

Willamette Intake Facilities Commission
Board Meeting Agenda
Monday, October 29, 2018 | 6:00 – 8:00 PM

Tualatin Valley Water District – Board Room
1850 SW 170th Avenue, Beaverton, OR 97003

To prepare to address the Willamette Intake Facilities Board, please fill out the Public Comment Form located on the table near the main door to the meeting room. **Assistive Listening Devices (ALD) are available upon request 48 hours prior to the day of the meeting by calling (503) 941-4580.**

All testimony is electronically recorded.

The Board and other attendees dine at 5:30 p.m.

CALL TO ORDER

1. **GENERAL MANAGER'S REPORT** (Brief presentation on current activities relative to the WIF 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** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)
 - A. Approve the July 30, 2018 meeting minutes.
4. **BUSINESS AGENDA**
 - A. Rules of Conduct: Potential Amendment of Article C.2 Relating to Special Meetings
 - B. Adopt the Raw Water Facilities Project Plan
 - C. Adopt the Fiscal Year 2018-19 Supplemental Budget Regarding Capital Outlay
 - D. Approve WIF Insurance Renewal Recommendation
5. **INFORMATION ITEMS**
 - A. WIF Plans Development Strategy
 - B. Report on the Financial Affairs of the Willamette Intake Facilities Commission
 - C. The next Board meeting is scheduled on January 28, 2019, at Tualatin Valley Water District – Board Room.
6. **COMMUNICATIONS AND NON-AGENDA ITEMS**
 - A. None scheduled.

ADJOURNMENT

Willamette Intake Facilities Commission

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Willamette Water Supply

Our Reliable Water

Safety Moment

Eye Health

October 29, 2018

Each day, over 2,000 American employees suffer an eye injury, resulting in lost time and/or vision loss

• Protect your eye health by:

Use safety eyewear



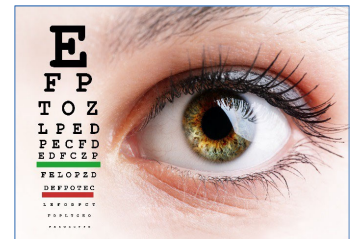
Avoid eye infection



Correct Office Ergonomics



Annual Exam



Protecting Your Eye Health

- **Importance of Safety Eyewear**

- Avoid injury caused by flying objects, tools, particles, and other hazards
- Verify that it is certified and fit for use

- **Avoiding the Risk of Eye Infection**

- Industrial, healthcare, laboratory, janitorial and other workplace environments require special eye protection
- Avoid touching and rubbing eyes



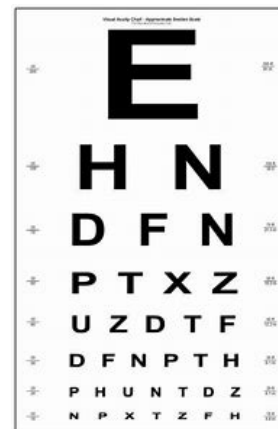
Protecting Your Eye Health

- **Office Workers Exposure**

- Computer screens can cause headaches, eye fatigue and difficulty focusing
- Reposition computer screen to eye level
- Take more frequent rest breaks
- Over-the-counter drops and proper hydration

- **Annual Eye Exams for Maintenance**

- Eye exams will help evaluate potential unseen injuries
- Identify signs of serious eye conditions like glaucoma and cataracts



MEMO

Date: October 29, 2018

To: Willamette Intake Facilities Board of Commissioners

From: David Kraska, General Manager

Re: Willamette Intake Facilities General Manager's Report

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

- 1. Be Sure to Use Microphones** – Just a reminder to please be sure to use your microphone whenever you are speaking this evening. Also, please be sure to turn off your microphone when you are not speaking.
- 2. Safety Minute** – Dave Kraska, will present the safety minute.
- 3. Raw Water Facilities Update** – Over the last few months, the design consultant has been progressing the basis of design and incorporating Value Engineering recommendations in support of the 50% design deliverable scheduled to be complete by November 1, 2018. As part of this effort, additional geotechnical investigations, potholing, and tree survey work were recently performed. Several meetings were conducted in support of the deliverable including Resiliency and Recovery by Design, and Raw Water Sediment Management and Sampling. Additionally, in preparation for the upcoming Land Use application submittal, the design team met with the City of Wilsonville to discuss project details, such as landscaping and architectural concepts.

Following the receipt of the 50% design deliverable, the design team will conduct a thorough review including constructability, hazard and operability study (HAZOP, which is related to redundancy and safety), and long and short-term operations and maintenance. Workshops will be held for these reviews accordingly and will inform the 70% design and Land Use application for delivery in April 2019. The RWF team will also conduct additional geotechnical investigation in the Willamette River to refine the seismic mitigation design.

The contractor, Kiewit, will also perform a review of the 50% design deliverable. The focus of their review will include value engineering and constructability. Kiewit will deliver the results of their review by November 20, and their opinion of the estimated construction costs by December 1.

- 4. Kinder Morgan Coordination** – On October 4, 2018, a meeting was held at the Willamette River Water Treatment Plant. It was attended by representatives from each of the WIF agencies, elected officials, and representatives from Kinder Morgan. At this meeting, Kinder Morgan presented their proposal for improving emergency response for protection of the river water quality and the quality of the water entering the WIF. Their proposal included the following items:
- a. Kinder Morgan’s tactical response plan
 - b. Kinder Morgan and WRWTP joint training and response exercises
 - c. Computer modeling of a possible spill to understand the fate of any petroleum products
 - d. Storing some emergency response equipment at the WRWTP for quicker response
 - e. Installing equipment to enable remote closure of the Kinder Morgan pipeline valve on the north side of the river
 - f. Installing a shutoff valve on the WIF intake pipeline to prevent potentially contaminated water from entering the intake pipeline

At the meeting, there was initial discussion of this proposal, and additional follow-up is planned. We are currently evaluating information provided by Kinder Morgan related to its system hydraulics to understand the potential remaining risks associated with only having a shutoff valve on one side of the river. We are also expecting to receive a copy of Kinder Morgan’s spill modeling report. We intend to review the report to better understand the potential risks, and to help evaluate emergency mitigation measures.

Kinder Morgan is planning to install the equipment for remote closure of the Kinder Morgan pipeline valve on the north side of the river in the first half of 2019. The next meeting with Kinder Morgan, yet to be scheduled, will continue the discussion of refining and implementing measures to better protect our intake from potential spills.

**Willamette Intake Facilities Commission
Board Meeting Minutes
July 30, 2018**

REGULAR SESSION – 6:00 PM

CALL TO ORDER AND ROLL CALL

Commissioners present:

Tualatin Valley Water District (TVWD): Jim Doane
Beaverton: Marc San Soucie
Hillsboro: Dave Judah (Alternate)
Sherwood: Sean Garland (Vice Chair)
Tigard: John Goodhouse
Wilsonville: Tim Knapp

Committee Members present:

TVWD: Mark Knudson, Management Committee
Paul Matthews, Finance Committee
Carrie Pak, Operations Committee
Beaverton: David Donaldson, Management Committee
Hillsboro: Lee Lindsey, Finance Committee
Sherwood: Rich Sattler, Operations Committee
Tigard: Eric Zimmerman, Management Committee
John Goodrich, Operations Committee
Wilsonville: Bryan Cosgrove, Management Committee
Delora Kerber, Operations Committee

Managing Agency Staff present:

Dave Kraska, WIF Commission General Manager
Clark Balfour, General Counsel, TVWD
Justin Carlton, Finance and Administrative Supervisor, WWSP
Faye Branton, WIF Commission Recorder
Mark McConnell, Building and Grounds Maintenance II, TVWD

Other Attendees:

Bill Van Derveer, Program Manager, WWSP

1. GENERAL MANAGER'S REPORT

Mr. Kraska presented the Safety Minute on heat illness prevention, followed by a review of format changes to the WIF Board meeting agenda, an update regarding a Commissioners' tour of the Willamette River Water Treatment Plant (WRWTP), and an update regarding coordination with Kinder Morgan.

Scheduling of the Commissioners' tour of the WRWTP and the next meeting with Kinder Morgan will occur in the coming weeks. September dates are anticipated for both.

2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

- A. Approve the April 30, 2018 inaugural meeting minutes.

Motion was made by San Soucie, seconded by Judah, to approve the Consent Agenda as presented. The motion passed unanimously with Doane, Garland, Goodhouse, Judah, Knapp, and San Soucie voting in favor.

4. BUSINESS AGENDA

- A. Consider adopting Resolution No. WIF-04-18, a resolution adopting Willamette Intake Facilities Board of Commissioners Rules of Conduct.

Mr. Balfour referred Commissioners to the draft Willamette Intake Facilities Commission Board of Commissioners Rules of Conduct and opened the floor for questions and comments.

Commissioners determined that the WIF Commission Board of Commissioners Rules of Conduct are to be amended as follows:

- Item D. AGENDA
 1. Sentence shall be amended to read – “The agenda headings for Board business meetings shall generally include the following:”
- Item E. BOARD DISCUSSIONS AND DECORUM
 - 3.b. “will have an opportunity to speak ~~once~~ on any pending motion...” Strike the word “once”.
 - 4.a. “...any member of the public desiring to address the Board must first request to be recognized by the Chair and then state their name and address for the record. ...”

Motion was made by Doane, seconded by Goodhouse, to adopt Resolution No. WIF-04-18 with the named amendments.

The motion passed unanimously with Doane, Garland, Goodhouse, Judah, Knapp, and San Soucie voting in favor.

In response to Commissioner questions, staff replied that special Board meetings can be held with a quorum. Quorum requirement for Board meetings is addressed in the Intergovernmental Agreement (IGA). Staff has never seen limits imposed on special meetings.

Commissioner San Soucie confirmed that Item C.2 language regarding special meetings is currently acceptable as written. Commissioner San Soucie also expressed the desire have “design of some controls regarding special meetings” presented as a topic for discussion at a future Board meeting.

5. INFORMATION ITEMS

A. Management Committee Reports

Mr. Kraska introduced the WIF Management Committee Reports, stating that these reports are intended to increase the understanding the WIF Board has of its member agencies.

Vice Chair Garland invited Commissioners to ask any questions throughout the presentations.

- Tualatin Valley Water District report was presented by Mark Knudson, CEO.
- City of Wilsonville report was presented by Delora Kerber, Public Works Director.
 - Commissioner Knapp offered a brief synopsis re: Clackamas River water rights and the water provisions in Wilsonville's city code.
- City of Sherwood report was presented by Rich Sattler, Utility Manager.
- City of Hillsboro report was presented by Kevin Hanway, Water Department Director.
- City of Tigard report was presented by John Goodrich, Public Works Director
- City of Beaverton report was presented by David Donaldson, Public Works Director

B. Update on the WIF-Related Elements of the RWF 1.0 Project

Mr. Kraska presented an update regarding the WIF-related elements of the Willamette Water Supply Program (WWSP) Raw Water Facilities Project (RWF_1.0). This semi-annual update is intended to keep the WIF Commission apprised of the regular progress being made on the RWF_1.0 project as it pertains to the WIF.

In response to Commissioners' questions, staff replied:

- WWSP is designing for the Cascadia subduction event. The location and design of a possible catchment fence is yet to be determined. We could have bank disruption; however, there is no way to predict this with certainty. The next step is to perform additional geotechnical investigations in the area to obtain more information.
- Work on the RWF_1.0 project is planned to be performed while the WRWTP is in operation. We are currently working through the details regarding work to be done inside the intake pipe.

C. Clarify WIF Commission Role in the Raw Water Facilities Project

Mr. Kraska presented clarifying information regarding the history of the Raw Water Facilities Project and its relationship to the Willamette Governance Group, relevant information in Agreements, the WIF Commission's role pre-July 1, 2026, and the WIF Commission's role post-July 1, 2026.

In response to Commissioner question, staff said the Raw Water Facility Project Plan will explain cost shares, anticipated cash flow, and how changes will be managed.

D. Raw Water Facilities Project Plan

Mr. Carlton presented a draft outline of the Raw Water Facility Project Plan. This plan is currently being drafted for review by the WIF Finance and Management Committees and will be presented for consideration at the October WIF Board meeting.

In addition to the Raw Water Facility Project Plan, it is anticipated that a FY 19 budget for the RWF_1.0 Project will also be presented for consideration at the October Board meeting. The budget will cover the FY 19 costs, as well as costs incurred to date.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

Commissioner Knapp shared that there may be interest in talking about the blue green algae issue upstream and potential impacts. Communication needs to be addressed statewide. There is no water testing lab in the state of Oregon. Consequently, water samples are being sent out of state for testing.

Staff concurred that it makes sense for this group of individuals to have an interest and pay attention to that issue. Staff noted that everyone here is a member of the Oregon Water Utility Council (OWUC), which promotes and monitors legislation, public policies, and regulations regarding drinking water.

ADJOURNMENT

There being no further questions or business, Vice Chair Garland adjourned the meeting at 7:40 p.m.

NOTE: *Due to equipment malfunction, the audio recording of this meeting failed.*

John Godsey, Chair

Sean Garland, Vice Chair

WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: Dave Kraska, P.E., General Manager
Clark Balfour, TVWD General Counsel

Date: October 29, 2018

Subject: Rules of Conduct
Potential Amendment of Article C.2 Relating to Special Meetings

Requested Board Action:

Does the Commission wish to amend the Rules of Conduct regarding the subjects to be acted upon at special meetings? If so, the Board may take action by motion.

Background:

At the Commission meeting on July 29, 2018, the Commission adopted Rules of Conduct for its meetings. Article C.2 provides that a special meeting of the Board could be called by the Chair or any two members. The call, notice and conduct of the meeting must be in accordance with the Public Meetings Law. Approval at any meeting, regular or special, must comply with the quorum and voting requirements of the WIF IGA.

The quorum and voting provisions are found in Article 4.5.1. Voting requires 5 of 6 members to approve nearly all WIF actions. The only exceptions require unanimous approval of all 6: admission of new members (Article 20), amendment or modification of the WIF IGA (Article 27.12), dissolution of the Commission (Article 26) and issuance of debt (Article 7.8). Amendment of the IGA, dissolution and debt also require an approving vote of the governing body of each member, not just the WIF Board. A quorum is met if 5 of 6 members attend the meeting, regular or special. Where a unanimous vote is required, all 6 members must attend the meeting to have a quorum. Reading the quorum and voting requirements together, no action will be approved without a quorum consisting of the very number of votes necessary to pass the question.

Commissioner San Soucie raised a concern that a special meeting could be called for any reason and a quorum could approve an action in absence of other members. It was suggested that protective criteria should be added to authorize special meetings for particular purposes or to limit some decisions to regular meetings only. Staff indicated that options would be developed for discussion at the October 29 meeting.

Alternatives for Consideration:

1. Limit the Types of Decisions At Special Meetings And Include a Timing Component:
“ 2. Special Meetings may be called by the Chair or any two Board members for the purposes of approval, rejection or modification of contracts or approval of binding agreements with other

entities if deferral of action to the next regularly scheduled meeting would result in hardship, delay or is otherwise impractical.”

2. Designating Actions That Can Only Occur At A Regular Meeting:

“2. Special Meetings may be called by the Chair or any two Board Members but action or decisions regarding addition of new members, amendment or modification of the IGA, dissolution, issuance of debt, default of a member or change of capacity allocations shall only occur at a regular meeting unless hardship or emergency factors exist.”

3. No Change. The language would remain:

“2. Special Meetings may be called by the Chair or any two Board members.”

Next Steps: The alternatives are merely suggestions and can be modified as the Board sees fit. The Board may also conclude that with the high quorum and voting thresholds, sufficient protections are currently in place so there is no need to restrict flexibility to consider matters as presented in either a regular meeting or special meeting. If the Board wishes to make a change to the existing Rules, then it may direct by motion that the amendment be made, and the Rules corrected and republished by Staff.



Budget Impact: None

Staff Contact Information:

Dave Kraska, General Manager; (503) 941-4561; david.kraska@tvwd.org

Clark Balfour, TVWD General Counsel; (503) 848-3061; clark.balfour@tvwd.org

Management Staff Initials:

General Manager		TVWD General Counsel	
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	N/A

WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: Justin Carlton, WWSP Finance and Administration Supervisor

Date: October 29, 2018

Subject: Raw Water Facility Project Plan

Requested Board Action:

Consider adopting a resolution approving the Raw Water Facility Project Plan

Key Concepts:

- TVWD, as the Managing Agency, is responsible for the permitting, design, construction and commissioning of the Intake Facility Expansion Project (RWF_1.0).
- The RWF_1.0 Project consists of components that are either specific to the WIF or the WWSS
- The RWF_1.0 Project Plan provides clarity regarding the project definition, governance, invoicing, and cost allocations among the WIF and WWSS components.
- The RWF_1.0 Project Plan was reviewed and approved by the WIF Finance and Management Committees at the September 27, 2018 joint meeting.

Background:

Article 10.1 of the Willamette Intake Purchase and Sale Agreements (PSAs) identifies that TVWD, acting through the Willamette Water Supply Program (WWSP), is responsible for the permitting, design, construction, and commissioning of Intake Facility Expansion Project. While Article 10 provides some specifics regarding approval of procurements and related changes, further clarity is needed to establish procedures for WWSP staff. Additionally, estimated cost shares of the RWF Project were presented as Exhibit 11 of the Willamette Intake Facilities Intergovernmental Agreement, but details regarding specific components and allocations of direct expenditures (e.g. project management, design, CM/GC services) and indirect expenditures (e.g. system-wide program costs) needed to be addressed. Establishing these procedures enables the Managing Agency to provide a refined budget and begin invoicing the WIF partners for their respective shares.

Budget Impact:




The RWF_1.0 Project Plan does not have a direct budget impact but does enable the processing of partner invoices related to expansion project. Prior to any invoicing, a supplemental budget establishing appropriations for capital outlay needs to be adopted by the WIF Board of Commissioners.

Staff Contact Information:

Justin Carlton, WWSP Finance and Administration Supervisor; 503-941-4568; justin.carlton@tvwd.org

Attachments:
RWF_1.0 Project Plan

Management Staff Initials:

General Manager		TVWD General Counsel	
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	

RESOLUTION NO. WIF-05-18

A RESOLUTION ADOPTING THE RAW WATER FACILITY PROJECT PLAN

WHEREAS, the Willamette Intake Facilities Commission adopted the Annual Work Plan and Budget for 2018-19 by Resolution 02-18 on April 30, 2018; and,

WHEREAS, the Managing Agency is responsible for permitting, design, construction and commissioning of the Raw Water Facility Expansion Project (RWF_1.0 Project) and components of that work are specific to the Willamette Intake Facilities or the Willamette Water Supply System; and

WHEREAS, Staff reported to the Board that it would prepare and present to the Board the RWF_1.0 Project Plan (Plan) after review by the Finance and Management Committees and that the Plan is attached hereto as Exhibit 1 and incorporated by reference; and,

WHEREAS, the Plan provides clarity for the RWF_1.0 Project for Project definition, governance, invoicing and cost allocations between the WIF and WWSS so that Staff can allocate costs appropriately and also enables the Managing Agency to provide a refined budget from which to invoice the WIF Parties for their respective shares, and being advised

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WILLAMETTE INTAKE FACILITIES COMMISSION THAT:

Section 1. The RWF_1.0 Project Plan attached hereto as Exhibit 1 and incorporated by reference is hereby approved.

Section 2. Upon approval of the Supplemental Budget for Fiscal Year 2018-19, the Managing Agency shall implement the RWF_1.0 Project Plan.

Approved this 29th day of October, 2018

John Godsey, Chair

Sean Garland, Vice Chair

Willamette Intake Facilities Commission

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Raw Water Facility_1.0 Project Plan**1 INTRODUCTION**

The Intake Facility and Expansion Project also known as the Raw Water Facility Project (RWF_1.0) was established as a component of the Willamette Water Supply System (WWSS) during the Willamette Water Supply Program (WWSP) mobilization period in late 2015. The overall purpose of the RWF_1.0 project is to expand the capacity and seismic resiliency of the intake system located at the existing Willamette River Water Treatment Plant (WRWTP) in Wilsonville. Work by the WWSP staff and consultants began on the RWF_1.0 project in early 2017.

When completed, the RWF_1.0 will deliver raw water to both the existing WRWTP and the planned WWSS water treatment plant (WWSS WTP). Accordingly, ownership of the various components of the facility vary depending on whether they provide service to all owners, or to separate groups of owners. In general, the components that provide for drawing water from the river and making it available to the raw water pumps are owned by a group called the Willamette Intake Facilities (WIF) Commission that comprises the cities of Wilsonville, Sherwood, Tigard, Beaverton, Hillsboro, and the Tualatin Valley Water District (TVWD). Previously, these facilities were owned by the cities of Wilsonville and Sherwood, and TVWD. TVWD held excess capacity in these facilities, which it sold to the cities of Sherwood, Tigard, Beaverton, and Hillsboro through purchase and sale agreements (PSAs) that were executed in February 2018.

There will be two separate groups of pumps in the RWF_1.0; one group that delivers water to the WRWTP, and one group that will deliver water to the future WWSS WTP. Those groups of pumps, and the related equipment and appurtenances associated with them, are owned by different groups. The cities of Wilsonville and Sherwood will own the raw water pumps and related equipment that deliver water to the WRWTP. TVWD and Hillsboro, the two current partners in the WWSP, will own the pumps and related equipment that are part of the WWSS.

Therefore, it is important to note that the RWF_1.0 project includes components that are owned by the WIF, and the remaining components are owned by the WWSP partners.

Cost estimates for the WIF share of the RWF_1.0 project were provided throughout the Willamette Governance Group (WGG) negotiations and were included as Exhibit 11 to the WIF Agreement, including a negotiated cost share by partner. The purpose of this project plan is to establish a mutual understanding of how those cost shares will be updated using actual costs incurred-to-date and costs going forward. Additionally, this document will provide clarification regarding the following:

- Approval of new contracts
- Approval of amendments and change orders
- Project reporting
- Partner invoicing
- Development and approval of the WIF annual capital budget for the RWF_1.0 project
- Accounting for assets and ownership shares in the WIF joint venture and ownership by WWSP partners

This project plan is not intended to create new policies. Rather, it establishes procedures for WWSP staff and the managing agency to enact the policies established through the various agreements governing the WIF Commission and the WWSP as they relate to managing the RWF_1.0 project.

1.1 RELEVANT AGREEMENTS AND SUPPORTING DOCUMENTS

The relevant agreements and supporting documents used to establish this project plan include the following:

- Willamette Intake Facilities Intergovernmental Agreement (01/08/2018)
- Agreement for the Transfer, Purchase, and Sale of the Willamette Intake Facilities Between Tualatin Valley Water District and the City of Beaverton (03/01/2018)
- Agreement for the Transfer, Purchase, and Sale of the Willamette Intake Facilities Between Tualatin Valley Water District and the City of Hillsboro (03/01/2018)
- Agreement for the Transfer, Purchase, and Sale of the Willamette Intake Facilities Between Tualatin Valley Water District and the City of Sherwood (03/01/2018)
- Agreement for the Transfer, Purchase, and Sale of the Willamette Intake Facilities Between Tualatin Valley Water District and the City of Tigard (03/01/2018)
- Agreement for Design and Construction of Willamette Water Supply Program (05/19/2015)
- Permitting Cost Estimates Memo (10/23/2017)

2 PROJECT DESCRIPTION

The major elements of the RWF_1.0 project include:

- New river intake screens
- Expansion of the air burst system for the larger screens
- Modifications to the bollards in the river that protect the intake screens
- Improvements to the intake pipe that connects the screens to the caisson
- Caisson seismic improvements
- Pump station building seismic improvements
- New WWSS vertical turbine pumps, motors, with variable frequency drives ("VFD")
- Electrical facilities
- Hydraulic surge protection equipment
- Piping, valves and ancillary equipment
- Backup power facilities
- Stormwater management
- Seismic improvements
- WWSS Raw Water Pipeline

The existing assets that make up the WIF components are identified in the Willamette Intake PSA Recital E. The WIF-related elements of the RWF_1.0 project include:

- New river intake screens
- Expansion of the air burst system for the larger screens
- Modifications to the bollards in the river that protect the intake screens
- Improvements to the intake pipe that connects the screens to the caisson
- Caisson seismic improvements

Exhibit 1 - RWF_1.0 Project Component Allocation provides a detailed breakout of project components among the WIF and the WWSS.

2.1 PROJECT PHASING

Design of the RWF_1.0 project is already underway. Construction is currently planned to occur in two phases. The WIF elements are planned to be constructed during phase one, which is scheduled to occur from June 2020 through February 2022. Phase two is scheduled to occur from September 2022 through September 2024.

3 GOVERNANCE STRUCTURE AND APPROVALS

Article 10.1 PSAs identifies that TVWD, acting through the WWSP, is responsible for the permitting, design, construction, and commissioning of Intake Facility Expansion Project. Article 5.1 of the WIF Intergovernmental Agreement (IGA) state that TVWD is appointed the Managing Agency of the WIF. Additionally, Articles 5.6.7 and Articles 5.6.8 state the managing agency shall develop, and coordinate capital improvement plans and provide capital project management.

The WWSP was established by TVWD and the City of Hillsboro in June of 2015, through the WWSP Design and Construction IGA. The WWSP IGA grants broad powers to an Executive Committee consisting of the Chief Executive Officer of TVWD, and the Hillsboro Water Department Director. Contracts over \$881,000 require approval of the City of Hillsboro Utility Commission (UC). Contracts between \$500,000 and \$881,000 are approved by the Executive Committee. Contracts under \$500k may be approved by the WWSP Director. Several contracts that relate to activities at the WIF were executed by the WWSP prior to the establishment of the WIF. A listing of these existing contracts is provided below.

3.1 EXISTING CONTRACTS

The following contracts have been executed by the WWSP for services relating the RWF_1.0 project.

Project and Construction Management Service, Stantec Consulting Services: As the WWSP's contracted provider of program management and construction management services, Stantec provides an annual work plan to the WWSP which includes an estimate of staff hours for project management and construction management for the RWF_1.0 project. The annual work plan is reviewed by the WWSP management team and approved by the WWSP executive committee, and the Hillsboro Utilities Commission.

Physical Model Study (Closed), NW Hydraulic Consultants: Physical modeling, testing, and analysis of the intake to determine expanded capacity level. This contract was completed in May of 2018.

Design, Bidding Phase, and Services During Construction, Black and Veatch: Engineering design services for the RWF_1.0 project. The contract was executed in September of 2017.

Construction Manager/General Contractor Services, Kiewit Infrastructure West: Design phase support and development of a guaranteed maximum price for construction of the RWF_1.0 project. The contract was executed in July of 2018.

3.2 APPROVAL OF NEW CONTRACTS

As stated in the PSAs Articles 10.1.2 and 10.1.3, any change order or new contract where an individual WIF member's proportionate share exceeds \$100,000 will require approval of the WIF member agencies, except in the case of emergencies. If multiple change orders are required, the cumulative value will be used in determining if a partner's proportionate share exceeds \$100,000. Article 10.1.4 states that a procurement may be deemed an emergency and approved by the WWSP Director under reasonable circumstances. For nonemergency procurements, the agencies will have 10 days to approve or object upon receiving a written recommendation of approval from WWSP staff.

Since the PSAs do not specify who from each WIF member is the designated representative authorized to approve new contracts, this Project Plan establishes that agency approval can be granted by each member's WIF Management Committee Representative via email or in writing. If the primary representative of the WIF Management Committee is unavailable, his or her designee may authorize the new contract. Agency representatives are responsible for adhering to the procurement policies and authorization levels of their agencies.

New contracts that do not exceed \$100,000 of proportional cost share for any WIF member agency may be approved by the WWSP Director.

3.3 CHANGE ORDERS AND AMENDMENTS

Change orders and amendments will adhere to PSAs Articles 10.1.2 and 10.1.3 as stated above.

3.4 SCOPE AND SCHEDULE CHANGES

Material changes affecting scope and schedule will adhere to the WWSP change management process and will be communicated with the WIF partners in a timely manner. Any changes affecting cost will adhere to the change order and amendment rules established under the PSAs Articles 10.1.2 and 10.1.3.

4 FUNDING

Article 7.1 of the PSAs state TVWD will submit monthly invoices to the member agencies for their proportionate share of the expansion costs incurred. These include cost incurred prior to the formation of the WIF and execution of the PSAs. Due to the unique cost shares developed

during the WGG negotiations represented as Exhibit 11 to the WIF IGA, the initial billing will include the following:

- Wilsonville will be billed its full cost share of \$125,000
- TVWD and Sherwood will receive credits of \$250,000 and \$28,000 respectively for their loss in existing investments made in the intake facility assets being replaced prior to their end-of-useful life
- Those credits are proportionally funded by contributions from Tigard (\$74,199), Hillsboro (\$179,068), and Beaverton (\$24,733)

All other WIF costs will be shared proportionally based on the effective cost share percentages agreed to in Exhibit 11 of the WIF IGA. Table 1 summarizes those cost shares.

<i>Table 1</i>			
<i>WIF Partner</i>	<i>Capacity (MGD)</i>	<i>Capacity %</i>	<i>Cost %</i>
<i>Wilsonville</i>	<i>25.0</i>	<i>16.7%</i>	<i>0.0%</i>
<i>TVWD</i>	<i>59.1</i>	<i>39.4%</i>	<i>47.93%</i>
<i>Sherwood</i>	<i>9.7</i>	<i>6.5%</i>	<i>6.50%</i>
<i>Tigard</i>	<i>15.0</i>	<i>10.0%</i>	<i>12.16%</i>
<i>Hillsboro</i>	<i>36.2</i>	<i>24.1%</i>	<i>29.36%</i>
<i>Beaverton</i>	<i>5.0</i>	<i>3.3%</i>	<i>4.05%</i>
<i>Total</i>	<i>150.0</i>	<i>100.0%</i>	<i>100.00%</i>

4.1 DIRECT COSTS

For the purposes of the WIF components of the RWF_1.0 project, direct costs include permitting and mitigation, design, legal, project management, other professional services, and construction. Direct costs will either be allocated among the WIF and WWSS components or in the case of construction, charged directly to the WIF and WWSP partners.

4.1.1 Permitting and Mitigation

Permitting and mitigation costs will be billed to the WIF Partners based on the amounts stated in Exhibit 11 of the WIF IGA. Those amounts were developed by an analysis conducted by the WWSP permitting team and documented in the Willamette Intake Facilities Permitting Cost Estimate Memo dated May 10, 2017 (Draft Permitting Cost Estimates Memo 10-23-17). For mitigation costs yet to be incurred, actual costs will be used.

4.1.2 Design, legal, project management, and other professional services

Invoices for design, legal, project management, and other professional services directly related to the RWF_1.0 project will be initially paid for directly by the WWSP, which will then allocate the costs proportionally between the WIF and WWSP partners and bill them accordingly. The

proportional shares will be determined based on the opinion of probable construction costs (OPCC) used to establish the current year's annual baseline and budget. The proportional cost shares between the WIF and WWSP partners will be revised annually during the re-baseline and budget process.

4.1.3 Construction

The RWF_1.0 project is being completed using the Construction Manager/General Contractor (CM/GC) method that allows for contractor involvement during the design phase and requires the CM/GC to provide a "guaranteed maximum price" (GMP) before beginning construction. The contractor's GMP will use a work break down structure (WBS) that aligns with components in the attached Exhibit 1. This will allow for construction costs to be directly charged to either the WIF or WWSS components of the RWF_1.0 project. Prior to the delivery of the GMP, the contractor will provide input on the development of the OPCC values used in the development of the annual baseline and budget costs for the project. Those OPCC values will also be the basis for calculating the proportionate cost shares used to allocate the other direct costs described in Section 4.1.2.

4.2 SYSTEM-WIDE COSTS

System-wide costs include program management, controls, procurement and contract administration, public outreach, program-wide design and construction management, and information technology. Due to the dispersed and general nature of these activities, the WWSP has adopted an approach of allocating these costs across all the assets being constructed by the program for determining the final capitalized values. To perform this allocation in an equitable manner for assets placed into service prior to the completion of the WWSS (e.g., WIF assets), the WWSP partners have developed the following approach.

- Project shares are developed using the most recent Program OPCCs and expenditures to determine the percentage of system-wide costs to be allocated to a specific project, as well as each partner's overall share of the program.
- Actual system-wide costs are proportionally billed monthly to the partners as they are incurred, based on each partner's overall share of the program.
- A system-wide recovery rate is applied to the direct project costs at the time the assets are placed in service. For example, if a project had \$500,000 in direct costs for design and construction, and the system-wide recovery rate was 10%, \$50,000 would be applied to the project. The system-wide recovery rate is determined using the following formula: =

$$\frac{\text{Actual System-Wide Costs-to-Date} + \text{Forecasted System-Wide Costs Remaining}}{\text{Actual Direct Projects Costs-to-Date} + \text{Forecasted Direct Project Costs Remaining}}$$

- Actual system-wide costs paid by the partners are netted against the amount applied to the project using a holding account, and variances will either be billed or credited when the construction reaches final completion and the asset is placed in service.
- The system-wide recovery rate, project shares, and overall partner shares are updated each year during the annual budget process on a go-forward basis.

- Once an asset is capitalized and placed in service it no longer receives a share of the system-wide costs.

5 BUDGET AND REPORTING

The WWSP performs a compressive annual re-baseline process which is used to inform the partners' annual and biennial budgets. The WWSP team will accommodate the dates and steps for the WIF budget process outlined in Exhibit 8 of the WIF IGA. The RWF_1.0 project will be included as part of the WIF five-year capital improvement plan and presented for consideration to the WIF committees and board in accordance with Exhibit 8.

The WWSP also provides monthly updates through project status reports that will be distributed to the WIF and WWSP partners for their review. Additionally, the WIF general manager will provide regular project updates as part of the regular quarterly WIF Commission meetings. The WIF budget process and quarterly reports also fulfill the requirements of Article 10.1.5 of the PSAs which state the WWSP will prepare a work plan and cash requirements schedule and update it periodically.

6 OWNERSHIP

Ownership of the RWF_1.0 project components are divided between WIF and the WWSP partners. The capacity ownerships of the various assets being constructed and expanded by the WWSP on behalf of WIF are reflected in the WIF IGA Exhibit 11. The cost basis for each partner's share in the WIF joint venture will vary from their capacity share due to the negotiated costs established in Exhibit 11. The managing agency will work with the other WIF member agencies to accurately record their respective share's in the joint venture in accordance with generally accepted accounting principles.

Exhibit 1

RWF_1.0 Project Component Allocation				
Project Component	Additional Description	Component Allocation		
		W/F	WWSS	WRWTP
<i>Intake Screen Replacement</i>		X		
<i>Intake Bollard Improvements</i>		X		
<i>Intake Screen Protection Catchment Fence</i>		X		
<i>76" Intake Pipe Modifications - Steel Pipe</i>		X		
<i>76" Intake Pipe Modifications - Permalock Pipe</i>		X		
<i>Air Burst System Modifications</i>	<i>Air receiver tank and associated mechanical, electrical, controls, civil and site work</i>	X		
<i>Seismic Stability Improvements</i>				
<i>Existing Caisson Stability</i>		X		
<i>New 66" Raw Water Pipeline Stability</i>			X	
<i>New Electrical Building and Surge Control Stability</i>			X	
<i>Existing Pump Station Building Modifications</i>	<i>Structural roof and wall modifications, HVAC</i>		X	
<i>WWSS Pumps</i>			X	
<i>WWSS Pump Mechanical Equipment</i>	<i>Valves</i>		X	
<i>WWSP Pump Valve Vault</i>			X	
<i>WRWTP Pump Improvements</i>	<i>Addition of pump inlet baskets</i>			X
<i>Raw Water Pipeline</i>			X	
<i>Electrical and I&C Ductbank</i>			X	
<i>Chemical Pipeline</i>			X	
<i>Lower Site Electrical Building</i>			X	
<i>Lower Site Stormwater Improvements</i>			X	
<i>Lower Site Civil Improvements</i>	<i>Includes asphalt</i>		X	
<i>Park Restoration</i>			X	

<i>Project Component</i>	<i>Additional Description</i>	<i>Component Allocation</i>		
		<i>W/F</i>	<i>WWSS</i>	<i>WRWTP</i>
<i>Viewing Platform Restoration</i>			X	
<i>Relocation of Existing Utilities</i>			X	
<i>Upper Site Electrical Building</i>			X	
<i>Upper Site Stormwater Improvements</i>			X	
<i>Standby Power and Fuel Tanks</i>			X	
<i>Surge Equipment</i>			X	
<i>Upper Site Chemical Building</i>			X	
<i>Upper Site Operations Area</i>	<i>Possible sediment management area</i>		X	
<i>Upper Site Civil Improvements</i>	<i>Includes asphalt and landscaping</i>		X	
<i>Communications</i>	<i>Tower and foundation (or other, TBD improvements)</i>		X	
<i>Portland General Electric Modifications ⁽¹⁾</i>	<i>New sub-station or expansion of existing sub-station</i>			
<i>Keynotes</i>				
<i>(1) Component cost and allocation TBD based on improvements deemed necessary by PGE.</i>				

Willamette Intake Facilities Commission

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WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: Justin Carlton, WWSP Finance and Administration Supervisor

Date: October 29, 2018

Subject: Proposed Fiscal Year 2018-19 Capital Outlay Budget

Requested Board Action:

Consider adopting a resolution adopting the proposed capital outlay budget for fiscal year 2018-19 in the amount of \$2,466,065.

Key Concepts:

- The WIF Board of Commissioners adopted an initial budget for the 2018-19 fiscal year during the April 30, 2018 Board Meeting.
- The adopted FY 2018-19 budget was based on the annual work plan and did not have any appropriations for capital outlay.
- Preliminary capital outlay estimates for each partner were provided to the Finance and Management Committees in a memorandum dated February 12, 2018 to assist in the development of their agency's annual budgets.
- The proposed FY 2018-19 capital outlay budget and respective partners' shares incorporate the procedures developed in the RWF_1.0 Project Plan and are less than the preliminary estimates provided in February 2018.
- The proposed FY 2018-19 capital outlay budget was presented to the WIF Finance and Management Committees for approval at the September 27, 2018 joint committee meeting.

Background:

Article 7.1 of the Commission's IGA requires that the managing agency shall prepare a budget for administration, operations, and capital improvements for which the Board shall adopt annually. The initial FY 2018-19 budget adopted in April 2018 was limited to administration and operations costs only, with the intent of submitting a supplemental budget for capital outlay after financial procedures for managing the Raw Water Facilities Expansion Project were established. A preliminary estimate of the capital outlay costs for FY 2018-19 was provided the Finance and Management Committees in a memorandum dated February 12, 2018, so that the partners could plan for the eventual capital outlay budget associated with WIF commission.

The RWF_1.0 Project Plan establishes the financial procedures for allocating costs between the WIF Commission and the WWSS and enables the managing agency to provide a refined capital outlay budget for FY 2018-19. The proposed capital outlay budget includes costs incurred-to-date as well as the credits for losses incurred by TVWD and Sherwood relating to the early replacement of the intake screens.

Budget Impact:

The proposed capital outlay budget will increase the current adopted fiscal year 2018-19 budget by \$2,466,065. Each partner's share is presented in the table below.

Proposed FY 2018-19 Willamette Intake Facilities Commission Capital Outlay Budget							
		Partners' Share					
	WIF Costs	Wilsonville	TVWD	Sherwood	Tigard	Hillsboro	Beaverton
Total	\$ 2,466,065	\$ 125,000	\$ 872,072	\$ 123,467	\$ 359,107	\$ 866,639	\$ 119,780




Staff Contact Information:

Justin Carlton, WWSP Finance and Administration Supervisor; 503-941-4568; justin.carlton@tvwd.org

Attachments:

Proposed FY 2018-19 WIF Capital Outlay Budget

Management Staff Initials:

General Manager		TVWD General Counsel	
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	

RESOLUTION NO. WIF-06-18

A RESOLUTION AMENDING AND ADOPTING A SUPPLEMENTAL BUDGET FOR THE 2018-19 FISCAL YEAR REGARDING CAPITAL OUTLAY FOR THE WILLAMETTE INTAKE FACILITIES COMMISSION

WHEREAS, pursuant Article 4.7.3 and 4.47 of the Willamette Intake Facilities Intergovernmental Agreement (WIF IGA), the Board of Commissioners (Board) adopted a budget (Budget) and work plan (Annual Work Plan) by Resolution Number WIF 02-18; and

WHEREAS, the Budget and Work Plan included administration and operations but the capital outlay amount was dependent upon the development of the Raw Water Facilities Project Plan (RWF_1.0); and

WHEREAS, during the budget development, the Managing Agency prepared preliminary estimates of the capital outlay for 2018-19 for each Party to use in its individual budget adoption process but with the understanding that the WIF Commission would subsequently adopt a RWF_1.0 Project Plan that establishes financial procedures for allocation of costs and that would enable a supplemental budget including refined capital outlay amounts to be adopted; and,

WHEREAS the RWF Project Plan and the capital outlay in the supplemental budget based on that Plan was provided for review, comment and recommendation by the Finance and Management Committees; and being advised,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WILLAMETTE INTAKE FACILITIES COMMISSION THAT:

Section 1: The Board of the Willamette Intake Facilities Commission hereby adopts the Supplemental Budget for capital outlay for the 2018-19 fiscal year, attached hereto as Exhibit 1 and incorporated by reference.

Section 2: That the capital outlay as set forth in the Supplemental Budget will be allocated to the individual WIF Parties according to the following table:

Willamette Intake Facilities Fiscal Year 2018-19 Capital Outlay Budget	
Entity	Budget
Wilsonville	\$125,000
Tualatin Valley Water District	\$872,072
Sherwood	\$123,467
Tigard	\$359,107
Hillsboro	\$866,639
Beaverton	\$119,780
Total	\$2,466,065

Section 3. The Managing Agency will collect the allocated amounts set forth herein from the individual WIF Parties in accordance with the procedures set forth in Article 7.1 of the WIF Purchase and Sale Agreements.

Approved and adopted at a regular meeting held on the 29th day of October 2018.

_____, Chair

_____, Vice Chair

Resolution No. WIF-06-18 - Exhibit 1

Proposed FY 2018-19 Willamette Intake Facilities Commission Capital Outlay Budget

		Partners' Share					
	WIF Costs	Wilsonville	TVWD	Sherwood	Tigard	Hillsboro	Beaverton
Permitting Costs	1,257,000	75,000	566,533	76,475	143,849	347,153	47,989
RWF_1.0 Project Costs through 7/31/18	290,885	26,866	126,544	17,082	32,131	77,542	10,719
System-Wide Costs through 6/30/18	250,482	23,134	108,968	14,709	27,668	66,772	9,230
RWF_1.0 Project Forecast 8/1/18-6/30/2019	492,871	-	236,233	31,889	59,982	144,756	20,011
FY 19 System-Wide Budget	114,127	-	54,701	7,384	13,889	33,519	4,634
Contingency @ 10% of FY 19 Capital Expenditures	60,700	-	29,093	3,927	7,387	17,828	2,464
Subtotal	\$ 2,466,065	\$ 125,000	\$ 1,122,072	\$ 151,467	\$ 284,908	\$ 687,571	\$ 95,047
Screen Credits			(250,000)	(28,000)	74,199	179,068	24,733
Total	\$ 2,466,065	\$ 125,000	\$ 872,072	\$ 123,467	\$ 359,107	\$ 866,639	\$ 119,780

Willamette Intake Facilities Commission

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WIF COMMISSION STAFF REPORT

To: Board of Commissioners
From: Mike Jacobs, TVWD Risk Management Coordinator
Date: October 29, 2018
Subject: RENEWAL OF PROPERTY AND LIABILITY COVERAGE WITH SPECIAL DISTRICTS INSURANCE SERVICES (SDIS)

Requested Board Action:

Staff recommends that the WIF Board of Commissioners take formal action, granting authority to the WIF General Manager to approve the 2019 property and liability insurance renewal.

Background:

The SDIS Board of Trustees operates a program of self-insurance which includes liability, property, workers' compensation, health, and dental programs. The Willamette Intake Facilities Commission (WIF) is a member of the Trust and participates in its self-insured liability and property programs.

These coverages must be renewed for 2019. Staff will be working with WIF's Agent of Record (Brown & Brown Northwest) to renew with the Trust. Current coverages are outlined in the WIF-Coverage Declaration_2018 document that is attached.

Staff is not recommending changes to coverage and does not anticipate significant increases to the contributions (premiums).

Each year, SDIS provides an opportunity to obtain a credit on property and liability contributions by participating in the SDIS Best Practices Program. The WIF qualifies for a 4% credit on the 2019 coverage contribution. Based on 2018 contributions this would amount to a savings of approximately \$512.00.

Budget Impact: TBD as part of the renewal process



Staff Contact Information:

Dave Kraska, WIF General Manager, (503) 941-4561, david.kraska@tvwd.org
Mike Jacobs, TVWD Risk Management Coordinator, (503) 848-3048, mike.jacobs@tvwd.org

Attachments:

WIF-Coverage Declaration_2018

Management Staff Initials:

General Manager		TVWD General Counsel	
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	N/A

Willamette Intake Facilities Commission

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Date: 08-May-18

Named Participant: Willamette River Water Intake Facilities Com
 1850 SW 170th Ave
 Beaverton, OR 97003

Agent: Brown & Brown Northwest-Portland
 PO Box 29018
 Portland, OR 97296

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
33P54399-5500	54399	01-May-18	31-Dec-18	08-May-18

2018 Longevity Credit Amount**

Not Eligible

**Only Eligible Districts that signed the Longevity Credit and Rate Lock Guarantee Agreement will receive the indicated Longevity Credit Amount

Coverage	Contribution
General Liability	
General Liability Contribution	\$513
Less Best Practices Credit	\$0
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$513
Auto Liability	
Auto Liability Contribution	\$0
Less Best Practices Credit	\$0
Adjusted Contribution	\$0
Non-owned and Hired Auto Liability	\$101
Auto Physical Damage	\$0
Hired Auto Physical Damage	\$160
Excess Liability	\$134
Property	
Property Contribution	\$5,559
Less Best Practices Credit	\$0
Adjusted Contribution	\$5,559
Earthquake	\$2,947
Flood	\$1,459
Equipment Breakdown / Boiler and Machinery	\$1,500
Crime	\$606
Total:	\$12,979

Coverage is provided for only those coverages indicated above for which a contribution is shown or that are indicated as "included." Your payment evidences "acceptance" of this renewal. Please use the payment coupon on the following page to help us apply your payment correctly.

Payment instructions are on the following page.

Date: 08-May-18

**** Payment Due: 7/1/2018 ****

Please include the bottom portion of this sheet with you payment.

Make Checks Payable to:

Special Districts Insurance Services

P.O. Box 12613

Salem, OR 97309

Phone: 1-800-285-5461 Fax: 503-371-4781

Willamette River Water Intake Facilities Commission

Customer ID: 01-54399

Total Due: \$12,979

Check # _____ Amount \$ _____



Special Districts Insurance Services

Liability Coverage Declarations

Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

Coverage is provided for only those coverages indicated below for which a contribution is shown or that the contribution is indicated as "included."

Coverage	Per Occurrence Limit	Annual Aggregate	Deductible	Contribution
Public Entity Liability Coverage including:	\$500,000	None	None	\$513.00
Increased Limits of Liability	\$4,500,000	None	N/A	\$134.00
Total Limit of Liability	\$5,000,000	None	None	N/A
Tort Liability - Coverage A	Included	Included	None	Included
Federal Acts Liability - Coverage B	Included	Included	None	Included
Other Jurisdictions - Coverage C	Included	Included	None	Included
Employee Benefits Liability	Included	Included	None	Included
Wrongful Acts/Public Officials	Included	Included	None	Included
Employment Practices (see below)	Included**	\$5,000,000	See Below**	Included
Sexual Molestation	Included**	Included	None	Included
Emergency Operations Pollution	Included	Included	None	Included
Potable Water Treatment Pollution	Included	Included	None	Included
Auto Liability	No Coverage	No Coverage	None	No Coverage
Non-Owned/Hired Auto Liability	Included	Included	None	\$101.00
Additional Coverages				
Unless otherwise indicated in Section III. ADDITIONAL COVERAGES of the SDIS Liability Coverage Document, the following Additional Coverages will not be in addition to the Total Limit of Liability identified above.				
Marine Salvage Liability	\$250,000	\$250,000	None	Included
Ethics Complaint Defense	\$2,500	\$5,000	None	Included
EEOC/BOLI Defense Costs	\$50,000	\$50,000	None	Included
Lead Liability Defense Costs	\$50,000	\$50,000	None	Included
Certified Acts of Terrorism	\$500,000	\$500,000	None	Included
OSHA Defense Costs	\$5,000	\$5,000	None	Included
Premises Medical Expense	\$5,000	\$5,000	None	Included
Limited Pollution Coverage	\$250,000	\$250,000	None	Included
Applicators Pollution Coverage	\$50,000	\$50,000	None	Included
OCITPA/ Credit Monitoring Expense Reimbursement	\$100,000	\$100,000	None	Included
Data Disclosure Liability	\$1,000,000	\$1,000,000	None	Included
Injunctive Relief Defense Costs	\$25,000	\$25,000	None	Included
Criminal Defense Costs	\$100,000	\$100,000	None	Included
Uninsured/Underinsured Motorist	No Coverage	No Coverage	None	No Coverage
Auto Physical Damage	No Coverage	No Coverage	N/A	No Coverage
Hired Auto Physical Damage	\$75,000	None	\$100 Comp/\$500 Coll	\$160.00

** \$25,000,000 maximum per Occurrence limit for all SDIS Trust Participants involved in the same Occurrence.
\$5,000,000 maximum per Occurrence and annual aggregate limit for all Employment Practices related Claims.
\$25,000 Employment Practices deductible for terminations when SDIS is not contacted for legal advice in advance.



Special Districts Insurance Services
Liability Coverage Declarations

\$10,000 controlled burn deductible if DPSST guidelines are not followed.

Lead Liability Defense Costs limited to \$200,000 for all members combined during the Coverage Period.

OCITPA Expense Reimbursement limited to \$500,000 for all members combined during the Coverage Period.

Forms Applicable to Named Participant:

SDIS Liability Coverage Document

This certificate is made and is mutually accepted by the Pool and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Liability Coverage Document. This certificate represents only a brief summary of coverages. Other conditions and exclusions apply as described in the SDIS Liability Coverage Document and/or SDIS Auto Physical Damage Document.

Countersigned by:  _____
Special Districts Insurance Services

Tuesday, May 8, 2018



Special Districts Insurance Services
Property Coverage Declarations

Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

Scheduled Property Values:

\$8,869,020 Buildings, Other Structures and Scheduled Outdoor Property
\$0 Personal Property
\$0 Mobile Equipment, Scheduled Personal Property and Scheduled Fine Arts

Total Limit of Indemnification (Per Occurrence)

\$8,869,020 The Trust shall not pay, or be liable for more than the Total Limit of Indemnification in any single "occurrence" during the Property Coverage Period, including all related costs and expenses, all costs of investigation, adjustment and payment of claims, but excluding the salaries of your regular employees and counsel on retainer.
\$300,000,000 SDIS Per Occurrence Aggregate Loss Limit

Sublimits (Per Occurrence):

The subjects of coverage listed below are sub-limited within the "occurrence" Total Limit of Indemnification shown above. The limits reflect the maximum amount the Trust will pay for losses involving these coverages. The titles below are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Sublimits for Covered Property:

(Reference Section VIII - Covered Property in the SDIS Property Coverage Document)

\$250,000 Personal Property of Others within your Care, Custody, or Control, other than Mobile Equipment
\$100,000 Property of Employees/Volunteers - (subject to a \$5,000 maximum per person)
\$100,000 Mobile Equipment of others that is within your Care, Custody or Control or Rented or Leased for up to 30 days
\$10,000 Unscheduled Fine Arts (Fine Art may be specifically scheduled for higher limits)

Sublimits for Additional Coverages:

(Reference Section X - Additional Coverages in the SDIS Property Coverage Document)

\$5,000,000 Debris Removal - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)
\$50,000 Pollutant Clean-up and Removal From Land or Water- (Sublimit is \$50,000 or 20% of the scheduled location(s) value whichever is less)
\$10,000 Fungus as a Result of a "Covered Cause of Loss" - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)
\$10,000 Preservation of Undamaged Covered Property - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)
\$250,000 Professional Services - (Sublimit is \$250,000 or 10% of the covered portion of the loss whichever is less)
\$25,000 Fire Department Service Charge
\$10,000 Recharging of Fire Extinguishing Equipment
\$10,000 Arson Reward
\$5,000,000 Increased Cost of Construction - Enforcement of Ordinance or Law - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)
\$500,000 Increased Cost of Construction - Cost Resulting From Unforeseen Delay - (Sublimit is \$500,000 or 25% of loss, whichever is less)



Special Districts Insurance Services
Property Coverage Declarations

\$500,000 Expenses for Restoration or Modification of Landscaping, Roadways, Paved Surfaces and Underground Utilities - (Sublimit is \$500,000 or 25% of loss, whichever is less)

Sublimits for Additional Coverages - Business Income and Extra Expense:

(Reference Section XI - Additional Coverages - Business Income and Extra Expense in the SDIS Property Coverage Document)

\$1,000,000 Business Income
 \$1,000,000 Extra Expense
 \$25,000 Enforcement of Order by Government Agency or Authority
 \$25,000 Business Income from Dependent Property
 \$100,000 Interruption of Utility Services
 \$25,000 Inability to Discharge Outgoing Sewage

Sublimits for Coverage Extensions:

(Reference Section XII - Coverage Extensions in the SDIS Property Coverage Document)

\$2,000,000 Property in the Course of Construction. (If you have not complied with all of the notification requirements set forth in Section XII.A. within 90 days, the most the Trust will pay for property in the Course of Construction is \$500,000. If after 90 days you have not complied with all the notification requirements set forth in Section XII.A. then no coverage will be provided for property in the Course of Construction).

\$500,000 Newly Acquired or Constructed Property. (No coverage will be provided for newly acquired or constructed property unless you notify the Trust in writing no later than 90 days after the dates specified in section XII. A.)

\$25,000 Unscheduled Outdoor Property

\$250,000 Vandalism and Malicious Mischief to Tracks and Artificial Turf Fields

\$250,000 Property in Transit

\$250,000 Accounts Receivable

\$50,000 Property Damaged by Overflow of Sewers or Drains

\$100,000 Covered Leashold Interest - (Sublimit is lesser of amount listed here, or an amount prorated based on time between the Loss and the earlier of: Lease Expiration; Re-occupancy of leased property; or lease of new property)

\$250,000 Valuable Papers and Records - (Sublimit is lesser of: Cost to research, replace, or restore the lost information; Actual Cash Value in blank state of paper, tape or other media if records are not actually researched, restored or replaced; or amount of sublimit listed here)

\$25,000 Property Damaged by Computer Virus

\$250,000 Miscellaneous Property Damaged by Specified Cause of Loss or Theft - (Sublimit lesser of: Appraised Value; Fair Market Value; or Sublimit listed here)

\$8,869,020 Property Damaged by an Act of Terrorism or Sabotage. The most the Trust will pay for Property Damaged by an Act of Terrorism or Sabotage is described in Section XII.K.9.



Special Districts Insurance Services
Property Coverage Declarations

Additional Sublimits and Deductibles (Per Occurrence):

Sublimits and Deductibles shown below, if any, are in addition to the sublimits shown above.

Locations Covered: Locations specifically listed on the Named Participant's Schedule of Property Values.

Perils Covered: Risks of Direct Physical Loss subject to the terms, conditions and exclusions of the current SDIS Property Coverage Document.

Deductibles: As indicated on the Schedule of Property Values on file with the Trust

Contribution: \$5,559.00

Forms Applicable: SDIS Property Coverage Document

This Declaration is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Property Coverage Document. This Declaration represents only a brief summary of coverages.

Countersigned by: Frank Stratton
Special Districts Insurance Services

Tuesday, May 8, 2018

Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$2,947.00**, the **Property Coverage Document** is amended as follows:

Section **XII. Coverage Extensions**, is amended to add the following **Coverage Extension**:

L. Extension of Coverage for Property Damaged by Earth Movement

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **earth movement** that occurs on premises listed on the Schedule of Property Values on file with the Trust.

1. This **Coverage Extension** is subject to per-occurrence deductibles as follows:

a. The deductible shall be no less than the greater of:

- (1)** \$5,000;
- (2)** two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **earth movement** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or
- (3)** the Deductible stated in the Declarations.

b. The deductible shall be no more than the greater of:

- (1)** \$50,000; or
- (2)** the Deductible stated in the Declarations.

2. For the purposes of this **Coverage Extension** only, **earth movement** means:

- a.** sudden and accidental earthquake, seaquake, shock, tremor, landslide, submarine landslide, avalanche, subsidence, sinkhole collapse, mud flow, rock fall, **volcanic activity**, or any similar seismic activity, resulting in cracking, crumbling, lateral movement, rising, shifting, settling, sinking, or upheaval of **land**;
- b.** **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement**, regardless of any other cause or event that contributes concurrently or in any sequence to such **flood**; and
- c.** **collapse** directly caused by **earth movement**.

3. **Earth movement** does not mean, and we will not indemnify you or anyone else for, damage caused by, resulting from, or consisting of:
 - a. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of artificial means or artificially created soil conditions, including contraction, corrosion, erosion, excessive or insufficient moisture, expansion, freezing, improperly compacted soil, insufficient fill, liquefaction, slope instability, slumping, subsidence, or thawing;
 - b. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of underground activity of animals, vegetation, or **water**; or
 - c. any **water movement** or **flood**, except for **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement** as described in section **XII.L.2.** above.
4. All **earth movement** that occurs within a 72-hour period will constitute a single **occurrence**.
5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **earth movement**.
6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending date of the **Property Coverage Period**.
7. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless you notify us as soon as reasonably possible after the **earth movement** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
8. Indemnification under this **Coverage Extension** is subject to the following limits:
 - a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$8,869,020** ;
 - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$8,869,020** ;
 - c. The **SDIS Per-Occurrence Aggregate Loss Limit**;
 - d. an **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of either **earth movement**, **flood**, or both.

9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement only amends Section **XII. Coverage Extensions** of the **Property Coverage Document**, and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations, exceptions, or exclusions of the **Property Coverage Document**.

Countersigned by: _____



Special Districts Insurance Services

Tuesday, May 8, 2018

Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$1,459.00** , the **Property Coverage Document** is amended as follows:

Section **XII. COVERAGE EXTENSIONS**, is amended to add the following **Coverage Extension**:

M. Extension of Coverage for Property Damaged by Flood

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **flood**, including **collapse** directly caused by **flood**, that occurs on premises listed on the Schedule of Property Values on file with the Trust.

1. This **Coverage Extension** is subject to per-occurrence deductibles as follows:

- a. If the damaged **Covered Property** is not a **waterway structure** and is located, either partially or wholly, within a federally designated 100-year or greater Special Flood Hazard Area ("SFHA"), as defined by the Federal Emergency Management Agency ("FEMA"), at the time of the **occurrence**, then the deductible shall be:
 - (1) \$500,000 per occurrence for damage to each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust;
 - (2) \$500,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts** and **scheduled fine arts** located within each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust; and
 - (3) \$500,000 per occurrence for damage to covered **mobile equipment** and **scheduled mobile equipment** listed on the Schedule of Property Values on file with the Trust.
- b. If the damaged **Covered Property** is not a **waterway structure** and is located wholly outside of a federally designated 100- year or greater SFHA, as defined by FEMA, at the time of the **occurrence**, then the deductible shall be:
 - (1) no less than the greater of:
 - (a) \$5,000;
 - (b) two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **flood** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or

- (c) the Deductible stated in the Declarations; and
 - (2) no more than the greater of:
 - (a) \$50,000; or
 - (b) the Deductible stated in the Declarations.
- c. If the damaged **Covered Property** is a **waterway structure** then the deductible shall be:
 - (1) \$100,000 per occurrence for damage to each **waterway structure** listed on the Schedule of Property Values on file with the Trust; and
 - (2) \$100,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts and scheduled fine arts** located within, on, or attached to, each covered **waterway structure** listed on the Schedule of Property Values on file with the Trust.
- 2. All **flood**, including **collapse** directly caused by **flood**, that occurs within a 72-hour period will constitute a single **occurrence**.
- 3. Whether or not damaged **Covered Property** is located, either partially or wholly, within a federally designated 100-year or greater SFHA, as defined by FEMA, at the time of **occurrence**, will be determined solely by reference to FEMA Flood Maps and the FEMA Flood Map Service Center, regardless of any previous information, estimate, or designation provided the **Named Participant** or appearing in the Declarations.
- 4. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **flood**.
- 5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending of the **Property Coverage Period**.
- 6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless you notify us as soon as reasonably possible after the **flood** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
- 7. This **Coverage Extension** does not apply to, and we will not indemnify you or anyone else for, any damage or loss to **waterway structures** located within five miles of the of the Oregon coast, whether or not expressly identified as **Covered Property**, caused by, exacerbated by, or arising out of **flood** unless damage or loss by **flood** is caused by a **storm surge** which occurs over a period of less than 72 hours.
 - a. For the purposes of this **Coverage Extension** only, **waterway structures** are defined as boardwalks, bridges, bulkheads, dams, dikes, docks, levees, piers, pilings, seawalls, wharves, breakwater and similar structures located on, in, or over **water**, and their corresponding appurtenances and accessories.
 - b. **Storm surge** is defined as an abnormal rise of water generated by a storm, over and above the predicted astronomical tide as determined by the National Oceanic and Atmospheric Administration (NOAA).

8. Indemnification under this **Coverage Extension** is subject to the following limits:
- a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$8,869,020** ;
 - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$8,869,020** ;
 - c. **The SDIS Per-Occurrence Aggregate Loss Limit;**
 - d. An **SDIS Annual Aggregate Loss Limit** of \$50,000,000 for all damage or loss to **Covered Property** located, either partially or wholly, within a federally designated 100-year or greater SFHA as defined by FEMA.
 - e. An **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of **earth movement, flood**, or both.
9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement amends Section **XII. Coverage Extensions** of the **Property Coverage Document** and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations exceptions, or exclusions of the **Property Coverage Document**.

Countersigned by: _____


Special Districts Insurance Services

Tuesday, May 8, 2018



Special Districts Insurance Services
 Equipment Breakdown Protection Coverage Certificate
 Insured by Continental Casualty Company (CNA)

Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
 1850 SW 170th Ave
 Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
 PO Box 29018
 Portland, OR 97296

Covered Equipment	"Covered Equipment" as defined in the Coverage Form, located at Covered Property listed and specifically described on the Schedule of Property Values on file with the Trust (SDIS).	
Limit of Insurance	\$8,869,020	The most we will pay for any and all coverages for loss or damage from any "One Breakdown."
Sub Limits	\$1,000,000	Business Income/Extra Expense (excludes any Named Participant generating electrical power for which a survey has not been completed and accepted by CNA)
	365 Days	Ordinary Payroll
	\$1,000,000 - (Indirect - Business Income) \$250,000 - (Direct - Spoilage Damage)	Utility Interruption
	\$1,000,000	Contingent Business Income/Extra Expense
	\$1,000,000	Spoilage Damage
	\$10,000,000	Expediting Expense
	\$1,000,000	Ammonia Contamination
	\$1,000,000	Water Damage
	\$1,000,000	Hazardous Substances
	\$15,000 / 30 days	Fungus, Wet and Dry Rot
	\$1,000,000	Media and Data
	\$1,000,000	Green Upgrades
	\$2,500,000	Ordinance or Law: Demolition and Increased Cost of Construction for Undamaged Portion of Building
	120 Days - No Sublimit	Newly Acquired Locations
	Included	Brands and Labels
	Included	CFC Refrigerant
	Included	Computer Equipment
Deductibles	\$1,000	Direct Damage Deductible from any "One Breakdown" - Except as follows:
	Transformers and Secondary Miscellaneous Electrical Apparatus (MEA)	\$2/KVA - \$10,000 minimum
	Internal Combustion Engines, Generator Units and Turbines	\$30/KVA - \$10,000 minimum
	Spoilage Damage/Ammonia Contamination	\$10,000 Combined
	24 Hours - Except 30 days for locations with power generation	Business Income/Extra Expense
	Utility Interruption	24 Hours with a 24 Hour Waiting Period - Indirect
		\$5,000 - Direct
Locations	Per Special Districts Insurance Services (SDIS) Covered Property listed and specifically described on the Schedule of Property Values on file with the Trust (SDIS).	

Contribution: \$1,500.00

This Certificate represents only a brief summary of coverages. Please refer to the Continental Casualty Company Equipment Breakdown Protection Coverage Form for detailed coverages, exclusions, and conditions that may apply.

Countersigned by: Frank Stratton
 Special Districts Insurance Services

Tuesday, May 8, 2018



Special Districts Insurance Services

Comprehensive Crime Policy Certificate

Insured by the Travelers Casualty and Surety Company of America



Certificate Number: 33P54399-5500

Coverage Period: 5/1/2018 through 12/31/2018

Named Participant:

Willamette River Water Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

This Certificate of Insurance is a coverage description intended to provide important information about the protection available to the the referenced Insured under the Crime Master Policy (the "Master Policy"). Keep this coverage description for your records. This coverage description is not an insurance policy and does not amend, extend or alter coverage afforded by the Master Policy described herein. The insurance afforded by the Master Policy as described herein is subject to all the terms, exclusions and conditions of such Master Policy. The period is specified in the Master Policy.

The Master Policy has been issued to: Special Districts Insurance Services Trust - see attached Schedule of Named Insured's listed per spreadsheet List of Special Districts Members, Scheduled Limits and Retentions. Address: 727 Center Street NE, Salem, Oregon, 97301. Policy Number: 105870359 Underwritten by: Travelers Casualty and Surety Company of America, Hartford, CT 06183 ("Travelers") to provide insurance to an Insured for as described in this Certificate.

<u>For Any One Loss:</u>	<u>Limit:</u>	<u>Retention:</u>
A1. Employee Theft - Per Loss Includes Faithful Performance of Duty, same limit as A1, CRI-7126 Non-Compensated Officers, Directors-includes Volunteer Workers as employees, Deletion of Bonded Employee and Treasurer/ Tax Collectors Exclusion - CRI-19044	\$500,000	\$1,000
A2. ERISA Fidelity - same limit as A.1 (CRI-19044)	\$500,000	\$1,000
B. Forgery or Alteration	\$500,000	\$1,000
C. On Premises	\$500,000	\$1,000
D. In Transit	\$500,000	\$1,000
E. Money Order Counterfiet Currency	\$500,000	\$1,000
F1. Computer Fraud	\$500,000	\$1,000
F2. Computer Restoration - same limit as A1 or maximum limit of \$100,000	\$100,000	\$1,000
G. Funds Transfer Fraud	\$500,000	\$1,000
H1. Personal Accounts Forgery or Alteration - same limit as A.	\$500,000	\$1,000

General Information:

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461



Special Districts Insurance Services

Comprehensive Crime Policy Certificate

Insured by the Travelers Casualty and Surety Company of America



H2. Identity Fraud Expense Reimbursement - same limit as A1 or maximum of \$25,000	\$25,000	\$0
CRI-19070 Social Engineering Fraud	\$500,000	\$1,000
I. Claims Expense \$5,000	\$5,000	\$0
	<u>Contribution:</u>	\$606.00

Claim Filing and General Information including a complete copy of the Master Policy:

Special Districts Association of Oregon
PO Box 23879
Tigard, OR
Phone: 800-305-1736

Our claims staff will then coordinate and submit the official claim to:

Travelers Casualty and Surety Company of America
Bond and Specialty Insurance Claim Department
Cindy Bruder, 6060 S. Willow Drive, Greenwood Village, CO 80111
Phone: 720-200-8476 Email: BFPCLAIMS@travelers.com

General Information:

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461

WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: David Kraska, WIF General Manager

Date: October 29, 2018

Subject: Report on the Willamette Intake Facilities Plans Development Strategy

Key Concepts:

- The Intergovernmental Agreement (IGA) that formed the Willamette Intake Facilities Commission (Commission) requires the preparation of three plans: 1) Operations Plan, 2) Curtailment Plan, and 3) Emergency Response Plan.
- The current annual work plan includes Tualatin Valley Water District (TVWD), as the managing agency, developing a strategy for preparing these plans.
- At the October 2018 WIF Commission Meeting, TVWD will present the status of the plans development strategy.

Background:

Articles 11 and 12 of the Commission's IGA requires the development of three plans. Specifically, Article 11 states the requirement of an Operations Plan for the Intake Facilities to provide for equitable, effective, and efficient operation for the mutual benefit of all Parties. Article 12.1 states the requirement of the Managing Agency to develop a Curtailment Plan that establishes policies and procedures for when and how reductions in demand (water supplies from the Intake Facilities) shall be made. Lastly, Article 12.2 states the requirement of the Managing Agency to prepare an Emergency Response Plan, though specific guidance of its contents are not given.

The current annual work plan for the Managing Agency includes developing a strategy for preparing these plans. Per the annual work plan, the strategy is to include a general scope for each plan, and a schedule for when each will be developed. Regarding the schedule, the Commission's IGA only provides guidance on the Operations Plan stating that it shall be adopted prior to the date that the Willamette Water Supply System (WWSS) commences operations. The WWSS is planned to be in operation by June of 2026. Currently, we are planning to prepare all three plans on the same schedule.

TVWD will present the status of the plans development strategy to the Board at the October 2018 Commission meeting. This presentation will include a summary of the Commission's IGA requirements for the three plans and the status of the strategy for developing them. The presentation will also include a brief overview of the efforts underway to prepare the plans for operating and maintaining the WWSS, and how those efforts may provide value to the WIF Commission's planning efforts.

Budget Impact:

None. The development of the plans development strategy is included in the WIF's current budget.


Staff Contact Information:

David Kraska; General Manager; 503-941-4561; david.kraska@tvwd.org

Attachments:

PowerPoint presentation of the draft plans development strategy.

Management Staff Initials:

General Manager		TVWD General Counsel	N/A
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	N/A

Willamette Water Supply
Our Reliable Water

Willamette Intake Facilities Plans Development Strategy

October 29, 2018

Outline

- Background on the WIF Plans
- Overall Plans development strategy
- WWSP operations planning overview

Willamette Water Supply
Our Reliable Water

BACKGROUND ON THE WIF PLANS

Willamette Intake Facilities IGA requires development of three plans

- Section 11 – Operations Plan
 - Complete prior to startup of WWSS
 - Developed by the Ops committee with support of the Managing Agency
 - Review and approval by the Management Committee
 - To be adopted by the Board
 - Contents:
 - How to provide equitable, effective, and efficient operation, management, capital improvement and expansion

Willamette Intake Facilities IGA requires development of three plans

- Section 12.1 – Curtailment Plan
 - Completion date not specified in the IGA
 - Developed by the Managing Agency for review and comment by the Operations committee
 - Management Committee to review and ultimately recommend for adoption by the Board
 - Contents:
 - When and how reductions in demand shall be made
 - Describe how to treat all parties fairly and equitably when reductions are necessary

Willamette Intake Facilities IGA requires development of three plans

- Section 12.2 – Emergency Response Plan
 - Completion date not specified in the IGA
 - Prepared by the Managing Agency for review and comment by the Operations committee
 - Management Committee to review and ultimately recommend for adoption by the Board
 - Contents:
 - Not specified in the IGA / to be determined

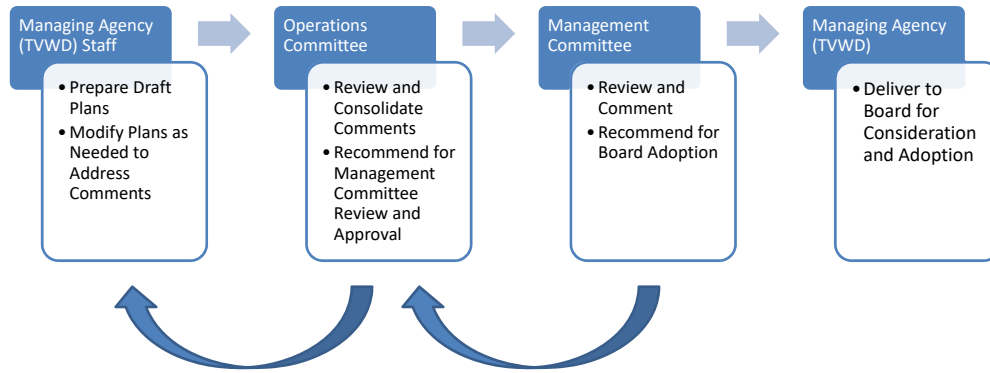
Our FY 2018 – 19 Annual Work Plan includes creating a strategy for preparing the plans

Task 1 – General Administration

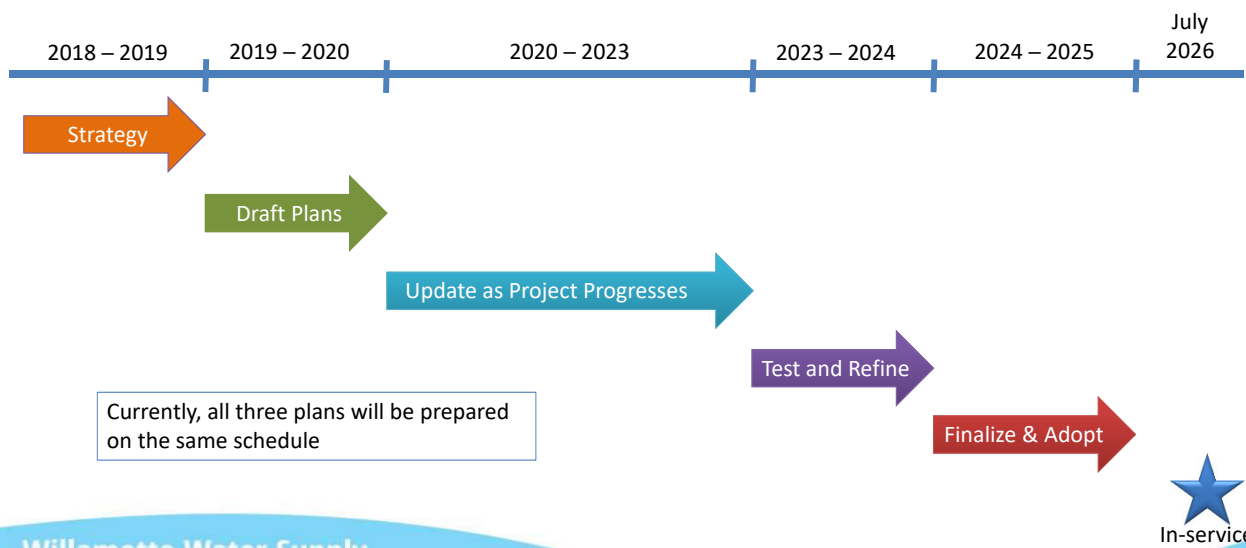
- A. Administration of Infrastructure and Maintenance
 - Draft a strategy for preparing three plans:
 - Operations Plan
 - Curtailment Plan
 - Emergency Response Plan
 - Include general scope and schedule for plans development
 - Wilsonville remains responsible for operations until 2026
- Budget: 16 hours
 - General manager 4
 - Professional: 8
 - Admin: 4

OVERALL PLANS DEVELOPMENT STRATEGY

The same development and approval process will be followed for all three plans



Overall Plans Development Schedule



Anticipated Content – Operations Plan

- Provide for equitable, effective, and efficient operation, management, capital improvement and expansion
- Topics:
 - Fish screens cleaning and maintenance
 - Intake pipeline cleaning and maintenance
 - Caisson cleaning and maintenance
 - Building maintenance
 - Air burst system operation and maintenance

Anticipated Content – Curtailment Plan

- Facilitate equitable treatment of all parties when reductions are needed
- Describe when and how reductions in demand shall be made
 - Drought
 - Extreme river water quality issue
 - Major equipment failure
- Use OAR 690-086-0160 – Municipal Water Curtailment Element for guidance
 - Description of supply deficiencies
 - Stages of alert
 - Describe severity of shortage
 - List standby supplies
- Provide consistency with Water Management & Conservation Plans

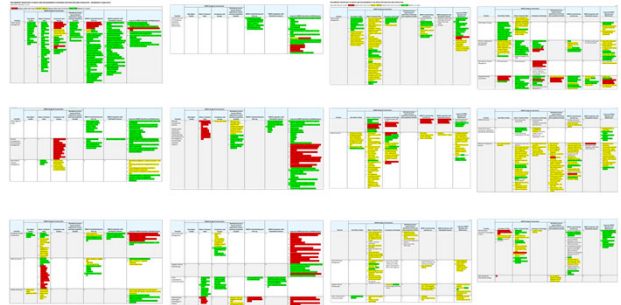
Anticipated Content – Emergency Response Plan

- Facilitate equitable treatment of all parties during an emergency
- Identify situations that trigger emergency response:
 - Major earthquake
 - Extreme river water quality issue
 - Major equipment failure
- Use existing plans for reference
 - FEMA guidelines
 - Emergency response plans of the parties
 - Washington County Emergency Management Cooperative
 - WWSS emergency response plan

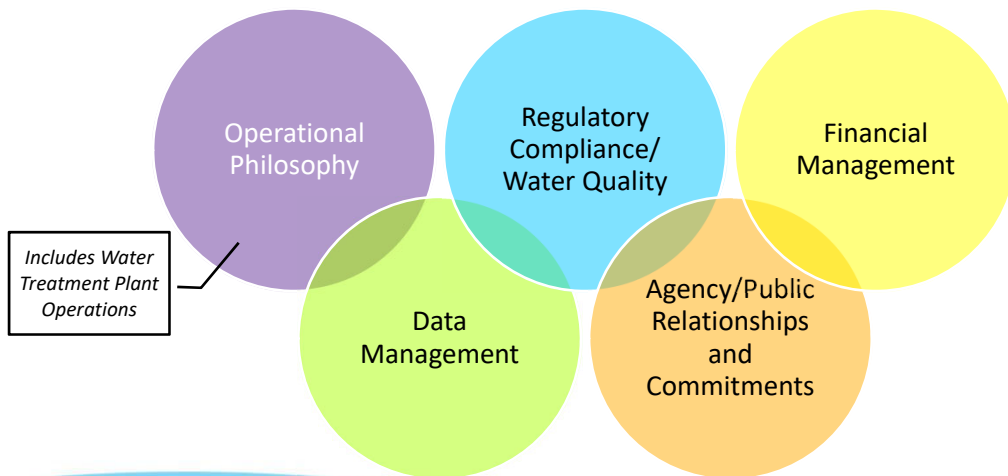
WWSP OPERATIONS PLANNING OVERVIEW

Planning for WWSS Operations

- Defining a comprehensive scope for WWSS operations
 - Integration into partner distribution systems
 - Long-term operations
- Initial WWSS operations planning workshops
 - Over 300 topics and issues identified

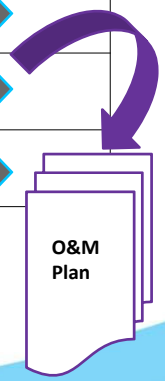


Five Primary Themes and Numerous Subthemes



Process for Developing WWSS O&M Plan

Theme	Program Facilitator	TVWD Leader	Hillsboro Leader	Work Group Members	Implementation Steps (workshops, recurring reports, final deliverables, etc.)
Operational Philosophy	Russ Snow	Pete Boone	Sophia Hobet	TBD TBD TBD	
Data Management	Corianne Hart	Matt Oglesby	Tyler Wubbena	TBD TBD TBD	
Regulatory Compliance/Water Quality	Matthew Gribbins	Joel Cary	Jessica Dorsey	TBD TBD TBD	
Agency/Public Relationships and Commitments	Bill Van Derveer	Carrie Pak	Tacy Steele	TBD TBD TBD	
Financial Management	Jeremy Taylor	Tod Burton	Lee Lindsey	TBD TBD TBD	



END

Willamette Intake Facilities Commission

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WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: Paul L. Matthews, Chief Financial Officer, Tualatin Valley Water District

Date: October 29, 2018

Subject: Report on the Financial Affairs of the Willamette Intake Facilities Commission

Key Concepts:

- The Intergovernmental Agreement (IGA) that formed the Willamette Intake Facilities Commission (Commission) requires, among other things, that an annual audit consistent with Oregon law be conducted.
- The Tualatin Valley Water District (TVWD), as managing agency of the Commission, has prepared the Commission's Basic Financial Statements for the period ended June 30, 2018.
- TVWD will present the current financial performance of the Commission and provide an overview of the Basic Financial Statements.

Background:

Article 7.7 of the Commission's IGA requires the Board to cause an independent audit of the financial affairs of the Commission. As managing agency, TVWD has prepared the Commission's Basic Financial Statements for the period ending June 30, 2018. These Basic Financial Statements are being audited by Moss Adams, LLP, consistent with the requirements of Article 7.7. Moss Adams is expected to issue its opinion prior to the Commission's meeting on October 29, 2018. Draft unaudited statements are attached to this staff report.

The Commission is treated as a joint venture for financial reporting purposes. As such, the Commission incurs expenses and receives revenue and contributions from the Parties to the IGA. The joint venture also holds the assets of the Commission. The Parties, in turn, hold an interest in the joint venture.

During FY2018, the only expense incurred by the Commission was depreciation on the assets contributed by the Parties to the Commission. Other transactions for FY2018 include the initial contributions to the joint venture by the Parties.

In addition to preparing the Commission's Basic Financial Statements, TVWD also prepares the Commission's Quarterly Financial Report. The unaudited Quarterly Financial Report is attached to this staff report.

TVWD will present information on the Basic Financial Statements and the Quarterly Financial Report to the Board at the upcoming Commission meeting. This presentation will include an update on the Commission's financial affairs and information on how Commissioners can interpret the financial reports.

Budget Impact:

None. The management of the WIF's financial affairs is included in the WIF's current budget.

Staff Contact Information:




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

Attachments:

Draft Unaudited Basic Financial Statements for the period ended June 30, 2018 for the Willamette Intake Facilities Commission.

Unaudited Quarterly Financial Report through September 30, 2018 for the Willamette Intake Facilities Commission.

Management Staff Initials:

General Manager		TVWD General Counsel	
TVWD Chief Engineer	N/A	TVWD Chief Financial Officer	

FY2018 Audited Basic Financial Statements and First Quarter FY2019 Unaudited Financial Performance

Willamette Intake Facilities Commission
October 29, 2018

Paul L. Matthews
Chief Financial Officer



Tonight's Information

FY2018 Audited Basic Financial Statements

- Overview WIF's financial statements
- Report of Independent Auditors

FY2019 Unaudited Financial Performance

- Financial Performance in 1st Quarter
- Issues for coming year

FY2018 Audited Basic Financial Statements

Enterprise Fund Reporting

- *Statement of Net Position* (Similar to a Balance Sheet)
- *Statement of Revenue, Expenses and Changes in Net Position* (Similar to an Income Statement)
- *Statements of Cash Flows*

Report of Independent Auditors

- Audit following requirements of the WIF IGA
- Unmodified Opinion (i.e., “clean audit”)

Management’s Discussion and Analysis

- Provides a good overview of the WIF’s financial results

**Willamette
Intake Facilities
Commission**

**Basic Financial
Statements**

Three month period ended June 30, 2018

Prepared by the Tualatin Valley Water District * 1850 SW 170th Avenue * Beaverton, OR 97003

Statement of Net Position

	2018
NON-CURRENT ASSETS	
Capital assets, net of depreciation	\$ 7,474,246
TOTAL ASSETS	\$ 7,474,246
NET POSITION	
Net investment in capital assets	\$ 7,474,246
	\$ 7,474,246

Statement of Revenues, Expenses and Changes in Net Position

	<u>2018</u>
OPERATING EXPENSES:	
Depreciation	\$ 28,146
OPERATING INCOME (LOSS)	(28,146)
CAPITAL CONTRIBUTIONS	<u>7,502,392</u>
CHANGE IN NET POSITION	7,474,246
NET POSITION , beginning of period	<u>-</u>
NET POSITION , end of period	<u>\$ 7,474,246</u>

FY2018 Audited Basic Financial Statements

Findings and Conclusions

- No operating expenses for the WIF in FY2018 other than depreciation
- Future operating expenses other than depreciation will be offset by payments from partners
- Expect future negative net income equal to depreciation expense
- Unmodified review by Independent Auditors

FY2018 Audited Basic Financial Statements and First Quarter FY2019 Unaudited Financial Performance

Willamette Intake Facilities Commission
October 29, 2018

Paul L. Matthews
Chief Financial Officer



First Quarter Performance

Activity for the Quarter			Unaudited	Annual				
Budget	Actual	Variance		Budget	Budget To date	Actual	Variance	Remaining Budget
\$ 27,401	\$ -	\$ (27,401)	Resources					
			Revenues					
			Contributions	\$ 109,607	\$ 27,401	\$ -	\$ (27,401)	\$ 109,607
-	-	-	Beginning Fund Balance	-	-	-	-	-
<u>\$ 27,401</u>	<u>\$ -</u>	<u>\$ (27,401)</u>	Total Resources	<u>\$ 109,607</u>	<u>\$ 27,401</u>	<u>\$ -</u>	<u>\$ (27,401)</u>	<u>\$ 109,607</u>
			Requirements					
			Materials and Services					
\$ 9,226	\$ 16,557	\$ (7,331)	Operating expenses	\$ 66,898	\$ 9,226	\$ 16,557	\$ (7,331)	\$ 50,341
2,500	-	2,500	Professional services	1,500	2,500	-	2,500	1,500
10,000	9,734	266	Insurance expense	10,000	10,000	9,734	266	266
6,928	384	6,544	Business expense	27,709	6,928	384	6,544	27,325
-	-	-	Audit fees	3,500	-	-	-	3,500
-	-	-	Capital Outlay	-	-	-	-	-
<u>28,654</u>	<u>26,676</u>	<u>1,978</u>	Total Expenditures	<u>109,607</u>	<u>28,654</u>	<u>26,676</u>	<u>1,978</u>	<u>82,931</u>
<u>(1,253)</u>	<u>(26,676)</u>	<u>25,423</u>	Ending Fund Balance	-	(1,253)	(26,676)	(29,379)	26,676
<u>\$ 27,401</u>	<u>\$ -</u>	<u>\$ 27,401</u>	Total Requirements	<u>\$ 109,607</u>	<u>\$ 27,401</u>	<u>\$ -</u>	<u>\$ (27,401)</u>	<u>\$ 109,607</u>

These statements unaudited and are preliminary for fiscal year ending June 30, 2019.

Issues for Coming Year

- Update interim financial procedures
- Implement supplemental budget for capital outlay
- Streamline reporting process

Questions and Answers

FY2018 Audited Basic Financial Statements and First Quarter FY2019 Unaudited Financial Performance

Paul L. Matthews
Chief Financial Officer

Tualatin Valley Water District


Delivering the Best Water  Service  Value

Willamette Intake Facilities Commission

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T (503) 242-1447
F (503) 274-2789

805 SW Broadway
Suite 1200
Portland, OR 97205

June 26, 2018

Board of Commissioners
Willamette Intake Facilities Commission
1850 SW 170th Avenue
Beaverton, OR 97003

Re: Audit Communications

As you may know, we are commencing our audit of the financial statements of Willamette Intake Facilities Commission (the "Commission"), for the year ended June 30, 2018. In accordance with AU-C 260, *The Auditor's Communication with Those Charged with Governance*, communication between the auditor and the individuals charged with governance of the Commission is required. In the context of the Commission and its governance, we consider the Board of Commissioners to be charged with governance. Accordingly, we would like to open a two-way communication with you on matters regarding the audit of the financial statements of the Commission.

We will provide certain communications in writing as part of the audit and invite you to contact us with any questions about the matters communicated or with any input you have on the audit. In the ordinary course of an audit many matters are discussed with management, including matters that are to be communicated to those charged with governance. There may be times that we will need to have access to you to discuss sensitive matters that could arise during the course of the audit. If any of those circumstances arise, we will contact you directly.

At the conclusion of the audit, we will provide you information on the results of the audit and various other matters that are stipulated in auditing standards as matters that must be communicated to the governing body annually.

Beginning in June 2018, we participated in meetings with management regarding data that will be needed for the audit and coordination of resources to provide that data. We performed preliminary planning of the audit and initial assessments of internal controls in June 2018 and expect to begin final testing of the Commission's financial statement balances in October 2018. We plan to issue our audit report for the Commission no later than December 2018. Our ability to meet this timetable is dependent upon on the level of preparation and cooperation by the management of the Commission.

Based on our current understanding of the Commission and financial results to date, the following are the areas considered significant to the audit as of, and for the year ended June 30, 2018, and will be our focus related to audit procedures performed:

- Plant assets
- Capital contributions

Our overall audit plan includes the performance of both analytical procedures and detailed testing of transactions, and consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Our audit plan is subject to adjustment based on any significant changes to year-end financial results, significant changes in operations or the identification of any additional risks.

If there are other areas of concern please contact me to discuss those concerns so we can ensure our audit plan properly addresses them.

Attached to this letter is a copy of the engagement letter and professional service agreement that have been signed by management of the Commission and which include certain information on the plan for the conduct of the audit as well as information about the scope and limitations of the audit.

We appreciate the opportunity to be of service to you. We look forward to meeting with you at the conclusion of our audit to deliver the results of our audit to you. Please contact me if you have any questions or input to the audit process.

Very truly yours,



Julie Desimone, Partner
for Moss Adams LLP

The page features several large, overlapping geometric shapes in shades of blue and teal. A large teal diamond is centered on the page. Other shapes include a light blue triangle at the top left, a dark teal triangle at the top right, a light blue triangle at the bottom right, and a small light blue diamond to the right of the central teal diamond.

Willamette Intake Facilities Commission

Basic Financial Statements

Three month period ended June 30, 2018

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

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WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

WIF Board Members as of June 30, 2018

Jim Doane
Commissioner, Tualatin Valley Water District

John Goodhouse
Councilor, City of Tigard

Sean Garland, Vice Chair
Mayor, City of Sherwood

John Godsey, Chair
Chair, City of Hillsboro Utilities Commission

Marc San Soucie, Board Member
Councilor, City of Beaverton

Tim Knapp, Board Member
Mayor, City of Wilsonville

WIF Registered Agent

Mark Knudson
Tualatin Valley Water District
1850 SW 170th Avenue
Beaverton, OR 97003
Ph: (503) 848-3000

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Report of Independent Auditors

The Board of Commissioners
Willamette Intake Facilities Commission

Report on the Financial Statements

We have audited the accompanying statement of net position of the Willamette Intake Facilities Commission (“Commission”) as of June 30, 2018, and the statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Willamette Intake Facilities Commission as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2018 on our consideration of Willamette Intake Facilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Willamette Intake Facilities Commission 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Willamette Intake Facilities Commission's internal control over financial reporting and compliance.

Miss Adams UP

Portland, Oregon
October 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS PERIOD ENDED JUNE 30, 2018

As management of the Willamette Intake Facilities Commission (the Commission or WIF), a joint venture of Tualatin Valley Water District and the cities of Wilsonville, Sherwood, Hillsboro, Tigard, and Beaverton, we offer readers of the Commission's financial statements this narrative overview and analysis of the Commission's financial activities for the period since inception on April 18, 2018 through June 30, 2018.

The report includes this Management Discussion and Analysis (MD&A) section to provide users of the basic financial statements with a narrative introductory overview and analysis of the statements.

Financial Highlights

- Net position (asset minus liabilities) was \$7,474,246 at June 30, 2018.
- As of June 30, 2018 the Commission had no outstanding debt.
- Net position consists of the Commission's investment in capital assets, net of depreciation. Capital assets were contributed by the parties to the WIF; there was no capital outlay in this first period.

Report Layout

Taken together the sections provide a comprehensive financial look at the Commission. The individual components of the report layout include the following:

- **Management's Discussion and Analysis.** This section of the report provides an overview of financial highlights and economic factors affecting the Commission.
- **Basic Financial Statements.** This section includes the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and Notes to Basic Financial Statements. The Statements focus on an entity-wide presentation using the accrual basis of accounting. They are designed to resemble more closely private-sector financial statements in that all activities are consolidated into a total for the Commission.
 - The Statement of Net Position focuses on resources available for future operations. This statement presents a snap-shot view of the assets of the Commission, its liabilities and the net difference.
 - The Statement of Revenues, Expenses and Changes in Net Position focuses on the current year operating results and the change in capital as a result of the current year operations.
 - The Statement of Cash Flows focuses on how the Commission obtained and expended its available cash and investments.
 - The Notes to Basic Financial Statements provide additional disclosures required by generally accepted accounting principles and provide information to assist the reader in understanding the Commission's financial condition.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIOD ENDED JUNE 30, 2018**

Statement of Net Position

The Commission's assets consisted entirely of capital assets as of June 30, 2018 and there were no liabilities.

Table 1:

	<u>2018</u>
Capital assets, net	<u>\$ 7,474,246</u>
Net Position	<u>\$ 7,474,246</u>

Statement of Revenues, Expenses and Changes in Net Position

The Commission's Statement of Revenues, Expenses and Changes in Net Position for the period ended June 30, 2018 is as follows:

Table 2:

	<u>2018</u>
Operating Expenses:	<u>\$ 28,146</u>
Operating Income (Loss)	(28,146)
Capital Contributions	<u>7,502,392</u>
Change in Net Position	7,474,246
Net Position, beginning of period	<u>-</u>
Net Position, end of period	<u>\$7,474,246</u>

Operating expenses consist of depreciation on capital assets. Capital contributions consist of capital assets contributed by the parties to the Commission. There were no other revenues or expenses in the opening period.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

**MANAGEMENT’S DISCUSSION AND ANALYSIS
PERIOD ENDED JUNE 30, 2018**

Capital Assets

The Commission has invested approximately \$7.5 million in capital assets at June 30, 2018. These assets comprise the raw water intake and associated buildings and improvements at the Willamette River Water Treatment Plant.

	<u>2018</u>
Raw water intake	\$ 5,704,368
Buildings and Improvements	1,798,024
Less accumulated depreciation	<u>(28,146)</u>
Total capital assets, net	<u><u>\$ 7,474,246</u></u>

Debt Administration

As of June 30, 2018, the Commission has no outstanding debt.

Economic Factors

The Commission was formed in April 2018 to own, operate and maintain the Willamette intake facilities. Tualatin Valley Water District (the District) was appointed managing agent. Financial records are maintained by the District. Major goals of the Commission are to increase the WIF’s capacity from 120 million gallons per day (MGD) to 150 MGD and to make substantial seismic upgrades. Improvements to the WIF are underway and are anticipated to be complete by 2026.

Financial Contact

The Commission’s financial statements are designed to present users including taxpayers, citizens, customers, investors and creditors with a general overview of the Commission’s finances and overall accountability. If you have questions about the contents of this report or need additional financial information, please contact Tualatin Valley Water District’s Chief Financial Officer at 1850 SW 170th Avenue, Beaverton, Oregon, 97003.

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BASIC FINANCIAL STATEMENTS

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

STATEMENT OF NET POSITION

June 30, 2018

	<u>2018</u>
NON-CURRENT ASSETS	
Capital assets, net of depreciation	<u>\$ 7,474,246</u>
TOTAL ASSETS	<u><u>\$ 7,474,246</u></u>
NET POSITION	
Net investment in capital assets	<u>\$ 7,474,246</u>
	<u><u>\$ 7,474,246</u></u>

The accompanying notes are an integral part of the financial statements.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PERIOD ENDED JUNE 30, 2018

	<u>2018</u>
OPERATING EXPENSES:	
Depreciation	\$ 28,146
OPERATING INCOME (LOSS)	(28,146)
CAPITAL CONTRIBUTIONS	<u>7,502,392</u>
CHANGE IN NET POSITION	7,474,246
NET POSITION , beginning of period	<u>-</u>
NET POSITION , e nd of period	<u>\$ 7,474,246</u>

The accompanying notes are an integral part of the financial statements.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

**STATEMENT OF CASH FLOWS
PERIOD ENDED JUNE 30, 2018**

	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Reimbursements from joint venturers	\$ -
Paid to suppliers for goods and supplies	-
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	-
	<hr/>
NET CHANGE IN CASH AND INVESTMENTS	-
	<hr/>
CASH AND INVESTMENTS, beginning of period	-
	<hr/>
CASH AND INVESTMENTS, end of period	\$ -
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ (28,146)
Adjustments to reconcile operating income (loss) to net cash from (used by) operating activities:	
Depreciation	28,146
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ -
	<hr/> <hr/>
NONCASH CAPITAL AND FINANCING ACTIVITIES	
Capital assets contributed by joint venturers	\$ 7,502,392
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The accompanying notes are an integral part of the financial statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Willamette Intake Facilities Commission (the Commission or WIF) was organized in April 2018 under Oregon Revised Statute (ORS) 190 and was established by an agreement between the cities of Wilsonville, Hillsboro, Tigard, Beaverton, Sherwood, and Tualatin Valley Water District (the District). The Commission is governed by a six-member board, with one representative appointed by each member jurisdiction. The purpose of the Commission is to provide for the ownership, management, and operation of the Willamette intake facilities which are used to withdraw and transmit water to the parties. The Commission is managed by Tualatin Valley Water District.

Expenses are allocated on a unit basis by the Commission. Each joint venturers' apportioned share of the general administration expenses is determined by the following formula: 25% of the administrative costs for the fiscal year is divided evenly among the Commission's membership; the remainder is divided among the Commission membership according to their percentage share of the capacity ownership in the intake facilities.

Operations, maintenance, and repair expenses that are a result of use of the facilities are allocated based on each party's proportionate use of the WIF. Operations, maintenance, and repair expenses unrelated to usage will be allocated based on each party's proportionate ownership of the WIF.

The following ownership percentages were in effect at June 30, 2018:

Tualatin Valley Water District	39.4 %
City of Wilsonville	16.7
City of Sherwood	6.5
City of Tigard	10.0
City of Hillsboro	24.1
City of Beaverton	3.3

There were no operating expenses other than depreciation during the initial period ending June 30, 2018.

Basis of Presentation and Accounting

For financial reporting purposes, the Commission reports its operations on an enterprise fund basis. Enterprise funds (a propriety fund type) are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities and net position associated with the operations are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in net position.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accrual basis of accounting is used for financial reporting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating revenues result from providing services to the joint venturers. All revenues not meeting this definition are reported as nonoperating revenues. Operating expenses are defined as those expenses directly related to providing services.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenses and other disclosures. Accordingly, actual results may differ from those estimates.

Capital Assets

Capital assets are recorded at cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation. All costs associated with the acquisition or construction of capital assets are contributed by the joint venturers.

The Commission defines capital assets as assets with an initial cost of \$7,500 and an estimated useful life of more than one year.

Depreciation on capital assets placed in service is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Raw water intake	75
Buildings and improvements	40

Net Position

In the statement of net position, equity is referred to as net position and is presented as net investment in capital assets and unrestricted.

Budgets

The Commission is an organization formed under an ORS Section 190 Intergovernmental Agreement (IGA) and is not required by law to adopt a budget. The IGA requires that the Board adopt a work plan and operating budget; however no expenditures were anticipated in the initial period and therefore a budget was not adopted for the period ended June 30, 2018.

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2018

2. CAPITAL ASSETS

	<u>Balance</u>				<u>Balance</u>
	<u>April 12, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2018</u>
Capital Assets being depreciated:					
Raw water intake	\$ -	\$ 5,704,368	\$ -	\$ -	\$ 5,704,368
Buildings and Improvements	-	<u>1,798,024</u>			<u>1,798,024</u>
Total capital assets being depreciated	-	7,502,392	-	-	7,502,392
Less accumulated depreciation for:					
Raw water intake	-	(15,956)			(15,956)
Buildings and Improvements	-	<u>(12,190)</u>			<u>(12,190)</u>
	-	<u>(28,146)</u>	-	-	<u>(28,146)</u>
Total capital assets being depreciated, net	<u>\$ -</u>	<u>\$ 7,474,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,474,246</u>

3. NET POSITION BY JOINT VENTURER

Changes in net position for the period ended June 30, 2018 are as follows:

	<u>Balance</u>	<u>Loss before</u>	<u>Contributions</u>	<u>Balance</u>
	<u>April 18, 2018</u>	<u>Contributions</u>	<u>from Venturers</u>	<u>June 30, 2018</u>
Tualatin Valley Water District	\$ -	\$ (11,090)	\$ 2,955,942	\$ 2,944,852
City of Wilsonville	-	(4,700)	1,250,399	1,245,699
City of Sherwood	-	(1,829)	485,155	483,326
City of Tigard	-	(2,815)	750,239	747,424
City of Hillsboro	-	(6,783)	1,810,577	1,803,794
City of Beaverton	-	<u>(929)</u>	<u>250,080</u>	<u>249,151</u>
	<u>\$ -</u>	<u>\$ (28,146)</u>	<u>\$ 7,502,392</u>	<u>\$ 7,474,246</u>

4. OTHER INFORMATION

Risk Management

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, and natural disasters for which the Commission carries commercial insurance. The Commission does not engage in risk financing activities where risk is retained (self-insurance).

WILLAMETTE INTAKE FACILITIES COMMISSION

Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

PERIOD ENDED JUNE 30, 2018

Related-party Transactions

For the period ended June 30, 2018 the members contributed capital assets as follows:

	<u>Contributions from Venturers</u>
Tualatin Valley Water District	\$ 2,955,942
City of Wilsonville	1,250,399
City of Sherwood	485,155
City of Tigard	750,239
City of Hillsboro	1,810,577
City of Beaverton	<u>250,080</u>
	<u><u>\$ 7,502,392</u></u>

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Commissioners
Willamette Intake Facilities Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Willamette Intake Facilities Commission (“Commission”) as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Willamette Intake Facilities Commission’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Miss Adams UP

Portland, Oregon
October 12, 2018

About the Willamette Intake Facilities Commission

The Willamette Intake Facilities Commission is responsible for oversight of the management and operation of the Willamette Intake Facilities in a prudent, economic and efficient manner to:

- Provide water to the existing Willamette River Water Treatment Plant and the anticipated Willamette Water Supply System Water Treatment Plant
- Preserve and protect the commission members' water rights
- Support the function of the Intake Facilities
- Support watershed planning and management

Tualatin Valley Water District



Delivering the Best Water 💧 Service 💧 Value



WILSONVILLE
OREGON



City of
Sherwood
Oregon

Home of the Tualatin River National Wildlife Refuge



Hillsboro
OREGON



TIGARD
®



Beaverton
O R E G O N

The Willamette Intake Facilities Commission is a partnership formed under ORS Chapter 190 between Tualatin Valley Water District and the cities of Wilsonville, Sherwood, Hillsboro, Tigard, and Beaverton.

Willamette Intake Facilities Commission

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Willamette Intake Facility Commission
For the annual budget period ending June 30, 2019
For the quarter ended September 30, 2018

<i>Activity for the Quarter</i>			<i>Unaudited</i>	<i>Annual Budget</i>				
<i>Budget</i>	<i>Actual</i>	<i>Variance</i>	<i>Resources</i>	<i>Annual Budget</i>	<i>Budget To date</i>	<i>Actual</i>	<i>Variance</i>	<i>Remaining Budget</i>
			Revenues					
\$ 27,401	\$ -	\$ (27,401)	Contributions	\$ 109,607	\$ 27,401	\$ -	\$ (27,401)	\$ 109,607
-	-	-	Beginning Fund Balance	-	-	-	-	-
\$ 27,401	\$ -	\$ (27,401)	Total Resources	\$ 109,607	\$ 27,401	\$ -	\$ (27,401)	\$ 109,607
			Requirements					
			Materials and Services					
\$ 9,226	\$ 16,557	\$ (7,331)	Operating expenses	\$ 66,898	\$ 9,226	\$ 16,557	\$ (7,331)	\$ 50,341
2,500	-	2,500	Professional services	1,500	2,500	-	2,500	1,500
10,000	9,734	266	Insurance expense	10,000	10,000	9,734	266	266
6,928	384	6,544	Business expense	27,709	6,928	384	6,544	27,325
-	-	-	Audit fees	3,500	-	-	-	3,500
-	-	-	Capital Outlay	-	-	-	-	-
28,654	26,676	1,978	Total Expenditures	109,607	28,654	26,676	1,978	82,931
(1,253)	(26,676)	25,423	Ending Fund Balance	-	(1,253)	(26,676)	(29,379)	26,676
\$ 27,401	\$ -	\$ 27,401	Total Requirements	\$ 109,607	\$ 27,401	\$ -	\$ (27,401)	\$ 109,607

These statements unaudited and are preliminary for fiscal year ending June 30, 2019.