



TUALATIN VALLEY
WATER DISTRICT

2024 Resolution Listing

January 17, 2024

Resolution 01-24 – A resolution adopting the investment policy for the Tualatin Valley Water District

Resolution 02-24 – A resolution amending system development charges for the Tualatin Valley Water District and declaring an effective date

February 21, 2024

Resolution 03-24 – A resolution reassigning the recipient for a federally funded grant from Tualatin Valley Water District to the Willamette Water Supply System Commission

Resolution 04-24 – A resolution establishing Regional Principles for the Tualatin Valley Water District

March 20, 2024

Resolution 05-24 – A resolution rescheduling the June 19, 2024 regular Board of commissioners meeting

Resolution 06-24 – A resolution establishing the federal and state legislative strategies for the Tualatin Valley Water District

April 17, 2024

Resolution 07-24 - A resolution appointing Justin Carlton as the Budget Officer for the Tualatin Valley Water District

Resolution 08-24 - A resolution approving the selection of Moss Adams LLP as the independent external auditor for Tualatin Valley Water District

Resolution 09-24 - A resolution nominating director Miles Palacios of the Tualatin Hills Park and Recreation District as the Washington County special districts representative to the Metro policy advisory committee and Commissioner Jim Duggan of the Tualatin Valley Water District as the alternate representative

Resolution 10-24 - A resolution creating a new Customer Assistance Program for the Tualatin Valley Water District



TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 01-24

A RESOLUTION ADOPTING THE INVESTMENT POLICY FOR THE TUALATIN VALLEY WATER DISTRICT.

WHEREAS, the Board of Commissioners (Board), in compliance with ORS 294.135, adopts the District's Investment Policy annually; and

WHEREAS, the Investment Policy was last adopted by the Board through its approval of Resolution 01-23 on January 18, 2023; and

WHEREAS, the Investment Policy provides guidance on investment decisions and operating principles for the effective management of financial risk, portfolio diversification and internal controls, and allows for the purchase of investments having a maturity longer than 18 months as allowed by ORS 294.135; and

WHEREAS, the Investment Policy remains in compliance with ORS 294.035 regulating the investment of public funds by municipal subdivisions and policy guidelines established by the State of Oregon Short Term Fund (OSTF) Board; and

WHEREAS, the OSTF Board approved the District's Investment Policy in April 2009, and subsequent amendments to the Investment Policy since that time have conformed with OSTF guidance.

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

Section 1: The Investment Policy attached hereto as Exhibit A and incorporated by reference is hereby adopted, and staff is directed to implement in the ordinary course of the District's business.

Approved and adopted at a regular meeting held on the 17th day of January 2024.

Todd Sanders, President

Jim Doane, Secretary

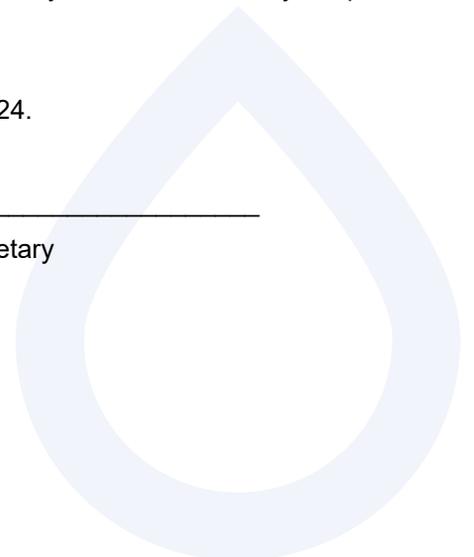


Exhibit A

INVESTMENT POLICY



TUALATIN VALLEY
WATER DISTRICT

Adopted January 17, 2024

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1. PURPOSE

This Investment Policy defines the parameters within which funds are to be invested by Tualatin Valley Water District (The District). This policy formalizes the framework, pursuant to Oregon Revised Statutes (ORS) 294.135, for Tualatin Valley Water District's investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

This policy has been adopted by Resolution No. 01-24 by the District's Board of Commissioners on January 17, 2024 and replaces the District's previous Investment Policy.

2. GOVERNING AUTHORITY

The investment program shall be operated in conformance with ORS and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145 and 294.810. All funds within the scope of this policy are subject to laws established by the State of Oregon. Revisions and extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

3. SCOPE

This policy applies to activities of Tualatin Valley Water District with regard to investing the financial assets of all funds as defined by the District in its Chart of Accounts except that funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of Oregon.

Other than bond proceeds or other unusual situations, the total of all funds ranges from \$40,000,000 to \$300,000,000. The Chart of Accounts currently defines the following funds that are not held by trustee or fiscal agent:

- Cash Pool
- General Fund
- Capital Improvement Fund
- Capital Reserve Fund
- System Development Charges (SDC) Fund
- Bond Construction Fund
- WIFIA Proceeds Fund
- 2023 Revenue Bond Fund
- 2024 Revenue Bonds Fund
- Revenue Bond Debt Service Fund
- Willamette River Water Coalition
- Customer Emergency Assistance Fund
- Willamette Intake Facilities
- Willamette Water Supply System

If, in the course of its activities, the District should define further funds (not held by trustee or fiscal agent), these rules shall also apply to the investment of the financial assets of those new funds. These funds will be invested in compliance with the provisions of, but not necessarily limited to, ORS 294.035 through ORS

294.048; and ORS 294.125 through ORS 294.155. Investment of tax-exempt borrowing proceeds and related debt service funds will comply with the arbitrage restrictions on applicable Internal Revenue Codes.

4. OBJECTIVES

The District's primary objectives, in priority order, of investment activities shall be:

4.1 Preservation of Invested Capital:

Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

4.2 Liquidity:

The investment portfolio shall remain sufficiently liquid to meet reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

4.3 Return:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

5. STANDARDS OF CARE

5.1 Prudence:

The standard of prudence to be used by investment officials shall be the "prudent person" standard, and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

5.2 Ethics and Conflict of Interest:

District officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that

could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Chief Executive Officer any material interests in financial institutions with which they conduct business. They shall further disclose any person financial/investment positions that could be related to the performance of the investment portfolio. Employees, officers, and their families shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon's Government Ethics requirements set forth in ORS 244.

5.3 Delegation of Authority and Responsibilities:

- A. Governing Body:** The Board of Commissioners retains ultimate fiduciary responsibility for invested funds. The governing body will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.085 and 294.155.
- B. Delegation of Authority:** Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Chief Financial Officer, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810. The Investment Officer is responsible for investment decisions, under the review of the Board of Commissioners.

The Investment Officer may delegate authority to another employee to perform all or some of the duties of the Investment Officer.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

- C. Investment Committee:** The Investment Officer may seek to establish an investment committee to provide guidance to the Investment Officer and monitor investment policy compliance.
- D. Investment Advisor:** Subject to required procurement procedures, the District may engage the support services of one or more external investment managers to assist in the management of the District investment portfolio in a manner consistent with this investment policy. Investment advisors may be hired on a discretionary or non-discretionary basis. If the District hires an investment advisor to provide investment advisory services, the investment advisor is authorized to transact with its direct dealer relationships on behalf of the District.

6. TRANSACTION COUNTERPARTIES

6.1: Broker/Dealers:

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. Any firm is eligible

to make an application to the District, and on due consideration and approval, may be added to the list. Additions or deletions to the list will be made at the Investment Officer's discretion. The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

- A. Broker/Dealer firms must meet the following minimum criteria:
 - i. Be registered with the Securities and Exchange Commission (SEC).
 - ii. Be registered with the Financial Industry Regulatory Authority (FINRA).
 - iii. Provide most recent audited financials.
 - iv. Provide FINRA Focus Report filings.

- B. Approved broker/dealer employees who execute transactions with the District must meet the following minimum criteria:
 - i. Be a registered representative with FINRA;
 - ii. Be licensed by the State of Oregon;
 - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

- C. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors to consider would be:
 - i. Pending investigations by securities regulators
 - ii. Significant changes in net capital
 - iii. Pending customer arbitration cases
 - iv. Regulatory enforcement actions

- D. The Investment Officer shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the District for investment purposes. The Investment Officer, or designee may use the investment advisor's approved broker/dealer list in lieu of the District's own approved list. The investment advisor must submit the approved list to the District annually and provide updates throughout the year as they occur. The investment advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures should include:
 - i. FINRA Certification Check
 - Firm Profile
 - Firm History
 - Firm Operations
 - Disclosures of Arbitration Awards, Disciplinary and Regulatory Events
 - State Registration Verification
 - ii. Financial Review of acceptable FINRA capital requirements or letter of credit for clearing settlements.

The investment advisors must provide the District with changes to the list prior to transacting on behalf of the District. The advisor may be authorized through the contracted agreement to open accounts on behalf of the District with the broker/dealers on the approved list. The District will

receive documentation directly from the brokers for account verification and regulatory requirements.

6.2: Investment Advisors

A list will be maintained of approved investment advisors selected by conducting a process of due diligence.

- A. The following items are required for all approved investment advisors:
 - i. The investment advisor's firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the State of Oregon; *(Note: Investment advisor's firms with assets under management exceeding \$100 million must be registered with the SEC, otherwise the firm must be licensed by the State of Oregon).*
 - ii. All investment advisor firm representatives conducting investment transactions on behalf of the District must be registered representatives with FINRA.
 - iii. All investment advisor firm representatives conducting investment transactions on behalf of District must be licensed by the State of Oregon.
 - iv. Contract terms will include that the investment advisor will comply with the District's Investment Policy.

- B. A periodic (at least annual) review of all authorized investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility within the portfolio guidelines. The investment advisor must notify the District immediately if any of the following issues arise while serving under a District contract:
 - i. Pending investigations by securities regulators
 - ii. Significant changes in net capital
 - iii. Pending customer arbitration cases
 - iv. Regulatory enforcement actions

6.3: Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

6.4: Competitive Transactions

Each investment transaction shall be competitively transacted with broker/dealers who have been authorized by the District or investment advisory firm. At least two broker/dealers shall be contacted for each transaction and their bids and offering prices shall be recorded. A record, subject to District archiving policy, shall be maintained by the District of all bids and offerings for security transactions in order to ensure that the District receives competitive pricing.

If the District is offered a security for which there is no readily available competitive offering, then the Investment Officer shall document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

7. ADMINISTRATION AND OPERATIONS

7.1: Delivery vs. Payment

All trades of marketable securities will be executed on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the District's safekeeping institution prior to the release of funds.

7.2: Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the District. All securities will be evidenced by safekeeping receipts in the District's name. All securities will be receipted and recorded based on the terms in the custodial contract. The custodian shall provide monthly statements and accrual basis reports to the District listing security holdings, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, accrued interest, and other pertinent information. The District will have online access through the safekeeping bank for verification of the account holdings and transactions. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

7.3: Internal Controls

The Investment Officer shall maintain a system of written internal controls which shall be reviewed and tested by the independent auditor at least annually or upon any extraordinary event, e.g., turnover of key personnel, the discovery of any inappropriate activity. The internal controls shall address the following points at a minimum:

- i. Compliance with Investment Policy
- ii. Control of Collusion
- iii. Separation of transaction authority from accounting and record keeping
- iv. Custodial safekeeping
- v. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary
- vi. Clear delegation of authority to subordinate staff members
- vii. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form
- viii. Dual authorizations of wire and automated clearing house (ACH) transfers
- ix. Staff training
- x. Review, maintenance, and monitoring of security procedures both manual and automated

7.4: Accounting Method

The District shall comply with generally accepted accounting principles (GAAP). The accounting principles are those contained in the pronouncements of the authoritative bodies including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

8. AUTHORIZED AND SUITABLE INVESTMENTS

8.1: Permitted Investments

All investments of the District shall be made in accordance with: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Investment Officer including not committing to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately on being enacted. Minimum credit ratings and percentage limitations apply to the time of purchase.

8.2: Suitable Investments

US Treasury Obligations: Direct obligations of the United States Treasury whose payment is guaranteed by the United States. [ORS 294.035(3)(a)]

US Agency Obligations: Federal agency and instrumentalities of the United States or enterprises sponsored by the United States Government (GSE) and whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government. [ORS Section 294.035(3)(a)]

Municipal Debt: Lawfully issued debt obligations of the states of Oregon, California, Idaho, and Washington and political subdivisions of those states if the obligations have a long-term rating on the settlement date of AA- or better by S&P, Aa3 or better by Moody's, or equivalent rating by any nationally recognized statistical rating organization, or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization. [ORS Section 294.035(3)(c)]

Corporate Notes: Corporate Indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Corporate indebtedness must be rated on the settlement date AA- or better by S&P, Aa3 or better by Moody's, or equivalent rating by any nationally recognized statistical rating organization. [ORS 294.035(3)(i)]

Commercial Paper: Corporate Indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Commercial Paper must be rated A1 or better by S&P, or P1 or better by Moody's or equivalent rating by any nationally recognized statistical rating organization. Issuer constraints for commercial paper combined with corporate notes will be limited by statute to 5% of market value per issuer. [ORS 294.035(3)(i)]

Bank Deposit/ Savings Accounts: Time deposit open accounts or savings accounts in insured institutions as defined in ORS Section 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in Oregon. [ORS Section 294.035(3)(d)(e)]

Certificates of Deposit: Certificates of deposit in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS Section 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in Oregon. [ORS Section 294.035(3)(d)]

Bankers' Acceptances: A short-term credit investment created by a non-financial firm and guaranteed by a qualified financial institution whose short-term letter of credit rating is rated in the highest category without any refinement or gradation by one or more nationally recognized statistical rating organization. For the purposes of this paragraph, "qualified financial institution" means: (i) A financial institution that is located and licensed to do banking business in the State of Oregon; or (ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon. [ORS 294.035(3)(h)]

Local Government Investment Pool: State Treasurer's local short-term investment fund.

8.3: Collateralization

Time deposit open accounts, Certificates of Deposit and savings accounts shall be collateralized through the state collateral pool for any excess over the amount insured by an agency of the United States government in accordance with ORS 295.018. All depositories must be on the State of Oregon's qualified list. Additional collateral requirements may be required if the Investment Officer deems increased collateral is beneficial to the protection of the monies under the District's management.

8.4: Approval of Permitted Investments

If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Investment Policy has been amended and the amended version adopted by the District.

8.5: Prohibited Investments

- The District shall not invest in "144A" private placement securities, this includes commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- The District shall not lend securities nor directly participate in a securities lending or reverse repurchase program.
- The District shall not purchase mortgage-backed securities.
- The District will not purchase, per ORS 294.040, any bonds of issuers listed in ORS 294.035(3)(a) to (c) that have a prior default history.

9. INVESTMENT PARAMETERS

9.1: Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

- A. Diversification:** It is the policy of the District to diversify its investments. Where appropriate, exposures will be limited by security type, maturity, issuance, issuer, and security type. Allowed security types and investment exposure limitations are detailed in the table below.

- B. Credit Ratings:** Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.
- C. The minimum weighted average credit rating** of the portfolio’s rated investments shall be AA-/Aa3/AA- by Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings Service, respectively.
- D. Diversification and Credit Exposure Constraints:** The following table limits exposures among investments permitted by this policy.

Diversification Constraints on Total Holdings:

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5.25 years
US Agency Obligations	100%	35%	N/A	5.25 years
Municipal Bonds (OR, CA, ID, WA)	25%	5%	AA- / Aa3 Short Term*	5.25 years
Corporate Notes	35%**	5%***	AA- / Aa3	5.25 years
Commercial Paper			A1 / P1	270 days
Bank Time Deposits/Savings	20%	10%	Oregon Public Depository	N/A
Certificates of Deposit	10%	5%	Oregon Public Depository	5.25 years
Banker’s Acceptance	25%	5%	A1 / P1	180 days
State LGIP	Maximum allowed per ORS 294.810	None	N/A	N/A

*Short Term Ratings: Moody's - P1/MIG1/VMIG1. S&P - A-1/SP-1, Fitch F1

**35% maximum combined corporate and commercial paper per ORS.

***Issuer constraints apply to the combined issues in corporate and commercial paper holdings.

9.2: Determining a Security’s Rating

A single rating will be determined for each investment by using the highest security level rating available for the security from Standard and Poor’s, Moody’s Investor Services, and Fitch Ratings, respectively.

9.3: Investment Maturity

- A. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate risk.
- B. The District will not directly invest in securities maturing more than 5.25 years* from the date of purchase.
- C. The maximum weighted maturity of the total portfolio shall not exceed 2 years. This maximum is

- established to limit the portfolio to excessive price change exposure.
- D. Liquidity funds will be held in the State Pool or in cash instruments generally maturing one year and shorter. At least one month’s estimated cash operating requirements will be maintained in the Local Government Investment Pool (LGIP).
 - E. Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between one day and 5.25 years and will be only invested in higher quality and liquid securities.
 - F. Cash flow projections will be reviewed and updated at least monthly and will be the controlling guide to establishing maturities. Maturities will be selected to ensure that sufficient cash is available to meet requirements.

The Investment Officer may invest funds that are related to cash flows for future construction projects or that are being accumulated for future renewal and replacement of infrastructure, by purchasing securities that will be held for a maximum of 5.25 years. Except for the aforesaid funds and funds requiring special handling (bond proceeds subject to arbitrage, etc.), investments beyond 5.25 years require the express approval of the Board of Commissioners. The first priority will be to invest in maturities that match liquidity needs of the District. Thereafter, the District shall target to maintain maturities within the following parameters for the total portfolio:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	\$10 million
Under 1 year	25%
Under 5.25 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	2.00
Security Structure Constraint	Maximum % of Total Portfolio
Callable Agency Securities	25%

*Exception to 5.25-year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5.25 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

10. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

Investments of bond proceeds may be restricted under bond covenants that are more restrictive than the investment parameters included in this Investment Policy. Bond proceeds shall be invested in accordance with the requirements of this Investment Policy and the applicable bond covenants and tax laws.

Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with anticipated outflows. Consequently, surplus funds within the scope of ORS 294.052 are not subject to this policy’s liquidity risk constraints within Section 9.3.

Information will be maintained for arbitrage rebate calculations.

11. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENTS

Pursuant to ORS 294.135(1)(b), reserve or capital Improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the Board of Commissioners, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

12. GUIDELINE MEASUREMENT AND ADHERENCE

12.1: Guideline Measurement

Guideline measurements will use market value of investments.

12.2: Guideline Compliance

- A. If the portfolio falls outside of compliance with this Investment Policy guidelines or is being managed inconsistently with this Investment Policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- B. Violations of portfolio guidelines as a result of transactions; actions to bring the portfolio back into compliance and; reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the Board of Commissioners.
- C. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is achieved.

13. REPORTING AND DISCLOSURE

13.1: Compliance

The Investment Officer shall prepare a report at least monthly that allows the District's Board of Commissioners to ascertain whether investment activities during the reporting period have conformed to the Investment Policy. The report will include, at a minimum, the following:

- A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity (yield to worst if callable).
- Average maturity of the portfolio at period-end.
- Maturity distribution of the portfolio at period-end.
- Average portfolio credit quality of the portfolio at period-end.
- Average weighted yield to maturity (yield to worst if callable investments are allowed) of the portfolio.
- Distribution by type of investment.
- Transactions since last report.
- Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding.
- This report should also note actions (taken or planned) to bring the portfolio back into compliance.

13.2: Performance Standards and Evaluation

- A. The portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based on a chosen minimum and maximum effective duration and will have the objective to achieve market rates of returns over long investment horizons. The purpose of the benchmark is to appropriately manage the risk in the portfolio given interest rate cycles. The core portfolio is expected to provide similar returns to the benchmark over interest rate cycles but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a 0-3 year or 0-5 year standard market index and comparisons will be calculated monthly and reported quarterly.
- B. When comparing the performance of the District's portfolio, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio's rate of return.
- C. The mark-to-market pricing will be calculated monthly and be provided in a monthly report.

13.3: Audits

The Investment Officer shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

13.4: Reporting Requirements

The Investment Officer will retain and provide investment reports at least quarterly to the Board of Commissioners in a similar manner as outlined in ORS 208.090. The reports also will be available upon request. Securities holdings and cash balances held in the investment portfolio will be provided on the reports.

The minimum quarterly reporting requirements for total portfolio are as follows:

- Earnings Yield
- Holdings Report (including mark to market)
- Transactions Report
- Weighted Average Maturity or Duration
- Compliance Report

14. INVESTMENT POLICY ADOPTION

This Investment Policy will be formally adopted by the Board of Commissioners; and thereafter, this policy will be readopted annually, even if there are no changes. Prior to adoption by the Board of Commissioners, if changes to the Investment Policy require review and comment by the Oregon Short Term Fund Board, such review will be sought prior to formal adoption.

15. GLOSSARY OF INVESTMENT TERMS

Accrued Interest: The interest accumulated on a security since the issue date or since the last coupon payment. The buyer of the security pays the market price plus accrued interest.

Agency Securities: Government sponsored enterprises of the US Government.

Basis Point: One-hundredth of 1 percent. One hundred basis points equal 1 percent.

Bond: An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and it is usually secured by specific assets. Most bonds have a maturity of greater than one year and generally pay interest semiannually.

Bond Discount: The difference between a bond's face value and a selling price when the selling price is lower than the face value.

Broker: An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

Callable: A bond that may be redeemed by the issuer before maturity for a call price specified at the time of issuance.

Call Date: The date before maturity on which a bond may be redeemed at the option of the issuer.

Collateral: Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Short-term, unsecured, negotiable promissory notes issued by businesses.

Commission: Broker's or agent's fee for purchasing or selling securities for a client.

Core Fund: Core funds are defined as operating fund balance which exceeds the District's daily liquidity needs.

Corporate Notes: A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Coupon Rate: The annual rate of interest that the issuer of a bond promises to pay to the holder of the bond.

Coupon Yield: The annual interest payments of a bond, divided by the bond's face value and stated as a percentage. This usually is not equal to the bond's current yield or its yield to maturity.

Current Maturity: The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

Current Yield: The remaining or final interest due on a security as a percentage of a security's market price.

CUSIP: The Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

Dealer: An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their own account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

Delivery: Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called “free”). Delivery vs. payment is delivery of securities with an exchange of money for the securities. Delivery vs. receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The reduction in the price of a security; the difference between its selling price and its face value at maturity. A security may sell below face value in return of such things as prompt payment and quantity purchase. “At a discount” refers to a security selling at less than the face value, as opposed to “at a premium”, when it sells for more than the face value.

Full Faith and Credit: Indicator that the unconditional guarantee of the issuer (e.g., the United States government, State of Oregon) backs the repayment of a debt.

Government Bonds: Securities issued by the federal government; they are obligations of the U.S. Treasury. Also known as “governments.”

Government Sponsored Enterprise (GSE): Financial services corporations created by the United States government. Their function is to enhance the flow of credit to targeted sectors of the economy, make those segments of the capital market more efficient, and reduce the risk to investors. The desired effect of the GSEs is to enhance the availability and reduce the cost of credit to the targets. Examples include Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), and Federal Farm Credit Banks (FFCB).

Interest: Compensation paid, or to be paid, for the use of money. The rate of interest is generally expressed as an annual percentage.

Interest Rate: The interest payable each year on borrowed funds, expressed as a percentage of the principal.

Investment Advisor or Manager: An investment advisor that acts on a non-discretionary basis to provide investment and risk strategies. The advisor must act in a fiduciary capacity.

Investment Portfolio: A collection of securities owned by the District and held by a custodian.

Investment Securities: Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

Liquidity: The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

Liquidity Component: A percentage of the total portfolio dedicated to providing liquidity needs for the District.

Local Government Investment Pool: Oregon's Local Government Investment Pool (LGIP) created by Oregon Laws in 1973, Chapter 748. It is a diversified portfolio offered to eligible participants of the State of Oregon. The Local Government Investment Pool is an alternate investment vehicle offered to participants that includes, but is not limited to, any municipality, political subdivision, or public corporation of Oregon that by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds.

Mark to Market: Adjustment of an account or portfolio to reflect actual market price rather than book price, purchase price, or some other valuation.

Mortgage-Backed Securities: Mortgage-backed securities are debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property. Mortgage loans are purchased from banks, mortgage companies, and other originators and then assembled into pools by a

governmental, quasi-governmental, or private entity. The entity then issues securities that represent claims on the principal and interest payments made by borrowers on the loans in the pool, a process known as securitization. Senior debentures of GSE's Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC) are not considered mortgage-backed securities.

Municipals (Munis): Securities, usually bonds, issued by a state or its agencies. The interest on munis is generally exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency's taxation powers.

Par Value: The value of a security expressed as a specific dollar amount marked on the face of the security, or the amount of money due at maturity. Par value should not be confused with market value.

Portfolio: A collection of securities held by an individual or institution.

Prudent Person Rule: A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

Quotation, or Quote: The highest bid to buy or the lowest offer to sell a security at a particular time.

Settlement Date: The actual date when a security is purchased and comes under the ownership of the buyer.

Spread: The difference between two figures or percentages. E.g., the difference between the bid and ask prices of a quote or between the amount paid when a security is bought, and an amount received when sold.

Trade Date: The date when a security transaction is executed.

Treasury Bill (T-Bill): An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

Treasury Bonds and Notes: Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

Weighted Average Maturity: The weighted sum of the average years to maturity of the investments held by the District.

Yield: The annual rate of return on an investment, expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield to Maturity: The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

Ratings Table – Long-Term

Three Highest Rating Categories	S&P	Moody's	Fitch	Definition
	AAA	Aaa	AAA	Highest credit quality
	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	Very high credit quality
	A+, A, A-	A1, A2, A3	A+, A, A-	High credit quality
	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	Good credit quality
	BB+, BB, BB-	Ba1, Ba2, Ba3	BB+, BB, BB-	Non-investment grade

Ratings Table – Short-Term

Highest Rating Category	S&P	Moody's	Fitch	Definition
	A1+, A1	P1+, P1	F1+, F1	Highest credit quality
	Municipal Commercial Paper			
	A-1, A-1+, SP-1+, SP-1	P1, MIG1, VMIG1	F1+, F1	Highest credit quality



TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 02-24

A RESOLUTION AMENDING SYSTEM DEVELOPMENT CHARGES FOR THE TUALATIN VALLEY WATER DISTRICT AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on July 18, 2012, the Board of Commissioners adopted Ordinance 01-12 “System Development Charge Ordinance” to impose system development charges (SDCs) and other related procedures to comply with ORS 223.297 to ORS 223.314, inclusive, to provide revenues necessary for capital improvements constructed and to be constructed; and

WHEREAS, in accordance with the methodology identified in Section 4 of Ordinance 01-12, the administrative staff of the District calculated the amount of the SDC to be imposed by the Board of Commissioners to collect the statutorily authorized, necessary revenues; and

WHEREAS, Section 9 B of Ordinance 01-12 requires the District to review its SDCs annually in relation to the Engineering News Record (ENR) Construction Cost Index (CCI) (Seattle); and

WHEREAS, construction costs increased 0.39% between December 2022 and December 2023 as evidenced by the ENR CCI (Seattle); and

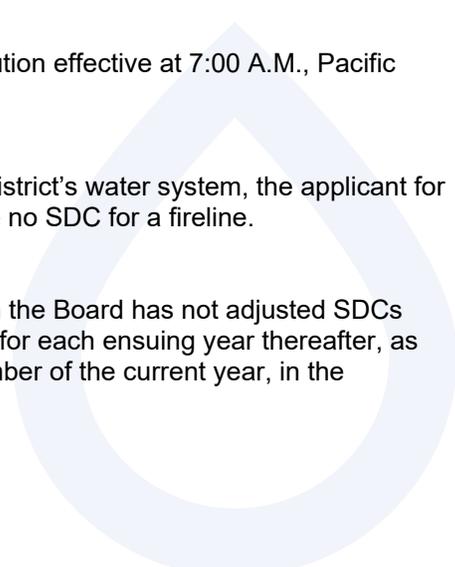
WHEREAS, pursuant to Section 9 of Ordinance 01-12, the Board of Commissioners by this resolution amends the SDC for the District as set forth below.

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

Section 1: Resolution 03-23 is hereby repealed and superseded by this resolution effective at 7:00 A.M., Pacific Standard Time on March 1, 2024.

Section 2: Prior to making a connection of non-District water facilities to the District’s water system, the applicant for such a connection shall pay in full the SDC to the District, except that there shall be no SDC for a fireline.

Section 3: Further, the Board directs staff, for any calendar year, during which the Board has not adjusted SDCs based on a revised capital improvements or facilities plan, to adjust SDCs March 1 for each ensuing year thereafter, as calculated by staff based on the change, from December of the prior year to December of the current year, in the Engineering News Record (ENR) Construction Cost Index (CCI) (Seattle).



Section 4 (a): Pursuant to Section 3 above, the SDC is calculated for a 5/8 x 3/4 inch meter by a weighting factor. The weighting factors adopted by the Board are based on the American Water Works Association safe operating capacities for displacement type meters.

The SDCs for meter sizes up to 1-1/2 inches are:

Reimbursement Fee	\$ 1,708/ERU
Improvement Fee	7,885/ERU
<u>Administration</u>	<u>161/ERU</u>
Total SDC	\$ 9,754/ERU

Meter Size	Weighting Factors (ERUs)	Charge
5/8 x 3/4 inch	1.0	\$ 9,754
3/4 x 3/4 inch	1.5	14,631
1 inch	2.5	24,385
1-1/2 inch	5.0	48,770

Section 4 (b): Pursuant to Section 4(a) above, for meters over 1-1/2 inches, the SDC shall be determined based on the customer's anticipated water usage. Anticipated peak-day water usage will be divided by the peak-day system design flow of 844 gallons per day per equivalent residential unit (ERU) to determine peak-day ERUs. Anticipated average daily water usage will be divided by 358 gallons per day per ERU to determine average-day ERUs (storage ERUs).

Peak-Day SDC cost is:

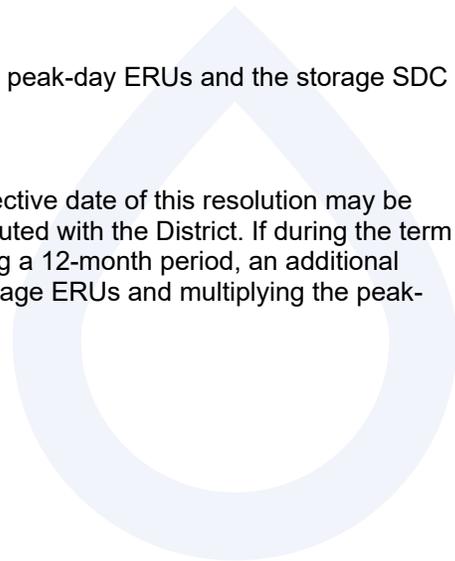
Reimbursement Fee	\$1,121 per peak-day ERU
Improvement Fee	<u>6,900</u> per peak-day ERU
Peak-Day SDC cost	\$8,021 per peak-day ERU

Storage SDC cost is:

Reimbursement Fee	\$ 748 per storage ERU
Improvement Fee	<u>985</u> per storage ERU
Storage SDC cost	\$1,733 per storage ERU

The SDC shall be the sum of the peak-day SDC cost per ERU multiplied by the peak-day ERUs and the storage SDC cost per ERU multiplied by the storage ERUs.

Section 4 (c): The SDC paid for meters larger than 1-1/2 inches as of the effective date of this resolution may be adjusted upward based on actual usage pursuant to an SDC agreement to be executed with the District. If during the term of the SDC agreement, the usage is greater than 110% of anticipated volume during a 12-month period, an additional SDC may be charged, using the same techniques for calculating peak-day and storage ERUs and multiplying the peak-day SDC cost per ERU and the storage cost per ERU then in effect.



Section 4 (d): The SDC paid for a residential 3/4 x 3/4 inch or 1 inch water meter, in the circumstance where a larger meter is required only for the purpose of meeting a residential multi-purpose fire sprinkler system requirement, will consist of the SDC for the appropriate size meter that would be required without the multi-purpose fire sprinkler system plus 18% of the difference between the price of the SDC for the meter size meeting the domestic water requirements and the SDC for the meter size meeting the fire sprinkler requirement. The 18% factor represents the approximate storage cost component of the SDC. Should the customer regularly use the capacity of the 3/4 x 3/4 inch or 1 inch meter to meet its domestic needs, the customer will be required to pay the remainder of the SDC at the current rate then in effect.

Section 4 (e): If the customer has been charged by the District for an illegal connection and requests a contract for payment of the SDC, the District may withhold the option of providing a contract for said payment of SDC.

Section 4 (f): If the SDC is financed as permitted by ORS 223.208, the financing charge established by the District is 9.0% as authorized in ORS 82.010 Legal Rate of Interest and for a maximum term of 10 years.

Approved and adopted at a regular meeting held on the 17th day of January 2024.

Todd Sanders, President

Jim Doane, Secretary





TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 03-24

A RESOLUTION REASSIGNING THE RECIPIENT FOR A FEDERALLY FUNDED GRANT FROM TUALATIN VALLEY WATER DISTRICT TO THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

WHEREAS, Tualatin Valley Water District ("District") applied for a Congressionally Directed Spending grant on behalf of the Willamette Water Supply System Commission ("WWSS") for costs related to the construction of the WWSS; and

WHEREAS, the District was awarded a \$3 million grant for this purpose; and

WHEREAS, the grant administrator, the United States Environmental Protection Agency ("EPA") recommends changing the named recipient to the WWSS to reduce the compliance and administrative requirements for managing the grant; and

WHEREAS, a change in the name of the grant recipient may be made by a technical correction to the grant application and award if: (1) the District adopts a resolution reassigning the grant recipient to the WWSS; and (2) the WWSS Board adopts a resolution accepting the grant.

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

Section 1: The Board authorizes and approves reassigning the grant recipient from the Tualatin Valley Water District to the Willamette Water Supply System Commission and further directs and authorizes the Chief Executive Officer to request from the EPA a technical correction to the grant recipient's name once a resolution accepting the grant is adopted by the Willamette Water Supply System Commission Board.

Approved and adopted at a regular meeting held on the 21st day of February 2024.

Todd Sanders, President

Jim Doane, Secretary



TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 04-24

A RESOLUTION ESTABLISHING REGIONAL PRINCIPLES FOR THE TUALATIN VALLEY WATER DISTRICT.

WHEREAS, the Tualatin Valley Water District (District) was formed in 1991 to serve a regional role by the consolidation of several water utilities located in Washington County; and

WHEREAS, the achievements of the District's predecessors included strategic investments that improved the reliability and resiliency of the region's water systems; and

WHEREAS, the partnership of the District's predecessor agencies with the City of Portland to build the Washington County Supply Line has proven the benefits of regional cooperation by lowering the cost of providing water by gravity and increasing the reliability and resiliency of the region's water systems; and

WHEREAS, the District's securing of water rights on the Willamette River in the 1970s and its contribution of those water rights to the Willamette Water Supply Agency formed the basis for the current Willamette River Water Coalition which benefits the District and its WRWC partners the cities of Tigard, Tualatin, and Sherwood; and

WHEREAS, the District's partnership with the City of Wilsonville to build the Willamette River Water Treatment Plant increased the diversity of supply to the region, provided a permanent source of water for both Wilsonville and the City of Sherwood, and formed the basis for the current Willamette Intake Facilities Commission and the Willamette Water Supply System Commission; and

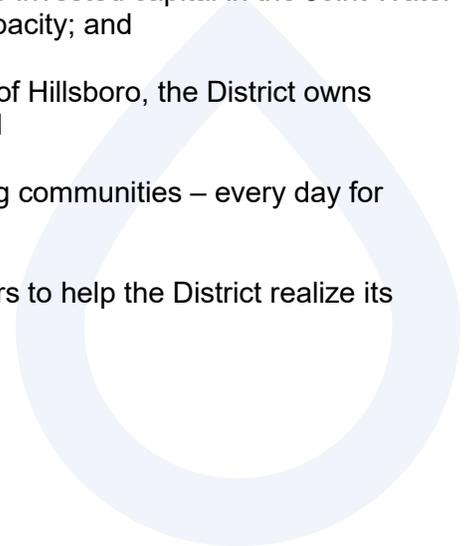
WHEREAS, with its partnership with the City of Beaverton, Clean Water Services, City of Forest Grove, and the City of Hillsboro, the District holds the largest share of the capacity, which is 35%, in the Barney Reservoir and the Barney Reservoir Joint Operating Commission; and

WHEREAS, with its partnership with the City of Beaverton, City of Forest Grove, and the City of Hillsboro, as of June 30, 2023, the District has contributed approximately 29.6% of the invested capital in the Joint Water Commission and has approximately 17.06% of the JWC treatment plant capacity; and

WHEREAS, with its partnership with the City of Beaverton and the City of Hillsboro, the District owns approximately 48.7% of the JWC's Northside Water Transmission Line; and

WHEREAS, the District's vision statement is "Our water sustains thriving communities – every day for everyone;" and

WHEREAS, strong regional partnerships are important enhancing factors to help the District realize its vision; and



WHEREAS, explicitly stating its regional principles will allow the District to continue being a trusted regional partner.

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

Section 1: The Board of Commissioners hereby adopts the regional principles attached to this resolution as Exhibit A and directs the District's Chief Executive Officer to undertake those efforts to align the District's activities with those principles.

Section 2: The District's regional principles will guide the District's decisions and remain in effect until rescinded or modified by the District's Board of Commissioners.

Approved and adopted at a regular meeting held on the 21st day of February 2024.

Todd Sanders, President

Jim Doane, Secretary





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

RESOLUTION NO. 05-24

A RESOLUTION RESCHEDULING THE JUNE 19, 2024 REGULAR BOARD OF COMMISSIONERS MEETING

WHEREAS, the Board of Commissioners annually sets its regular meeting calendar by resolution; and

WHEREAS, Resolution 21-23 established regular monthly meeting dates of the Board of Commissioners on the third Wednesday of each month for the calendar year 2024; and

WHEREAS, the Tualatin Valley Water District observes the federal holiday of Juneteenth on Wednesday, June 19, 2024.

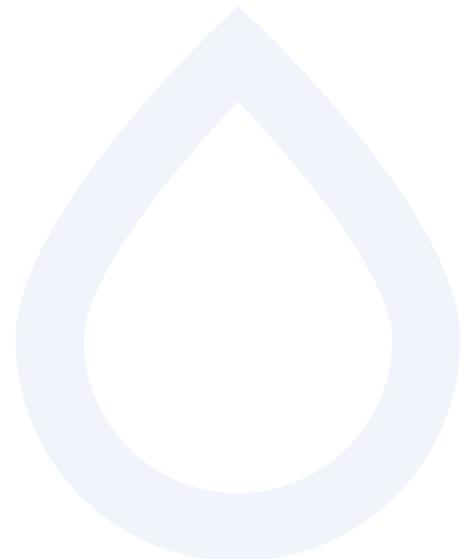
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: The Board of Commissioners hereby reschedules the June 19, 2024, Regular Board of Commissioners meeting to June 26, 2024.

Approved and adopted at a regular meeting held on the 20th day of March 2024.

Todd Sanders, President

Jim Doane, Secretary





TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 06-24

A RESOLUTION ESTABLISHING THE FEDERAL AND STATE LEGISLATIVE STRATEGIES FOR THE TUALATIN VALLEY WATER DISTRICT

WHEREAS, over the past six years, the District's successful pursuit of federal and state funding assistance for water infrastructure investment has saved the District's customers more than \$200 million and improved the reliability and resiliency of the District's water system; and

WHEREAS, the affordability of water for the District's most economically and financially vulnerable customers remains a significant public policy issue and will remain so as the District continues its major investments in water infrastructure; and

WHEREAS, the District and its partners in the Joint Water Commission and the Barney Reservoir Joint Ownership Commission have ongoing interests in the preservation and protection of the water resources of the Tualatin and Trask River basins, including the management of groundwater and wetlands for water quality; and

WHEREAS, the District has a significant interest in the protection and preservation of the Willamette River as a drinking water source because of the Willamette's importance as a natural and environmental resource to the State of Oregon, the District, and the District's regional partners; and

WHEREAS, the District's ability to maintain a reliable and resilient water system is essential for the economic development of Washington County and the State of Oregon by supporting key industries such as semiconductor manufacturers; and

WHEREAS, the District will continue to face complex regulatory and business challenges that will require rapid responses to evolving circumstances; and

WHEREAS, establishing the District's state and federal legislative strategies will allow better coordination of efforts among management and the District's elected officials.

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

Section 1: The District establishes the federal legislative strategy attached to this resolution as Exhibit A and incorporated by reference.

Section 2: The District establishes the state legislative strategy attached to this resolution as Exhibit B and incorporated by reference.

Section 3: The District's Chief Executive Officer (CEO) shall undertake those efforts that the CEO deems prudent to pursue these legislative strategies and any agency administrative rule matters that flow therefrom.

Approved and adopted at a regular meeting held on the 20th day of March 2024.

Name, President

Name, Secretary



Exhibit A



2024 FEDERAL LEGISLATIVE STRATEGY

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	Federal Funding for Water Infrastructure Projects. <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 Congressionally Directed Spending and grant projects.</i>
1	Affordability of Water for Vulnerable Customers. <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 Household Water 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	Protect the Willamette River as a Drinking Water Source. <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, 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	Economic Development. <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	Project Delivery and Contracting. <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's 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



2024 STATE LEGISLATIVE STRATEGY

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	Protect the Willamette River as a Drinking Water Source. <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	Water Quality. <i>Monitor issues related to water quality, including lead service lines, PFAS, water contaminants, and water quality testing.</i>
1	State Funding for Water Infrastructure Projects. <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	Economic Development, Land Use, and Housing. <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	Project Delivery and Contracting. <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



TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 07-24

A RESOLUTION APPOINTING JUSTIN CARLTON AS THE BUDGET OFFICER FOR THE TUALATIN VALLEY WATER DISTRICT.

WHEREAS, ORS 294.311, requires the District to designate a person to serve as Budget officer; and

WHEREAS, the Budget Officer must be appointed by the governing body unless the person or department is designated by charter; and

WHEREAS, historically the Budget Officer role has been filled by a staff member of the District Finance Department; and

WHEREAS, the current Budget Officer, Paul Matthews, now serves as the District's Chief Executive Officer; and

WHEREAS, the Board's Finance Committee recommends appointing Justin Carlton, the District's Chief Financial Officer, as the Budget Officer.

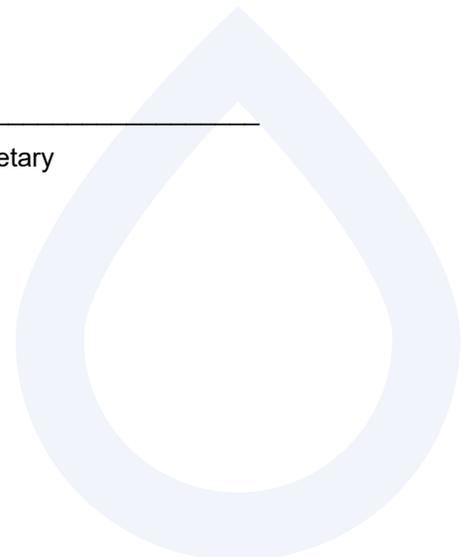
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: Justin Carlton, Chief Financial Officer be appointed as the District's Budget Officer.

Approved and adopted at a regular meeting held on the 17th day of April 2024.

Todd Sanders, President

Jim Doane, Secretary





TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 08-24

A RESOLUTION APPROVING THE SELECTION OF MOSS ADAMS LLP AS THE INDEPENDENT EXTERNAL AUDITOR FOR TUALATIN VALLEY WATER DISTRICT.

WHEREAS, Chapter 2 section 1.e. of the District's Board policies require the Board approve the selection of the District independent external auditor as determined through a request for proposals (RFP) issued by the CEO; and

WHEREAS, Moss Adams LLP was selected by the Board as the District's independent external auditor through an RFP process issued by the CEO in 2019; and

WHEREAS, the complexities and significance of the accounting for the Willamette Water Supply Program will likely require additional costs and time from a different independent external auditor; and

WHEREAS, the Board's Finance Committee met to discuss the selection of the District's independent external auditor on March 29, 2024 and recommends the Board select Moss Adams LLP based on the RFP issued in 2019; and

WHEREAS, it is in the District's interests to maintain Moss Adams LLP as the independent external auditor for the District and its related joint ventures until the end of the construction period for the Willamette Water Supply Program.

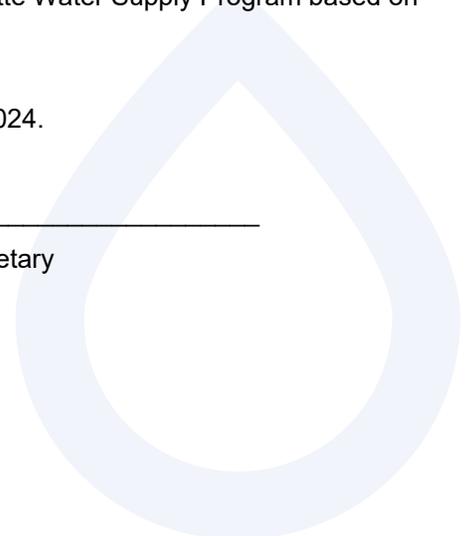
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: The Board of Commissioners selects Moss Adams LLP as the independent external auditor for the District and its related joint ventures through the construction period of the Willamette Water Supply Program based on the RFP issued in 2019.

Approved and adopted at a regular meeting held on the 17th day of February 2024.

Todd Sanders, President

Jim Doane, Secretary





TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 09-24

A RESOLUTION NOMINATING DIRECTOR MILES PALACIOS OF THE TUALATIN HILLS PARK AND RECREATION DISTRICT AS THE WASHINGTON COUNTY SPECIAL DISTRICTS REPRESENTATIVE TO THE METRO POLICY ADVISORY COMMITTEE AND COMMISSIONER JIM DUGGAN OF THE TUALATIN VALLEY WATER DISTRICT AS THE ALTERNATE REPRESENTATIVE.

WHEREAS, the Metro Charter created the Metro Policy Advisory Committee consisting of county, city, and special district elected officials from the tri-county area; and

WHEREAS, special districts are allocated one representative and one alternate from each county with no fixed term or election cycle; and

WHEREAS, historically, the Special Districts Association of Oregon (SDAO) has facilitated the special district nomination and election process as requested from time to time and the Tualatin Valley Fire and Rescue recently asked SDAO to undertake that process; and

WHEREAS, SDAO has provided forms and instructions as to the nomination and election process and the Board being advised.

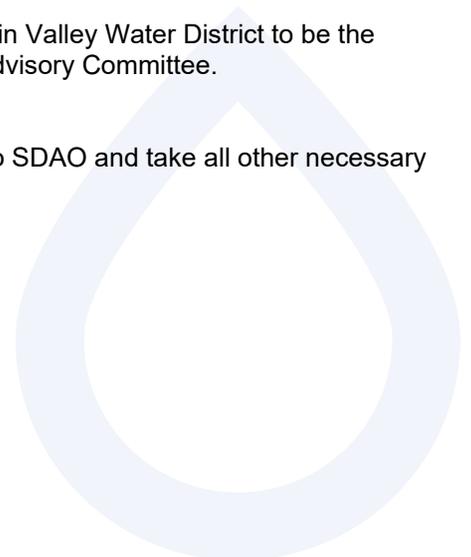
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: The Board hereby nominates Director Miles Palacios of Tualatin Hills Park and Recreation District to be the Washington County Special District Representative to the Metro Policy Advisory Committee.

Section 2: The Board hereby nominates Commissioner Jim Duggan of Tualatin Valley Water District to be the alternate Washington County Special District Representative to the Metro Policy Advisory Committee.

Section 3: The Chief Executive Officer is directed to provide this Resolution to SDAO and take all other necessary actions in furtherance of the nomination and election process.

Approved and adopted at a regular meeting held on the 17th day of April 2024.



Todd Sanders, President

Jim Doane, Secretary





TUALATIN VALLEY
WATER DISTRICT

RESOLUTION NO. 10-24

A RESOLUTION CREATING A NEW CUSTOMER ASSISTANCE PROGRAM FOR THE TUALATIN VALLEY WATER DISTRICT.

WHEREAS, in 2016, TVWD Board of Commissioners created its first Rate Advisory Committee (“First RAC”) and appointed members, with the scope of duties to advise the Board on affordability considerations; and

WHEREAS, in 2017, the First RAC made affordability recommendations to the Board, including that TVWD should provide customers monthly billing, levelized billing, temporary/emergency assistance, and penalty forgiveness. The First RAC also provided general direction that the District should offer some form of a low-income rate; and

WHEREAS, in 2017 staff advised the Board that many affordability improvements relied on a new utility billing system, also known as a Customer Information System (CIS), information infrastructure that TVWD needed for both current and anticipated future business needs; and

WHEREAS, TVWD and Clean Water Services (the “Partners”) began a project in 2018 to define new system requirements, select a system vendor, and implement the core system. The new CIS went live for customers and utility staff in July 2022; and

WHEREAS, in 2022, amidst increasing TVWD water rates necessary to fund the Willamette Water Supply Program (WWSP), the Board appointed a second RAC (“Second RAC”), with members representing diverse backgrounds and expertise, multiple customer classifications, and District-wide geographic coverage; and

WHEREAS, the Second RAC had two primary assignments, to make recommendations to the Board on: (1) affordability for financially vulnerable TVWD customers; and (2) rate structure adjustments to reduce revenue volatility for both fixed and volume water charges; and

WHEREAS, regarding affordability for financially vulnerable TVWD customers, the Second RAC recommended continuation of the District’s Customer Emergency Assistance Program, as well as a recommendation that TVWD create a new Customer Assistance Program (CAP) with the parameters described in Exhibit A; and

WHEREAS, on May 16, 2023, the Board accepted, by motion, the (Second) RAC’s recommendations, including creation of the new CAP with the parameters described in Exhibit A.; and

WHEREAS, the Adopted 2023-2025 Biennial Budget included funding levels and expenditures for the new CAP; and

WHEREAS, although appropriated in the Adopted 2023 – 2025 biennial budget, the new customer assistance program with a specific bill discount rate is not described in Board-adopted fees and charges; and

WHEREAS, the Board finds it necessary to create the new CAP with a specific bill discount rate and other specific program parameters as recommended by the Second RAC and provide clear authorization to the Chief Executive Officer to implement and administer the CAP; and

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

Section 1: The Board hereby creates a new Customer Assistance Program with the features described in Exhibit A and objectives described in Exhibit B, attached hereto and incorporated by reference.

Section 2: The Board hereby directs and authorizes the bill discount rates, as described in Exhibit A, to be added to the existing Board authorized rates and charges.

Section 3: The Chief Executive Officer is authorized and directed to take all actions necessary to implement and administer the Customer Assistance Program.

Approved and adopted at a regular meeting held on the 17th day of April, 2024.

Todd Sanders, President

Jim Doane, Secretary



Exhibit A: Customer Assistance Program Parameters

1. Qualification

- a. Qualified customers shall be single-family residential customers of the District who qualify for the federal Low Income Home Energy Assistance Program (LIHEAP), or other similar programs as deemed appropriate by the Chief Executive Officer.
- b. TVWD may contract with third-party entities to establish customer eligibility for the program.

2. Bill Discount

- a. The assistance for qualified customers is a 20% discount to the customer's water bill (both fixed and volume charges).

3. Funding

- a. Funding for the program shall be limited to those funds appropriated in the District's adopted biennial budget.
- b. The discount under the program lapses when appropriated funds are fully expended.
- c. Management will monitor the unspent appropriated funds and report those to the Board as deemed necessary.



Exhibit B: Customer Assistance Program Objectives

1. Improve the affordability of water for low-income customers.
2. Reduce the number and risk of water shutoffs for low-income customers.
3. Provide a simple structure for the program.
4. Reduce burden on low-income customers and District staff by using third-party entities to qualify customer eligibility.

