persons wishing to address the Board on items on the Consent Agenda, as well as 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.*

**3. CONSENT AGENDA**

*These items are considered to be routine and may be approved in one motion without separate discussion. Any Board member 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 December 7, 2023 meeting minutes
- B. Accept Financial Statement and Report of Independent Auditor for the Fiscal Year ended June 30, 2023

**4. BUSINESS AGENDA**

- A. Election of Officers – *David Kraska*

**5. INFORMATION ITEMS**

- A. Water Treatment Plant Schedule Recovery Progress Update – *David Kraska*
- B. Planned April Business Agenda Items – *Joelle Bennett*
- C. The next Board Meeting is scheduled on April 4, 2024, via Microsoft Teams

**6. COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. None scheduled

**ADJOURNMENT**



# TUALATIN VALLEY

## WATER DISTRICT

**Date:** February 6, 2024  
**To:** Board of Commissioners  
**From:** Paul L. Matthews, Chief Executive Officer  
**Subject:** Update on Revised District Priorities

### **Key Concepts:**

- During the December 5, 2023 Board work session, management presented recommendations on revising the District's initiatives for the 2023-2025 biennium.
- Management intends that these recommendations will sharpen the District's focus on providing our customers quality water and service, while completing the Willamette Water Supply System (WWSS) and normalizing the new Customer Information System (CIS).
- In the intervening weeks, management developed work plans for the initiatives consistent with the recommendations presented at the December work session. During tonight's work session, management will present specific work plans to complete the initiatives with the current resources.
- Additionally, management has prepared draft documents that support both the regional principles and the legislative strategies. Management will present information on these matters.

### **Background:**

As discussed during the December 5, 2023 work session, the District is at a particularly challenging time as it balances its three major priorities:

1. Continue to provide reliable, resilient, and safe water to its customers.
2. Complete the Willamette Water Supply System.
3. Normalize operations and business processes with the new CIS.

Management is responsible for the continuous evaluation of the District's ability to effectively deliver the District's priorities. The presentation at the December 5, 2023 work session allowed management to verify the alignment of these priorities with the policy direction from the Board. Based on management's understanding of direction from the Board, management developed a revised list of initiatives and individual work plans that will allow for the successful completion of each initiative. The proposed initiatives include:

1. Federal & State Legislative Strategies
2. Regional Principles
3. Strategic Planning Framework
4. Classification/Compensation Study
5. DEI Strategy
6. Water Supply Integration(WSI) Communications
7. Customer Assistance Program
8. Open SmartFlex (OSF) Normalization
9. Lead Service Line Inventory
10. Willamette Preparation Efforts



- 11. WSI Efforts
- 12. Technology Refresh
- 13. Data Reporting Foundation

During the presentation, the manager for each initiative will present a description of the initiative, the initiative’s objectives, status, and a brief description of the major tasks/milestones anticipated for each.

Management has also prepared draft work products for the *Federal & State Legislative Strategies* and the *Regional Principles*. Management will present these draft work products as part of this initiative update.

The objective of this agenda item is to provide information to the Board about management’s plans to meet the District’s priorities and to obtain direction from the Board on the acceptability of the revised initiatives and the timing of their delivery.

**Budget Impact:**

The cost of preparing this agenda item is included in the District *Adopted 2023-25 Biennial Budget*. Depending on future Board direction, spending on the initiatives may impact the budget. At this time, the proposed initiatives can be accomplished within the *Adopted 2023-25 Biennial Budget*. However, the impact on the budget remains speculative.





**Staff Contact Information:**

Paul L. Matthews; Interim Chief Executive Officer; (503) 848-3017; [paul.matthews@tvwd.org](mailto:paul.matthews@tvwd.org)

**Attachments:**

- Attachment A: Draft State Legislative Strategy
- Attachment B: Draft Federal Legislative Strategy
- Attachment C: Draft Regional Principles

**Leadership Team Initials:**

|                                 |   |                               |   |
|---------------------------------|---|-------------------------------|---|
| Chief Executive Officer         |  | Customer Service Manager      | N/A   |
| Chief Operating Officer         | N/A   | IT Services Director          | N/A   |
| Interim Chief Financial Officer |  | Human Resources Director      | N/A   |
| General Counsel                 |  | Water Supply Program Director |  |
| Communications Manager          | N/A   |                               |   |







**2024 STATE LEGISLATIVE AGENDA**

Tualatin Valley Water District has established as its top 2024 legislative priorities to protect the Willamette River Basin, pursue state infrastructure investment opportunities, and ensure the smooth delivery of planned water infrastructure projects.

| Priority | Item   |
|----------|--|
| 1        | <b>Protect the Willamette River as a Drinking Water Source.</b> <i>Work with stakeholders, regulatory agencies, and drinking water providers to ensure TVWD can continue to provide reliable, resilient, and safe water to its communities. Guard against efforts to reduce environmental or habitat safeguards within the Willamette River basin. Protect access to water and stored water rights.</i>                        |
| 1        | <b>Water Quality.</b> <i>Monitor issues related to water quality, including lead service lines, PFAS, water contaminants, and water quality testing.</i>   |
| 1        | <b>State Funding for Water Infrastructure Projects.</b> <i>Monitor and pursue opportunities to increase state investments in water infrastructure. Work with state agencies, legislative champions, and federal partners to steer state and federal dollars to critical water infrastructure projects. Lobby for additional funding for TVWD related to affordable housing, resiliency, climate change, and public health.</i> |
| 2        | <b>Economic Development, Land Use, and Housing.</b> <i>Support efforts to increase affordable housing supply through policies which encourage sustainable growth and economic development. Ensure TVWD can continue to support the growth of Oregon's semiconductor industry.</i>  |
| 2        | <b>Project Delivery and Contracting.</b> <i>Work with legislators and stakeholders to avoid negative impacts to TVWD project delivery related to contracting issues, financing, and system development charges.</i>  |

In addition, the Tualatin Valley Water District will work with local government partners, the Oregon Water Utilities Council, and the Special Districts Association of Oregon to pursue legislative priorities during the 2024 legislative session. As particular bills work through the legislative process, CFM will work with TVWD leadership to monitor and report on any legislative concepts which may impact the District and prepare an appropriate response.

Contact:  
 Paul Matthews, Chief Executive Officer  
 503.848.3000 paul.matthews@tvwd.org

Waylon Buchan, CFM Advocates  
 503.707.5756 waylonb@cfmpdx.com



**2024 FEDERAL LEGISLATIVE AGENDA**

Tualatin Valley Water District has established as its top 2024 legislative priorities to protect critical federal water infrastructure programs, pursue grant and Congressionally Directed Spending investments, and ensure the smooth delivery of planned water infrastructure projects.

| Priority | Item  |
|----------|---|
| 1        | <b>Federal Funding for Water Infrastructure Projects.</b> <i>Monitor and pursue opportunities to increase federal investments in water infrastructure. Work with federal agencies, legislative champions, and federal partners to steer federal dollars to critical water infrastructure projects. Lobby for additional funding for TVWD Congressional Directed Spending and grant projects.</i>  |
| 1        | <b>Affordability of Water for Vulnerable Customers.</b> <i>Monitor issues related to customer assistance programs to address the affordability of water for economically vulnerable customers. Support the funding of a permanent low-income water bill assistance program (LIHWAP), full funding of the Drinking Water State Revolving Loan Fund and the Mid-Size and Large Drinking Water Infrastructure Program.</i>   |
| 1        | <b>Protect the Willamette River as a Drinking Water Source.</b> <i>Support the strategic use of environmental laws to protect the water quality of the Willamette River. This includes reducing the introduction of PFAS into the water and controlling it at the source and holding those responsible for the contamination accountable. Work with federal regulators for a favorable outcome on the Willamette River Basin Review Feasibility Study (Reallocation).</i> |
| 2        | <b>Economic Development.</b> <i>Support efforts to strengthen the economy by ensuring water-intensive industries have ready-access to a reliable and resilient water supply. Ensure TVWD can continue to support the growth of the semiconductor industry in the United States.</i>   |
| 2        | <b>Project Delivery and Contracting.</b> <i>Work to avoid negative impacts to TVWD's project delivery related to legislation impacting procuring, contracting, and financing water infrastructure. Advocate for the protection of tax-exempt financing options for water infrastructure.</i>  |

In addition, the Tualatin Valley Water District will work with the American Water Works Association, the Association of Metropolitan Water Agencies, and the Government Finance Officers Association to pursue legislative priorities. As particular legislation or regulations evolve, CFM will work with TVWD leadership to monitor and report on any concepts which may impact the District and prepare an appropriate response.

Contact:

Paul Matthews, Chief Executive Officer  
503.848-3017 paul.matthews@tvwd.org

Joel Rubin, Partner, CFM Advocates  
301.461.1532 joelr@cfmdc.com



## Tualatin Valley Water District's Regional Principles

TVWD is committed to:

- The preservation of public health and safety
- The stewardship of a resilient and reliable water system
- The highest standards of quality and professionalism

Our regional commitments:

1. TVWD is committed to equitable, fair, mutually beneficial, and meaningful partnerships that respect current jurisdictional boundaries.
2. TVWD is committed to transparency among all interested entities. As a public agency, TVWD's actions are a matter of public record.
3. TVWD is committed to providing mutual aid to neighboring public agencies. Mutual aid might include:
  - a. Reciprocal arrangement for water and/or other services.
  - b. Fee-based services.
  - c. Other arrangements where appropriate.
4. TVWD will endeavor to respond to a request for assistance in a timely manner in accordance with the highest professional standards.
5. Threshold criteria for partnerships include:
  - a. Is the request consistent with TVWD's mission, vision, and values?
  - b. Does the request serve the best interest of TVWD's customers to build and maintain reciprocal relationships with neighboring utilities?
  - c. Does TVWD have the resources, expertise, equipment, system capacity, etc., to meet the request in a cost-effective manner?
  - d. Is TVWD in the best position to provide the services requested?



**TUALATIN VALLEY**  
WATER DISTRICT

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# TUALATIN VALLEY

## WATER DISTRICT

**Date:** February 6, 2024  
**To:** Board of Commissioners  
**From:** Paul Matthews, Chief Executive Officer  
Clark Balfour, General Counsel  
**Subject** Beaverton Intergovernmental Agreement (2018)

### **Key Concepts:**

- TVWD and the City of Beaverton entered into an agreement in 2018 to provide a process for managing the withdrawal of certain portions of TVWD's service area by the City.
- The Agreement established requirements that the City must follow to withdrawal service area from the District on subsequent annexations.
- The Agreement term extends to 2058.

### **Background:**

TVWD provides service to customers within its boundaries. In some areas, TVWD's service area includes areas within the incorporated limits of Beaverton, Hillsboro, and Tigard. Oregon Revised Statutes (ORS) Chapter 222 grants cities a choice of powers to be exercised.

First, it enables cities to annex into the territory of a special district and elect to withdraw the annexed area, identified "local" facilities, and customers. In that case, the boundaries of the city expand and the district's shrink. The process for determination of assets to be transferred, if any, is not clearly stated. Disputes over assets are resolved in a summary fashion by the Board of County Commissioners.

Second, a city may also annex and leave district service in place. In that case, the city would annex and become the governing jurisdiction for other city services but not withdraw the water service assets and customers. There would be overlapping boundaries. However, the city could later take separate action to withdraw the area, local facilities, and customers.

To provide certainty in service delivery and better planning coordination, the legislature provided for Urban Service Agreements between cities and special districts under ORS Chapter 195. These agreements provide a framework for city annexation but allocates service territory for districts regardless of city boundary change. TVWD has those agreements with Hillsboro and Tigard, executed in 2003.

In 2003, the County coordinated a process under Chapter 195 for comprehensive urban service agreements between the cities and all district service providers, including the County Commissioner governed county service districts. This included TVWD, Clean Water Services, Tualatin Hills Park & Recreation District, Enhanced Sheriff Patrol District, TriMet, and Tualatin Valley Fire & Rescue, along with each city. At the time of signing, Beaverton chose not to sign and agreed to a 5-year contract. That contract continued until Beaverton gave notice in 2017 that it would not renew the agreement in 2018.

Beaverton indicated that it wished to withdraw 10 areas already within the City's boundaries and TVWD boundaries, which it had a right to do. However, Beaverton could not provide direct service to those customers without access to TVWD facilities. That generated the negotiation of the 2018 agreement to provide a defined process to handle annexation, withdrawal, and water service delivery.

This presentation will review the agreement and agreed processes. A slide show will be provided at the work session.

**Budget Impact:**

None. The cost of preparing the presentation is within the District's Adopted 2023-25 Biennial Budget.

**Staff Contact Information:**





Paul L. Matthews; Chief Executive Officer; (503) 848-3017; [paul.matthews@tvwd.org](mailto:paul.matthews@tvwd.org)

Clark Balfour; General Counsel; 503-848-3061; [clark.balfour@tvwd.org](mailto:clark.balfour@tvwd.org)

**Attachments:**

None

**Leadership Team Initials:**

|                                 |   |                               |   |
|---------------------------------|---|-------------------------------|---|
| Chief Executive Officer         |  | Customer Service Manager      | N/A   |
| Chief Operating Officer         | N/A   | IT Services Director          | N/A   |
| Interim Chief Financial Officer |  | Human Resources Director      | N/A   |
| General Counsel                 |  | Water Supply Program Director |  |
| Communications Manager          | N/A   |                               |   |

