Willamette Intake Facilities Commission
Board Meeting Agenda
Monday, July 27, 2020 | 6:00 – 7:30 PM

Join Microsoft Teams Meeting

To help slow the spread of COVID-19, this meeting is virtual only. It will not be held at a physical location.

If you wish to attend via conference call and need dial-in information, please contact annette.rehms@tvwd.org or call 971-222-5957 by 4:00 p.m. on July 27, 2020. If you wish to address the WIF Board, please request the Public Comment Form and return it 48 hours prior to the day of the meeting.

All testimony is electronically recorded.

CALL TO ORDER

1. GENERAL MANAGER’S REPORT — Dave Kraska
   (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 April 27, 2020 meeting minutes

4. BUSINESS AGENDA
   A. None

5. INFORMATION ITEMS
   A. Semiannual Update on the Willamette Water Supply Program Raw Water Facilities Project — Dave Kraska
   B. Mission, Vision, Values & Goals — Dave Kraska/Christina Walter
   C. Independent Audit Update — Paul Matthews
   D. Legislative Update — Joel Cary
   E. The next Board meeting is scheduled on October 26, 2020 via Microsoft Teams

6. COMMUNICATIONS AND NON-AGENDA ITEMS
   A. None scheduled

ADJOURNMENT
MEMO

Date: July 27, 2020
To: Willamette Intake Facilities Board of Commissioners
From: David Kraska, P.E., General Manager
Re: Willamette Intake Facilities General Manager’s Report

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

1. **Remote Meetings Etiquette** – Thank you for your continued flexibility as we hold our meetings remotely. We request participants continue to adhere to three basic rules:
   a. Please mute your microphone when you are not talking.
   b. Please identify yourself before you speak.
   c. If someone other than a Board member would like to ask a question or make a comment, please use the chat feature to let the General Manager know and wait to be acknowledged.

2. **Safety Minute** – Dave Kraska will present the safety minute.

3. **FY 2020-21 Annual Work Plan Progress** – We are one month into the new fiscal year and work is underway on FY 2020-2021 efforts. In addition to general administration of WIF-related activities, progress is being made on both the curtailment and the operations plans; the facilitator procurement for WIF Mission, Vision, and Goals is underway; and we continue to track legislative issues and cyanotoxin monitoring issues. Additionally, construction is now underway, with the bulk of the WIF work slated for this fiscal year. Updates on most of these items will be provided as information items at today’s meeting.

4. **Curtailment Plan Update** – With the support of the Operations Committee, staff continue to make progress on the draft WIF Curtailment Plan. Staff have progressed the curtailment triggers and responses information and developed proposed decision-making processes and response strategies, nearly ready for Operations Committee review. We anticipate submitting a draft document to the Operations Committee in the fall and beginning coordination with the Finance and Management Committees late in 2020.

5. **WWSS Thermal Trading Plan** – As a future user of the WIF intake, the WWSS, through the Willamette Water Supply Program (WWSP), was required to submit a thermal trading plan (TTP) to the Oregon Department of Environmental Quality (DEQ) as a requirement of the Clean Water Act, Section 401 Water Quality Certification (Permit) for its withdrawal of water from the Willamette River. A TTP is a plan to offset temperature impacts to a river from either a discharge to or withdrawal of water from waters of the state. The WWSP submitted its proposed plan to DEQ in November 2019. DEQ conducted its internal review of the plan then held an open public comment period February 14 – April 3, 2020. During that period, DEQ received 7 written public comments on the plan. At the request of one of the commenters, DEQ held a public hearing on July 1, 2020, on the plan. The hearing was held virtually. During the hearing, staff gave a short presentation which focused on providing a general description of the projects that the WWSP has identified for possible mitigation – the Molalla River State Park Floodplain Forest and Riparian Area Health Restoration Project throughout Molalla River
State Park; and the Chicken Creak Habitat Project within the Tualatin Wildlife Refuge. Staff emphasized that WWSP was ready to move forward with the projects that support recovery of threatened and endangered species through ecosystem restoration. In addition to staff’s testimony, comments were received from Brian Posewitz of WaterWatch reiterating the same concerns as their original comment letter and also comments from Bob Baumgartner of Clean Water Services in support of the WWSS’s plan. At the conclusion of the hearing, DEQ held open the public comment period through July 3, 2020. One additional written comment was received from NOAA-Fisheries. Staff is now waiting to receive DEQ’s official responses to all public comments and any instructions for plan modification and/or approval.

6. **Quarterly Financial Reports** – Task 4.c. of the Annual Work Plan requires the Managing Agency to prepare quarterly financial reports and provide them to the WIF Board as part of the packet. Attached to this General Manager’s report is the WIF quarterly financial statement for the period ending June 30, 2020.
## Willamette Intake Facility Commission

For the annual budget period ending June 30, 2020

For the quarter ended June 30, 2020

### Unaudited Budget

<table>
<thead>
<tr>
<th>Activity for the Quarter</th>
<th>Unaudited Resources</th>
<th>Annual Budget</th>
<th>Budget To date</th>
<th>Actual</th>
<th>Variance</th>
<th>Remaining Budget</th>
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</thead>
<tbody>
<tr>
<td>Budget</td>
<td>Actual</td>
<td>Variance</td>
<td>Resources</td>
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<td>$ 48,704</td>
<td>$ 33,057</td>
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<td>Contributions</td>
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<td>$ 68,638</td>
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<td>182,955</td>
<td>152,250</td>
<td>(30,705)</td>
<td>Capital contributions</td>
<td>731,827</td>
<td>731,827</td>
<td>529,010</td>
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<tr>
<td>231,659</td>
<td>185,306</td>
<td>(46,352)</td>
<td>Beginning Fund Balance</td>
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<td>-</td>
<td>9,658</td>
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<tr>
<td>$(1)</td>
<td>(23,398)</td>
<td>(23,397)</td>
<td>Total Resources</td>
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<td>$ 597,648</td>
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<td>$ 231,658</td>
<td>$ 161,908</td>
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### Requirements

<table>
<thead>
<tr>
<th>Activity for the Quarter</th>
<th>Requirements Materials and Services</th>
<th>Annual Budget</th>
<th>Budget To date</th>
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<th>Variance</th>
<th>Remaining Budget</th>
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<td>Budget</td>
<td>Operating expenses</td>
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<td></td>
<td>Professional services</td>
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<td>16,550</td>
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<td></td>
<td>Insurance expense</td>
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<td>22,000</td>
<td>29,888</td>
<td>(7,888)</td>
<td>(7,888)</td>
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<td></td>
<td>Business expense</td>
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<td>1,800</td>
<td>1,088</td>
<td>712</td>
<td>712</td>
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<td></td>
<td>Audit fees</td>
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<td>12,300</td>
<td>4,384</td>
<td>7,916</td>
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<td>$ 44,202</td>
<td>Total Materials and Services</td>
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<td>83,440</td>
<td>93,375</td>
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<td>182,955</td>
<td>Capital Outlay</td>
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<td>551,976</td>
<td>179,851</td>
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<tr>
<td>4,500</td>
<td>Contingency</td>
<td>18,000</td>
<td>18,000</td>
<td>-</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>231,657</td>
<td>Total Expenditures</td>
<td>926,642</td>
<td>926,642</td>
<td>635,416</td>
<td>291,226</td>
<td>291,226</td>
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<td>1</td>
<td>Ending Fund Balance</td>
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<td>(28,110)</td>
<td>28,110</td>
<td>28,110</td>
<td>28,110</td>
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<tr>
<td>$ 231,658</td>
<td>Total Requirements</td>
<td>$ 926,642</td>
<td>$ 926,642</td>
<td>$ 607,306</td>
<td>$ (319,336)</td>
<td>$ 319,336</td>
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</table>

These statements unaudited and are preliminary for fiscal year ending June 30, 2020.
CALL TO ORDER
Chairman Doane called the regular Willamette Intake Facilities (WIF) Commission meeting to order at 6:00pm

ROLL CALL
Ms. Rehms administered the roll call and noted attendance

1. GENERAL MANAGER’S REPORT

Mr. Kraska presented the General Manager’s report, which included a safety moment on safe gardening, a Raw Water Facilities project and permitting update, progress on the Operations and Curtailment Plans, and delivery of the quarterly financial report for the period ending March 31, 2020.
2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

   A. Approve the January 27, 2020 meeting minutes.

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

4. BUSINESS AGENDA

   A. Approve FY2020-21 WIF Annual Work Plan and Budget (Resolution WIF 02-20) – Dave Kraska

Mr. Kraska briefed the Board regarding the preparation and review process of the Annual Work Plan and Budget and highlighted that the overall FY2020-21 AWP and Budget remains similar to FY19-20 with a few exceptions: continued development of the Curtailment, Operations, and Emergency Response plans; added allowance for Willamette River Water quality monitoring; and the development of the WIF mission, vision, and goals.

Mr. Kraska also highlighted the FY2020-21 Capital Outlay has significantly increased due to Construction Phase 1 (groundwork & ground improvements) for the Raw Water Facilities beginning this summer. For the WIF-related work, the guaranteed maximum price is consistent with the budget presented in the WIF intergovernmental agreement.

Motion was made by San Soucie, seconded by Godsey, to adopt the FY2020-21 Annual Work Plan, Budget and Capital Outlay. The motion passed unanimously with Doane, San Soucie, Godsey, Garland, Goodhouse, and Akervall voting in favor.

   B. Approve FY2020-21 WIF Board Meeting Schedule (Resolution WIF 03-20) – Dave Kraska

Mr. Kraska presented the FY2020-21 Board meeting dates which are proposed to remain consistent with last year. Proposed quarterly meeting dates are July 27, 2020; October 26, 2020; January 25, 2021; and April 26, 2021, which are the last Monday of each stated month.

Motion was made by San Soucie, seconded by Goodhouse, to approve the FY2020-21 Board Meeting Schedule. The motion passed unanimously with Doane, San Soucie, Godsey, Garland, Goodhouse, and Akervall voting in favor.

5. INFORMATION ITEMS

   A. Legislative Update – Joel Cary, TVWD

Mr. Cary presented a summary update on three key concepts: the Oregon 2020 Legislative Session ended abruptly after a contentious debate related to climate change; over 100 bills did not pass, including key legislation from the House Committee on Water related to cyanotoxin testing and water provider support for Harmful Algal Blooms (HABs); the current COVID-19 Pandemic has been the sole focus of the Governor's Office and Legislative Assembly since the session ended. (See attached presentation.)

   B. The next Board meeting is scheduled on July 28, 2020, at Tualatin Valley Water District– Board Room.
6. COMMUNICATIONS AND NON-AGENDA ITEMS

   A. None scheduled.

ADJOURNMENT

There being no further questions or business, Chairman Doane adjourned the meeting at 6:28 p.m.

Jim Doane, Chair  Sean Garland, Vice Chair
(Submitted electronically on March 24, 2020 to Members of the Joint Special Committee on Coronavirus Response)

The League of Oregon Cities, Special Districts Association of Oregon, Oregon Association of Water Utilities, Oregon Water Utility Council, Association of Clean Water Agencies and the Oregon Water/Wastewater Agency Response Network appreciate the opportunity to submit the following comments on behalf of publicly owned drinking water and wastewater providers across the state of Oregon. We ask that the committee consider inclusion of public drinking water, wastewater (sewer) and stormwater services in the context of discussions around potential state-assistance to help in our efforts to provide utility rate relief. In addition, we serve to be a resource to the committee during this time.

In accordance with recommendations from the American Water Works Association, drinking water and wastewater providers across the state are working tirelessly to maintain critical services and to provide flexibility to ratepayers due to the economic hardship that is impacting so many Oregonians. Prior to this public health emergency, many of our members had already established financial assistance programs to benefit seniors and low-income households and individuals. In response to the spread of COVID-19 and the resulting loss of jobs for many Oregonians, our members are stepping up to offer additional assistance to ratepayers during this time. That includes ceasing drinking water service shut off for non-payment or past due bill collection during this period of economic hardship.

It is important to note, however, that there are economic realities that can have significant long-term impacts on our ratepayers. As we strive to provide flexibility to those experiencing financial hardship during this time, there will be impacts to utilities both in the short-term and long-term.

A letter that was submitted to congressional leadership on March 23 from national water utility associations, including the American Public Works Association, Water Environment Federation and the National Association of Clean Water Agencies, stated the following:

“...the economic impacts of coronavirus are expected to be enormous. Decreased revenue from households less able to pay their bills and the sudden drop-off in industrial and business water usage could lead to billions of dollars in lost revenue for water and wastewater systems nationwide. This, coupled with additional costs water systems will incur for ongoing emergency operations during the course of the pandemic, will represent a significant sum that will be passed on to local customers through higher water rates.”
In addition, we are witnessing increased costs associated with the implementation of continuity of operations plans for water and wastewater utilities. These plans ensure that critical infrastructure providers are able to continue working during this time to deliver services that Oregonians rely on. Utilities are working to stagger teams of employees to reduce the risk of COVID-19 spread among critical staff and are prioritizing workloads to ensure that protection of public health through the delivery of safe drinking water and the treatment of wastewater are of the highest priority. We are hearing from utilities across the state that are adjusting operations to adhere to social distancing guidelines. The health and safety of infrastructure service providers is a significant priority as critical services can’t be provided without healthy personnel.

We ask that the committee consider the following:

- Inclusion of drinking water, wastewater and stormwater rate relief for public utility providers, including local government providers. It is important to note that city, county and special district water/wastewater providers are not regulated by the Public Utility Commission as they are regulated by their elected councils, boards, commissions, etc.
- Assistance in spreading awareness over the challenges and public health threats associated with flushing non-flushable items down the toilet. Only toilet paper should be flushed down toilets. Due to shortages of toilet paper, local governments are urging the public to refrain from flushing other items including wipes that are labeled as “flushable.” Many local governments are seeing an increase in sewer clogs and materials being caught in the wastewater treatment process. This results in potential sewer backups which is of greater concern due to potential exposure to a variety of pathogens, including COVID-19 and due to utilities having a reduced number of employees to address those sewer clogs/backups during the Governor’s “stay at home” Executive Order #20-12.
- We are currently exploring areas where state regulatory relief may be needed. Regulations that are in place to ensure health and safety should not be lifted, but there may be other regulations, timelines, deadlines, etc. that will detract from our ability to prioritize workloads and critical services during this time. We will reach out to the committee with specific requests as they are identified.
- Finally, we ask the Joint Special Committee on Coronavirus Response use the below listed associations and contacts as a resource should there be questions, concerns or correspondence we can get out to our memberships. Our combined memberships cover all publicly owned water and wastewater systems across the state. We appreciate the opportunity to be of assistance to the committee and hope that you will use us as a resource.

Contact information:
League of Oregon Cities, Tracy Rutten (lobbyist) – trutten@orcities.org
Special Districts Association of Oregon, Mark Landauer (lobbyist) – mark@mjlconsulting.com
Oregon Association of Water Utilities, Jason Green (Director) – jgreen@oawu.net
Oregon Association of Clean Water Agencies, Susie Smith (Executive Director) – smith@oracwa.org
Oregon Water Utility Council, Mike Grimm (Chair) – mgrimmm@wswd.org
Oregon Water/Wastewater Agency Response Network, Chris Wanner, (Chair) – chris.wanner@portlandoregon.gov
WIF COMMISSION STAFF REPORT

To: Board of Commissioners

From: David Kraska, PE, General Manager

Date: July 27, 2020

Subject: Semi-annual update on the Willamette Intake Facilities (WIF)-related elements of the Willamette Water Supply Program’s (WWSP) Raw Water Facilities Project

Key Concepts:
- On a semi-annual basis, the WIF Commission will receive an update on the WIF-related elements of the RWF_1.0 project.
- This update will present the current status of the project, the WIF budget, and the overall project schedule.

Background:
The RWF_1.0 project, which is part of the Willamette Water Supply System (WWSS), includes upgrades to the WIF including replacing the screens, expanding the air burst system, and improving the seismic resiliency. This semi-annual update is intended to keep the WIF Commission apprised of the regular progress being made on this project.

Our last update was provided to the WIF Board at the January 2020 meeting. The update included information on the 90% cost estimate and bank stabilization design.

There are two phases of construction planned for the RWF_1.0 project. The majority of improvements to the WIF infrastructure are included in the first phase (Phase 1), however, there a few improvements in second phase (Phase 2). Since the January 2020 update, the 100% design has been completed and the Guaranteed Maximum Price (GMP) has been negotiated for Phase 1. The Notice to Proceed (NTP) was issued for Phase 1 on June 22, 2020. The contractor, Kiewit, has mobilized onto the site and started initial site work including site clearing, installation of construction fencing, and tree removal. Major work elements scheduled to start this year include the upper site mass excavation, lower site access road, and deep soil mixing for the caisson stabilization. The in-water work include screen replacement is scheduled for fall of 2021. Phase 1 of construction is currently scheduled to be completed in February of 2022. Phase 2 of construction is planned to start in September of 2022.

Budget Impact:
The Program team has completed an evaluation of the WIF budget:

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual cost to date (June 2020)</td>
<td>$2,901,159</td>
</tr>
<tr>
<td>Kiewit GMP for Phase 1 (contingency not included) for WIF elements</td>
<td>$8,319,222</td>
</tr>
<tr>
<td>Kiewit GMP Phase 1 contingency for WIF elements</td>
<td>$831,922</td>
</tr>
<tr>
<td>Remaining costs for Phase 1 (CM, PM, ESDC)</td>
<td>$1,189,649</td>
</tr>
<tr>
<td>Remaining contingency for Phase 1 CM, PM, and ESDC</td>
<td>$118,965</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$13,360,917</td>
</tr>
</tbody>
</table>
Semi-annual update on the WIF-related elements of the WWSP Raw Water Facilities Project

<table>
<thead>
<tr>
<th>Additional WIF elements for Phase 2</th>
<th>$55,310</th>
</tr>
</thead>
<tbody>
<tr>
<td>System wide costs for Phase 1 and 2</td>
<td>$874,539</td>
</tr>
<tr>
<td><strong>Total Projected Costs</strong></td>
<td><strong>$14,290,766</strong></td>
</tr>
</tbody>
</table>

The good news is that the total projected cost in the above table is less than the total cost in Exhibit 11 of the WIF intergovernmental agreement by a little less than one million dollars. However, given how early we are in the construction phase of this complicated project, we do not recommend reducing the budget at this time.

**Staff Contact Information:**
David Kraska, P.E.; General Manager; 503-941-4561; david.kraska@tvwd.org

**Attachments:**
None

**Management Staff Initials:**

<table>
<thead>
<tr>
<th>General Manager</th>
<th>TVWD General Counsel</th>
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</thead>
<tbody>
<tr>
<td>TVWD Chief Engineer</td>
<td>N/A</td>
<td>TVWD Chief Financial Officer</td>
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</table>
Semi-annual Update on the WIF-related Elements of the Raw Water Facilities Project

Willamette Intake Facilities Meeting

July 2020

Outline

• Overview of RWF_1.0 Project
• Construction Cost Update
• Current Activities
• Construction Schedule
WIF-Related Elements of the WWSS’s RWF_1.0 Project

- Raw Water Pipeline and Electrical Duct Bank
- Standby Power, Surge Control, and Upper Site Electrical Building
- Mechanical Pump Station Upgrades
- Air Burst System Improvements
- New Fish Screens
- Seismic Improvement for Caisson and Pump Building

Construction Cost Update

- Kiewit Guaranteed Maximum Price for Phase 1 = $49M
  - Approved by WWSS Board on May 7, 2020
- Projected cost of WIF-related elements is consistent with previous budget information (WIF IGA Exhibit 11)
WIF Budget

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual cost to date (June 2020)</td>
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</tr>
<tr>
<td></td>
<td>Sub-total</td>
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<td>Additional WIF elements for Phase 2</td>
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<td>System wide costs for Phase 1 and 2</td>
<td>$874,539</td>
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<td></td>
<td>Total Projected Cost</td>
</tr>
<tr>
<td></td>
<td>$14,290,766</td>
</tr>
</tbody>
</table>

Perspectives on these values:
- Total Projected Cost is about a million dollars less than the anticipated cost presented in WIF IGA Exhibit 11
- Given that we are just beginning construction, recommend Parties plan using the higher Exhibit 11 values for now

Current Activities

- Construction fencing installation
- Pedestrian detour from Arrowhead Creek Lane at Upper site
- Upper site clearing
Current Activities

- Owner trailer and temporary facilities
**RWF_1.0 Schedule**

- NTP issued on June 22, 2020
- Upper site mass excavation: July to September 2020
- Lower site access road: August to September 2020
- Deep soil mixing for caisson stabilization: October 2020 to February 2021
- Jet grout for pipeline stabilization: February 2021 to May 2021
- Raw water pump station building improvements: May to September 2021

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**RWF_1.0 Schedule**

- Piles at upper site for electrical building: November 2020 to May 2021
- Trenchless crossing: September 2020 to March 2021
- Raw water pipeline: May 2021 to November 2021
- Screen protection piles: June 2021 to September 2021
- Intake screen replacement: September to October 2021
## Potential Windows for WIF Board Site Visit

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<th>Activity</th>
<th>Start Date</th>
<th>End Date</th>
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</thead>
<tbody>
<tr>
<td>Willamette River Bank Stabilization</td>
<td>October 2020</td>
<td>May 2021</td>
</tr>
<tr>
<td>Pump Station Building Improvements</td>
<td>May 2021</td>
<td>September 2021</td>
</tr>
<tr>
<td>Intake Screen Protective Pile and Screen Replacement</td>
<td>June 2021</td>
<td>October 2021</td>
</tr>
<tr>
<td>Raw Water Pipeline</td>
<td>May 2021</td>
<td>November 2021</td>
</tr>
</tbody>
</table>

Consider two site tours:
1. Bank stabilization work: Q4 2020 – Q1 2021
2. Pump station and intake-related work: Q3 2021

**QUESTIONS?**
To: Board of Commissioners

From: Christina Walter, WWSP Permitting & Outreach Manager

Date: July 27, 2020

Subject: Mission, Vision, Values & Goals

Key Concepts: Update on development of WIF Commission’s Mission, Vision, Values and Goals work.

Background:
On July 1, 2020 staff publicly released a Request for Proposal soliciting a qualified facilitator to assist the Board of Commissioners in its development of Mission, Vision, Values, and Goal statements specifically related to watershed planning and water rights stewardship in the Mid-Willamette River. The contract scope of work will require the selected facilitator to conduct a series of meetings with the Commission and a series of workshops with representatives of each agency, called the Working Group. The facilitator will raise awareness of the Commission in the area of watershed planning and protection and its links to legislative advocacy and water rights stewardship. The facilitator will provide monthly progress reporting and at the conclusion of the development process will provide a Mission, Vision, Values, and Goal statements report.

Minimum qualifications for the potential facilitator: have local working experience and presence in the Pacific Northwest; be a subject matter expert in watershed management; and have an understanding of Oregon political culture (as it relates to water issues).

The tentative project development timeline:

- **July 20, 2020**: Proposal submission period closes
- **August 12-13, 2020**: Selection panel interviews top 3 firms
- **August 28, 2020**: Notice to Proceed Issued to selected facilitator
- **September 9, 2020**: Contract kickoff meeting with selected facilitator
- **September 30, 2020**: Orientation meeting with the Working Group
- **October 26, 2020**: Objective setting session with WIF Commission Board
- **November 18, 2020**: Workshop #1 with the Working Group
- **December 16, 2020**: Workshop #2 with the Working Group
- **January 25, 2021**: Mid-Point Check In meeting with WIF Commission Board
- **February 17, 2021**: Workshop #3 with the Working Group
- **March 17, 2021**: Workshop #4 with the Working Group
- **April 26, 2021**: Final Check-In with WIF Commission Board
- **June 30, 2021**: Mission, Vision, Values, and Goal statements finalized, and facilitation work complete

The schedule identifies three opportunities for the WIF Commission Board to participate in the process, and we have aligned those opportunities with regularly scheduled Board meetings to make the best use of time. At the October meeting, we anticipate making an introductory presentation to the Board on the plan for the project and receive input from the Board regarding the overall objectives of this work. At the
January meeting, we anticipate presenting to the Board the progress made to date and receiving input from the Board that may inform and/or redirect the remaining work. At the April meeting, we intend to present draft findings regarding the WIF Mission, Vision, Values and Goals for Board consideration and input prior to preparing the final report in June 2021.

At the time of writing this staff report we were yet to receive the proposals, but there was substantial interest from the consulting community in the project. We are therefore hopeful to have a large number of qualified candidates to select from.

**Budget Impact:**
Total funds allocated to this work in the Fiscal Year 2020-2021 budget is $81,300 for professional services (labor and materials).

**Staff Contact Information:**
Christina Walter, WWSP Permitting & Outreach Manager; 503-840-3830; christina.walter@tvwd.org

**Attachments:**
- Request for Proposal
- Scope of Work

**Management Staff Initials:**

<table>
<thead>
<tr>
<th></th>
<th>TVWD General Counsel</th>
<th>TVWD Chief Financial Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>TVWD Chief Engineer</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
REQUEST FOR PROPOSALS
FOR
FACILITATION SERVICES
AND
ASSISTANCE WITH THE DEVELOPMENT
OF
THE VISION, MISSION, AND GOALS FOR THE
WILLAMETTE INTAKE FACILITIES COMMISSION

RFP No. TVWD - 050520

Proposals Due
July 21, 2020 at 2:00 P.M. (PT)
INTRODUCTION

Tualatin Valley Water District (TVWD) and the cities of Hillsboro, Wilsonville, Sherwood, Beaverton, and Tigard, collectively known as the Willamette Intake Facilities (WIF) Commission are seeking proposals from firms with qualified project facilitators to provide facilitation services and assistance with the development of the WIF Commission’s Vision, Mission, and Goals statements relating to watershed planning and water rights stewardship for the mid-Willamette River. This project is under the management of TVWD as the managing agency for WIF Commission activities and operations.

BACKGROUND

The WIF Commission was formed to manage the multi-user intake facility for the mid-Willamette River, a drinking water source for several water suppliers in Washington and Clackamas Counties, Oregon. Currently, this intake serves approximately 40,000 residents of Wilsonville and Sherwood through the existing Willamette River Water Treatment Plant ("WRWTP"). This intake will serve an additional 400,000 residential and commercial customers, when the Willamette Water Supply System ("WWSS") is completed in 2026.

The WIF Intergovernmental Agreement was entered into by Tualatin Valley Water District (TVWD), and the cities of Wilsonville, Sherwood, Hillsboro, Tigard, and Beaverton. All members are local governments authorized to own, operate, and maintain municipal water supply systems. The cities and TVWD together are referred to as “Partners” in this document.

The WWSS is a drinking water infrastructure system that will provide a seismically resilient water supply designed to meet future demand and provide redundancy in case of an emergency event for the Partners and future interested water suppliers and cities. The WWSS includes more than thirty (30) miles of transmission pipelines, ranging from 36-inches to 66-inches in diameter, using the existing updated intake facility (the WRWTP) located in Wilsonville, Oregon, then travelling north to serve the areas noted above. The WWSS also includes construction of finished water storage tanks, a new 60 million gallons per day water treatment plant, and an expansion of the existing WRWTP raw water facilities. For additional history and information, visit www.ourreliablewater.org.

PROPOSAL INSTRUCTIONS

Proposals shall be prepared by addressing the Scope of Work, attached as Exhibit A. The Partners intend to award this agreement to a single firm to provide the services required.

Proposers shall contact Contracts Coordinator, Wendy Burns, via e-mail; (wendy.burns@tvwd.org) within five (5) days of receiving the RFP package with any questions or requests for additional information needed to submit a proposal and whether your firm intends to submit a proposal. Any protests to this solicitation or requests for change to scope requirements or terms of the solicitation must be received by Thursday, July 9, 2020 by 10:00 a.m. (PT).

Addenda will be e-mailed to prospective proposers to save time. Oral instructions or any information provided by TVWD’s representatives and employees to prospective proposers shall not bind the Partners and shall not be relied upon.
No compensation shall be provided to cover the cost of proposal preparation. Proposals shall be valid for a minimum of ninety (90) days and shall contain a statement to that effect.

Proposers shall submit 1 paper original and 4 paper copies of the proposal to the following address:

Tualatin Valley Water District
1850 SW 170th Avenue
Beaverton, OR 97003
Attn: Wendy Burns, Contracts Coordinator
RFP No.: TVWD-05020

Proposals must be received by TVWD no later than July 21, at 2:00 p.m. (PT). Late proposals, faxed, or e-mailed proposals will not be considered regardless of postmark. In order to maintain the fairness and integrity of the selection process, proposals must conform to the requirements of this RFP. Such requirements include signing TVWD’s Professional Services Agreement, (attached as Exhibit B) upon award. TVWD may reserve the right to interview proposers after proposals are evaluated.

Proposals may be modified or withdrawn only before the proposal due date and time. Requests for proposal modification or proposal withdrawal shall be made on company letterhead and signed by an authorized representative.

PROPOSAL EVALUATION

TVWD will select an evaluation team. During the evaluation process, TVWD has the right to request clarification needed to understand the proposer’s proposal. Each proposal will be evaluated on the categories and their associated maximum number of points as described below. TVWD reserves the right to select off the written proposal. The highest ranked proposer(s) will be invited to the interview either via web conference or in person.

PROPOSAL EVALUATION CRITERIA

(Points awarded in Part 1 will count toward interview and reference points).

<table>
<thead>
<tr>
<th>Proposal Evaluation Criteria – Part 1</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Describe your team’s general understanding of the scope of work as outlined in Exhibit A.</td>
<td>15</td>
</tr>
<tr>
<td>2. Qualifications and experience of firm and facilitators included in the proposal.</td>
<td>30</td>
</tr>
<tr>
<td>3. Similar facilitation experience with other diverse stakeholders.</td>
<td>30</td>
</tr>
<tr>
<td>4. Fee - Provide a Not-To-Exceed Fee, including consultant travel and expenses, if applicable.</td>
<td>25</td>
</tr>
</tbody>
</table>
Interviews will be held via web conference or in person. Final selection will be based on the highest score received for proposals, interviews, and references as outlined below.

<table>
<thead>
<tr>
<th>Proposal Evaluation Criteria - Part 2</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Interviews</td>
<td></td>
</tr>
<tr>
<td>• The three highest ranking proposers will be invited to participate in interviews. Interviews will be conducted via web conference or in person on August 12 and 13, 2020.</td>
<td>70</td>
</tr>
<tr>
<td>2. References</td>
<td></td>
</tr>
<tr>
<td>• Provide 3 references for services of the same nature as outlined in this RFP. Include contact name, company name, e-mail and telephone number.</td>
<td>30</td>
</tr>
<tr>
<td><strong>TOTAL POSSIBLE POINTS covering the Proposal Interview and References</strong></td>
<td><strong>200</strong></td>
</tr>
</tbody>
</table>

The highest ranked proposer shall have all required licenses, certifications and required insurance needed to perform the work under the awarded agreement. The proposal may become part of the final agreement. Any changes to the Proposal will be made before executing the agreement and will become part of the final agreement.

**PROPOSAL REJECTION, SOLICITATION CANCELLATION, SELECTION AND PROTEST OF AWARD**

TVWD reserves the right to reject any and all proposals, cancel all or part of this solicitation, waive any minor irregularities, and to request clarifications from proposers if needed during evaluation. By requesting proposals, the TVWD is in no way obligated to award an agreement or pay for expenses in connection with the preparation or submission of a proposal.

Following the review of proposals and ranking of Proposers and should the TVWD wish to interview, TVWD will invite the two highest ranked Proposers to interview remotely with the Selection Committee. In accordance with ORS 279B.410 and TVWD’s procurement procedures, notice of this initial selection of Proposers chosen to interview will be given to all Proposers. There will be an initial seven (7) business-day protest period in which an aggrieved Proposer may protest its exclusion from the interview process. To be adversely affected, the aggrieved Proposer must claim itself as highest ranked Proposer because all higher ranked Proposers failed to meet the requirements of this RFP. Protests received after the initial seven business-day period will not be considered.

Once TVWD has selected the top ranked firm or conducted interviews and then selected the top-ranking firm for award of the agreement, notice of the selection will be sent to the Proposers who interviewed. There will be a second seven (7) business-day protest period in which an aggrieved Proposer may protest the award. Protests received after the second protest period will not be considered.
CONFIDENTIALITY

Information submitted by proposers shall be subject to Oregon Public Records Law. Proposals will be available for public inspection after selection, except to the extent the proposer designates trade secrets or other proprietary data to be confidential pursuant to the Oregon Public Records Law (ORS 192.501(2) and ORS 192.502(4)). TVWD shall verify and determine that the confidential information claimed to be exempt is, in fact, exempt from disclosure under the Oregon Public Records Law. To facilitate public inspection of non-confidential portions of the proposal, all confidential material shall be clearly marked and the word “Confidential” stamped in red on the pages that apply. All requests for public inspection of proposals are subject to TVWD’s public records request filing requirements. Any costs associated with the inspection shall be at the sole expense of the proposer making the request.

Please feel free to contact Wendy Burns, Contracts Coordinator at wendy.burns@tvwd.org if your firm intends to submit a proposal and with any questions concerning this RFP.

Attachments:
Exhibit A: Scope of Services
Exhibit B: Professional Services Agreement
Exhibit C: Proposer Certifications and Representations
EXHIBIT A – SCOPE OF WORK
WIF Commission: Vision, Mission, and Goals Development

Introduction
Tualatin Valley Water District ("District"), and the cities of Hillsboro, Wilsonville, Sherwood, Beaverton, and Tigard, referred to as the Willamette Intake Facilities ("WIF") Commission, are seeking proposals from a qualified project facilitator ("Facilitator") to provide professional services for the development of the WIF Commission’s Vision, Mission, and Goals statements related to watershed planning and water rights stewardship for the mid-Willamette River. This project is under the management of the District, referred to as the “Managing Agency” for WIF Commission activities and operations.

Background
The WIF Commission was formed to manage the multi-user intake facility for the mid-Willamette River, a drinking water source for several water suppliers in Washington and Clackamas Counties, Oregon. Currently, this intake serves approximately 40,000 residents of Wilsonville and Sherwood through the existing Willamette River Water Treatment Plant ("WRWTP"). This intake will serve an additional 400,000 customers when the Willamette Water Supply System ("WWSS") is completed in 2026.

The WIF Intergovernmental Agreement was entered into by Tualatin Valley Water District (TVWD), and the cities of Wilsonville, Sherwood, Hillsboro, Tigard, and Beaverton. All members are local governments authorized to own, operate, and maintain municipal water supply systems. The cities and TVWD are referred to as “Partners” in this document.

The WWSS is a drinking water infrastructure system that will provide the District and the cities of Hillsboro and Beaverton, along with other future interested water suppliers and cities, with a seismically resilient water supply designed to meet future demand and provide redundancy in case of an emergency event. The WWSS includes more than thirty (30) miles of transmission pipelines, ranging from 36-inches to 66-inches in diameter, using the existing but updated intake facility (the WRWTP) located in Wilsonville, Oregon, then travelling north to serve the areas noted above. The WWSS also includes construction of finished water storage tanks, a new 60 million gallons per day water treatment plant, and an expansion of the existing WRWTP raw water facilities. For additional history and information, visit www.ourreliablewater.org.

Scope of Work
The Facilitator shall provide services in accordance with the Agreement Documents and as described in the following sections.

Any communication with the public and media shall be coordinated with and through the Managing Agency’s Communications Teams on behalf of the WIF Commission. Awards, abstracts, peer-reviewed papers, presentations, media articles, and other external communications generated by the Facilitator that represent and/or reference the any aspect of this work shall be submitted for review and approval in advance by the Managing Agency.
EXHIBIT A – SCOPE OF WORK
WIF Commission: Vision, Mission, and Goals Development

Meetings and workshops will be generally held at District headquarters, located at 1850 SW 170th
Avenue, Beaverton, Oregon, 97003.

The SOW consists of the following main tasks as described in detail in each section:

Section 1 – General Requirements
Section 2 – Project Management and Administration
Section 3 – Development of WIF Commission Vision, Mission, and Goals
Section 4 – Resource Requirements
Section 5 – Key Personnel
Section 6 – Procurement-related Communications

1.0 General Requirements
Work shall be prepared, reviewed, and revised in compliance with Managing Agency requirements set
forth in the Agreement Documents.

The Facilitator shall provide submittal documents for deliverables in native formats (Microsoft Word,
Microsoft Excel, etc.) for final submittals and when requested. Files shall be delivered to the Managing
agency’s office no later than 4:00 PM (Pacific Time) on the listed due date to satisfy the Managing Agency’s
milestone requirements. After the first submittal, subsequent submittals shall be completed using the
“track changes” feature so changes from the previous submittal can be easily identified. For the final
submittal, all tracked changes shall be removed from the submitted documents. All PDF documents,
including any applicable details, drawings, or maps, shall be word searchable and bookmarked.

The deliverable review and approval schedule shall be incorporated into the project schedule. Comments
will be provided by the Managing Agency to the Facilitator utilizing the Managing Agency’s standard
quality review form (“QRF”) within fifteen (15) business days following the Managing Agency’s review of
the Facilitator’s deliverables. The Facilitator shall provide written responses to comments within ten (10)
business days following receipt of comments from the Project Manager.

2.0 Project Management and Administration
The Facilitator shall provide the appropriate services to deliver the Work within the established budget in
accordance with the schedule as described in Section 4. These services include requirements for workshop
meetings, monthly progress updates, quality management, invoicing, and other tasks, as detailed below,
required for final product delivery. The Facilitator shall be the primary point of contact for the Managing
Agency and shall be responsible to manage any Facilitator staff, subconsultants, internal quality
assurance/quality control (“QA/QC”), and communications to be used by the Facilitator for the duration
of this Agreement

RFP No. TVWD-050520
**EXHIBIT A – SCOPE OF WORK**

**WIF Commission: Vision, Mission, and Goals Development**

### 2.1 Progress Updates

At a minimum, the Facilitator shall participate in a regular monthly (one (1) each calendar month) progress call to inform the Project Manager of progress to date or outstanding items.

Assumptions:

- Progress calls are expected to last up to 30 minutes but may occasionally last longer.
- WIF Commission Partner staff or subject matter experts from each agency may participate in regular monthly calls as needed for the Facilitator to solicit input.

Deliverables:

- Progress update summaries

### 2.2 Application for Payment

The Facilitator is responsible for preparing itemized invoices and submitting to the Project Manager. Itemized invoices are expected to be monthly until the *Vision, Mission, and Goals* development work is complete. Upon submission, the Project Manager will review the work being billed, approve the work in accordance with the agreed upon SOW, and submit the invoice to the Managing Agency’s Finance Department for processing and payment.

### 3.0 Development of WIF Commission Vision, Mission, and Goals

The specific focus of this SOW is to assist WIF Commission Partner staff and elected Board members in developing its *Vision, Mission, and Goals* statements for future work related to watershed protection and planning along the mid-Willamette River and more broadly, within the Willamette Basin. For context, the Willamette Basin is Oregon’s largest watershed that includes 13 major tributaries and covers nearly 12,000 square miles, representing almost 12% of Oregon. The majority of Oregon’s most populous cities are located along the Willamette River as well as some of the state’s major transportation routes.

Assisting the WIF Commission in better defining its mission as a steward of the collective Partners’ water rights is also an element of the SOW. Both watershed planning and water rights are key items noted in the intergovernmental agreement (IGA) signed by all WIF Partners. Therefore, it is the IGA that is the basis for developing a *Vision, Mission, and Goals* statement for the WIF Commission in order to facilitate future watershed work related to the shared, multi-user drinking water intake located in the Mid-Willamette River. A copy of the IGA will be provided to the Facilitator.

The following elements are the required SOW objectives and expected outcomes:

- Broadly defined for this SOW, the *Mission* is what we do, the *Vision* is what the WIF Commission aspires to achieve now and in the future, and *Goals* are the steps to accomplish the vision. Part of the work will also include determining the WIF Commission values, the underlying principles that shape the culture and reflect the Partners collective values.
EXHIBIT A – SCOPE OF WORK
WIF Commission: Vision, Mission, and Goals Development

- Engagement with WIF Commission Board members shall occur at mid-point and end of project (see Section 4, Project Meetings and Schedule below). (WIF Partner staff will be responsible for keeping their Board representatives updated on the project progress.)
- The project and deliverables should create alignment and commitment among WIF Commission Partners.
- Workshops and the final outcome should reflect that each Partner agency is heard and represented during the process.
- The Facilitator shall help the Partners discuss potential opportunities or partnerships for future watershed related activities.
- The Facilitator shall help the Partners discuss what role the WIF Commission can or should have with regards to legislative advocacy.
- The Facilitator shall help the Partners discuss how to raise awareness of the WIF Commission and its link to watershed planning and protection.
- The final goal of developing a Vision, Mission, and Goals statement is to provide a lasting foundation to begin more technical work in watershed related activities (e.g., expanded source water and watershed monitoring, communications and outreach, water rights protection).

3.1 Project Kickoff Meeting
The Facilitator shall prepare for and conduct one (1) 2-hour project kickoff meeting within fifteen (15) business days of the Notice to Proceed (“NTP”). The Facilitator shall prepare a draft agenda, presentation materials, and handouts and distribute to the Managing Agency for review five (5) business days prior to the kickoff meeting. Meeting summaries shall be prepared and submitted for review by the Managing Agency no later than five (5) business days following the kickoff meeting. The purpose of the kickoff meeting shall be to conduct project team introductions, exchange information regarding staff roles and responsibilities, receive any additional information not distributed during the procurement process, and review the project requirements including scope, schedule, and budget.

Assumptions:
- Facilitator and one Facilitator staff shall attend the Kickoff Meeting
- WIF Commission Operations, Management, and Finance Committee members from each Partner will attend the Kickoff Meeting

Deliverables:
- Agendas for Kickoff submitted a minimum of five (5) business days prior to workshop
- Detailed meeting minutes for workshop submitted within five (5) business days following workshop.
3.2 Project and Meeting Schedule

The following WIF Commission and Managing Agency schedule milestones have been established for this Work:

Table 3-2 Project and Meeting Schedule

<table>
<thead>
<tr>
<th>Task/Deliverable Description</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice to Proceed</td>
<td>August 28, 2020</td>
</tr>
<tr>
<td>Orientation Meeting</td>
<td>September 9, 2020</td>
</tr>
<tr>
<td>Working Group Kick-off Meeting</td>
<td>September 30, 2020</td>
</tr>
<tr>
<td><strong>Objective Setting Meeting with WIF Commission Board Members</strong></td>
<td>October 26, 2020</td>
</tr>
<tr>
<td>Workshop No. 1</td>
<td>November 18, 2020</td>
</tr>
<tr>
<td>Workshop No. 2</td>
<td>December 16, 2020</td>
</tr>
<tr>
<td>Mid-Point Check in with WIF Commission Board Members</td>
<td>January 25, 2021</td>
</tr>
<tr>
<td>Workshop No. 3</td>
<td>February 17, 2021</td>
</tr>
<tr>
<td>Workshop No. 4</td>
<td>March 17, 2021</td>
</tr>
<tr>
<td>Draft Deliverable — <em>Vision, Mission, and Goals</em> Report</td>
<td>By April 1, 2021</td>
</tr>
<tr>
<td>Final Check in with WIF Commission Board Members</td>
<td>April 26, 2021</td>
</tr>
<tr>
<td>Final Deliverable — <em>Vision, Mission, and Goals</em> statements</td>
<td>By June 30, 2021</td>
</tr>
</tbody>
</table>

(1) Deliverables shall meet requirements stated in the General Requirements section.
(2) Anticipated dates to be finalized during negotiations

Assumptions:

- The Facilitator and one Facilitator staff shall be present at each meeting and Board check-in.
- Facilitator shall assume that they will lead seven (7) of the meetings listed above (Kick-off meeting, Objective setting meeting, Workshops, and up to one other meeting).

Deliverables:

- Agendas for each workshop submitted a minimum of ten (10) business days prior to workshop.
- Detailed meeting minutes for workshop submitted within five (5) business days following workshop.
- Draft report outlining the workshops, process, and discussions that led to WIF Commission *Vision, Mission, and Goals* draft statement.
- Final document summarizing the agreed upon WIF Commission *Vision, Mission, and Goals* statement as it relates to watershed planning and water rights stewardship.
4. Resource Requirements
The Facilitator is responsible for providing the necessary personnel, material, software, and equipment to perform the Work described herein in accordance with the Agreement Documents.

5. Key Personnel
The Facilitator is considered essential to the Work being performed hereunder. No substitution shall be made for the Facilitator without written consent from the Managing Agency.

6. Procurement-related Communications
Any requests for clarification or additional information regarding the submission of a proposal shall be directed only to: Wendy Burns, Contracts Coordinator at wendy.burns@tvwd.org
WIF COMMISSION STAFF REPORT

To: Board of Commissioners

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

Date: July 27, 2020

Subject: Moss Adams Fiscal Year 2019-20 Audit Engagement

Key Concepts:
Tualatin Valley Water District (TVWD), acting as the managing agency for the Willamette Intake Facilities Commission (WIF), has engaged Moss Adams to audit the Commission’s financial statements for the period ending June 30, 2020. The audit fees agreed upon are $4,100. Moss Adams will also bill for expenses.

Background:
The WIF is an ORS Chapter 190 Joint Venture. As such, it is audited separately from TVWD and the WIF Fund is not included in the TVWD’s audited financial statements. Moss Adams has provided audit services to the WIF since its inception in FY 2017-18.

Staff coordinated with Moss Adams starting in June to facilitate the audit and results are expected in December 2020.

Budget Impact:
None.

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

Attachments:
• Audit Services Agreement Engagement Letter 2020
• TVWD Agreement No. 2019-44 Audit Services Agreement
• SAS 114 Planning Letter 2020 (Auditor’s Communication with Those Charged with Governance)

Management Staff Initials:

| General Manager | TVWD General Counsel | N/A |
| TVWD Chief Engineer | N/A | TVWD Chief Financial Officer |
June 12, 2020

Paul Matthews
Willamette Intake Facilities Commission
1850 SW 170th Ave
Beaverton, OR 97006

Re: Audit Services

Dear Mr. Matthews:

Thank you for the opportunity to provide services to Willamette Intake Facilities Commission. This engagement letter ("Engagement Letter") and the Audit Services Agreement effective June 1, 2019, which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to Willamette Intake Facilities Commission ("you," "your," and "Commission").

Scope of Services – Audit

You have requested that we audit the Commission’s financial statements, which comprise the statement of net position as of June 30, 2020, and the related 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. We will also report on whether the schedule of revenues, expenditures, and changes in fund balance- budget and actual, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Timing

Julie Desimone is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin our audit on approximately June 8, 2020, complete fieldwork on approximately October 2, 2020, and issue our report no later than December 31, 2020. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff’s unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.
Fees
We estimate that our fees for the services will be $4,100. You will also be billed for expenses.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Commission's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

Reporting
We will issue a written report upon completion of our audit of the Commission's financial statements. Our report will be addressed to the Board of Commissioners of the Commission. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2020.

We also will issue a written report on compliance and on internal control over financial reporting based on an audit of financial statements in accordance with Oregon Audit Standards upon completion of our audit.

Management’s Responsibility for Supplementary Information
Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor’s report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.
Representations of Management
During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Commission's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Commission's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Commission's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Commission further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Commission's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the Commission's management.

Fees and Expenses
The Commission acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.
We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing and copying, are passed through at our estimated clerical and equipment cost and may be charged as a flat fee. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Subpoena or Other Release of Documents
As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Enforceability
In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement
The Audit Services Agreement effective June 1, 2019 and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Commission. The Commission agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.
In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the Commission, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

**Use of Moss Adams’ Name**

The Commission may not use any of Moss Adams’ name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

**Use of Third-Party Service Providers**

We may use third-party service providers in serving you. In such circumstances, if we need to share confidential information with these service providers, we will require that they maintain the confidentiality of your information.

**Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

**Additional Services**

You may request that we perform additional services not contemplated by this Engagement Letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. It is our practice to issue a separate agreement covering additional services. However, absent such a separate agreement, all services we provide you shall be subject to the terms and conditions in the Audit Services Agreement effective June 1, 2019.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us with the Audit Services Agreement effective June 1, 2019.

Very truly yours,

Julie Desimone, Partner, for Moss Adams LLP

Enclosures
Accepted and Agreed:
This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of Willamette Intake Facilities Commission with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: ________________________
Print Name: Paul L. Matthews
Title: Chief Financial Officer
Date: June 12, 2020

Client: #651483
v. 03/26/2020
AGREEMENT NO. 2019-44
TUALATIN VALLEY WATER DISTRICT

AUDIT SERVICES AGREEMENT

THIS AUDIT SERVICES AGREEMENT ("Agreement") is effective June 1, 2019, by and between Tualatin Valley Water District ("District") and Moss Adams, LLP ("Auditor") with offices in Portland, Oregon.

RECITALS

WHEREAS, District requires the services of an individual or entity with the particular training, ability, knowledge, and experience possessed by Auditor for providing financial audit services

The parties agree that Auditor shall provide the District with such services, subject to certain conditions.

The parties agree to set forth the terms and conditions of their agreement in this Audit Services Agreement ("Agreement").

AGREEMENT

1. SERVICES TO BE PERFORMED. Auditor shall conduct financial audit services as set forth in Exhibit A, Scope of Services. These services shall be performed with the same degree of care, skill, diligence, competency and knowledge which is ordinarily exhibited and possessed by other professionals in good standing in the same or similar field and community as Auditor. The District shall provide audit work papers, support and services to be performed by District staff as needed and as outlined in Exhibit C.

2. EFFECTIVE DATE AND DURATION OF AGREEMENT. This Agreement shall become effective on the date shown above. Unless earlier terminated, this Agreement shall remain in full force and effect until December 31, 2022, unless extended annually for an additional two (2) years upon District recommendation and Board approval.

3. PAYMENT. District agrees to pay Auditor fees relating to Auditor's performance under this Agreement, as set forth in Exhibit B, Auditor's Fee Proposal.

Compensation under this Agreement is as follows and shall not exceed these dollar amounts unless additional work is assigned over what was originally agreed.

For Fiscal Year July 1, 2018 through June 30, 2019: $53,000.00, fixed.
For Fiscal Year July 1, 2019 through June 30, 2020: $54,500.00, fixed.
For Fiscal Year July 1, 2020 through June 30, 2021: $56,000.00, fixed.
For Fiscal Year July 1, 2021 through June 30, 2022: $57,500.00, if Agreement extended.
For Fiscal Year July 1, 2022 through June 30, 2023: $59,000.00, if Agreement extended.
Auditor will charge the District for hours worked only. Any amount over this shall be preapproved by the District via written amendment to this Agreement. Out of Pocket costs are included in the annual fees. Payment terms are Net 30. Auditor shall present District with one invoice monthly. Should the District and Auditor agree to extend the term for an additional two (2) years, the rates listed in Article 3 for the last two (2) years of the Agreement shall apply.

4. **CHANGES.** Neither this Agreement, including any of the contract documents, shall be waived, altered, modified, supplemented, extended or amended, in any manner whatsoever, except by written instrument, executed by both parties. No changes to the Agreement will be effective until approved in writing by District.

5. **INDEPENDENT CONSULTANT STATUS.** Auditor shall be free from direction and control over the means and manner of providing the labor or service, subject only to the specifications of the desired results. Auditor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law. Auditor shall furnish the tools or equipment necessary for the contracted labor or services. Auditor certifies that Auditor is an independent contractor and will be responsible for any federal or state taxes applicable to any payments made under this agreement.

6. **SUBCONTRACTORS, ASSIGNMENT; SUCCESSORS-IN-INTEREST.** Except as specifically authorized in the contract documents, Auditor shall not make any subcontract with any other party for furnishing any of the work and services contemplated under the Agreement documents or assign or transfer any interest in this Agreement, without obtaining the express prior written consent of District.

7. **NO THIRD-PARTY BENEFICIARIES.** District and Auditor are the only parties to this Agreement and are the only parties entitled to enforce its terms.

8. **COMPLIANCE WITH APPLICABLE LAW.**

8.1. **Generally.**

Auditor shall keep itself fully informed of and shall fully comply with all federal, state, regional, and local laws, rules, regulations, ordinances, and orders pertaining in any manner to this Contract and the rules, regulations and orders of any agency or authority having jurisdiction over the work under this Contract or persons employed or engaged therein. Auditor shall pay all taxes, including federal, state, regional, county, and city taxes, and taxes of any other governmental entity, applicable to the services performed or materials provided under this Contract. All permits, licenses, and fees necessary for prosecution and completion of the Work shall be secured and paid for by Auditor, unless otherwise specified by District.

The following paragraphs include, without limitation, the standard contract clauses that are required in every public contract in accordance with the Oregon Revised Statutes. As such these paragraphs are applicable, to the extent they apply, to this Contract. This Contract shall include by reference any other standard contract clauses required by federal, state, and local laws, ordinances, and regulations.
8.2. Prompt Payment.

Auditor shall promptly pay as due all of its obligations arising out of or in connection with the Work, including, but not limited to, payments (1) to all persons supplying to Auditor labor, equipment, services, or materials for the performance of the Work; (2) of all contributions or amounts due the Industrial Accident Fund from Auditor or any subcontractor incurred in the performance of the Work; and (3) to the Department of Revenue of all sums withheld from employees under ORS 316.167.

8.3. Hours of Labor.

Auditor shall pay employees at least time and a half pay for all overtime in excess of 40 hours in any one week, except for individuals who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

8.4. Workers’ Compensation.

All employers, including Auditor, that employ subject workers who work under this Contract in the state of Oregon shall comply with ORS 656.017 and provide the required Workers’ Compensation coverage, unless such employers are exempt under ORS 656.126. Auditor shall ensure that each of its subcontractors complies with these requirements.

8.5. Prompt Payment for Medical Services.

Auditor shall promptly make payment, as due, to any person, co-partnership, association, or corporation furnishing medical, surgical, or hospital care services or other needed care and attention, incident to sickness or injury, to the employees of Auditor, of all sums that Auditor agrees to pay for the services and all moneys and sums that Auditor collected or deducted from the wages of employees under any law, contract, or agreement for the purpose of providing or paying for the services.

8.6. Compliance with Laws/Tax Laws.

Auditor shall comply with all applicable federal, state, and local laws, statutes, codes, regulations, rules, orders, and rulings including, without limitation, those governing labor, materials, equipment, construction procedures, safety, health, sanitation, and the environment. Auditor agrees to indemnify, hold harmless, reimburse, and defend District from and against any penalties or liabilities arising out of violations of such obligations by Auditor or its subcontractors or suppliers at any tier.

8.7. Recycled Materials.

Auditor, in performance of the work under this Contract, shall use recycled paper as defined in ORS 279A.010(1)(ee), recycled PETE products as defined in ORS 279A.010(1)(ff), and other recycled plastic resin products to the maximum extent economically feasible.
8.8. **Liens.**

Auditor shall not permit any lien or claim to be filed or prosecuted against the District on account of any labor or materials furnished.

9. **INSURANCE.** Auditor shall provide to the District certificates of insurance prior to beginning any work under the Agreement documents and shall maintain in full force and effect for the term of this Agreement, at Auditor's expense; comprehensive general liability insurance, automobile liability insurance, umbrella/excess liability insurance and professional liability insurance covering bodily injury, including death, and property damage. Automobile insurance shall include coverage for owned, non-owned or hired vehicles, as applicable for the protection of the Auditor and the District, its members, officers, boards, agents and employees arising out of Auditor's negligence. Auditor agrees to maintain commercial automobile liability insurance in the amount of not less than One Million Dollars ($1,000,000) combined single limit. General Liability Insurance coverage limits shall be set at not less than One Million Dollars ($1,000,000) applicable to bodily injury, sickness, or death for any one occurrence, and One Million Dollars ($1,000,000) for loss of or damage to property for any one occurrence; or a general aggregate of Two Million Dollars ($2,000,000). Auditor agrees to maintain umbrella/excess liability insurance for comprehensive general liability and automobile liability in the amount of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate. Auditor shall also obtain professional liability insurance for its errors and omissions with limits set at not less than One Million Dollars ($1,000,000) per claim and Two Million Dollars ($2,000,000) in the aggregate. Auditor shall name District, its members, officers, boards, agents and employees as additional named insureds on the automobile and general liability policies of insurance for Auditor's negligent acts. The policy shall be issued by a company authorized to do business in the State of Oregon and shall protect Auditor against liability for contractual liability.

The District prefers all insurance coverage to be written on an “occurrence” basis. But if any of the required liability insurance is on “claims made” basis, “tail coverage will be required at expiration of this contract and completion of all work for a duration of 24 months. Auditor shall furnish certification of “tail” coverage as described or continuous “claims made” liability coverage for 24 months following Agreement expiration. Continuous “claims made” coverage will be acceptable in lieu of “tail” coverage provided its retroactive date is on or before the effective date of the Agreement. If Continuous “claims made” coverage is used, Auditor shall be required to keep the coverage in effect for a duration of not less than 24 months from the expiration date of the Agreement. This will be a condition of the final acceptance of work or services.

The Auditor is the sole proprietor or a partner or is an insured employer for purposes of the Oregon Workers' Compensation law (ORS Ch. 656) and is solely liable for any workers' compensation coverage under this Agreement. If the Auditor has the assistance of other persons in the performance of this Agreement, the Auditor agrees to qualify and remain qualified for the term of this Agreement as an insured employer under ORS 656.407. Auditor shall maintain employers' liability insurance with limits of $100,000 for each accident, $100,000 for illness coverage for each employee, and a $500,000 policy limit.
10. INDEMNIFICATION. Auditor shall defend, indemnify, and hold the District, its officers, agents and employees, harmless against all liability, loss, or expenses, including attorney’s fees, and against all claims, actions or judgments arising from any liability, loss, expense, claim, action or judgment asserted by a third party for bodily injury (including death) and damage to real or tangible personal property to the extent based upon or arising out of or in connection with the performance by Auditor or its agents, officers or employees under this Agreement insofar as such performance results from Auditor’s negligent, reckless, or willful act or omission and Auditor’s breach of sections 5, 6, 8, 9, 11, 14 and 16 of this Agreement. This indemnity does not include claims that arise from any negligent, reckless or willful act or omission of the District. In the event of claim for which the District may seek indemnification hereunder, the District shall provide Auditor with prompt written notice of such claim and cooperate with Auditor in handling the claim. The Auditor shall be entitled to control the handling of such claim and to defend or settle any such claim in its sole discretion with counsel of its own choosing. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

11. CONFIDENTIALITY. No reports, information and data given to or prepared or assembled by Auditor under the contract documents shall be made available to any third-party individual or organization by Auditor without the prior written approval of District. By execution hereof, the District consents to disclosure of information to rating agencies, bond insurance companies, the State Treasury, bond counsel and bond underwriters. Provided, however, that such confidential information shall not include information that (i) is now, or hereafter becomes, through no act or failure to act on the part of Auditor, generally known or available in the public domain; (ii) is known by Auditor at the time of receiving such information; (iii) is hereafter furnished to Auditor by a third party, as a matter of right and without restriction on disclosure; (iv) is the subject of a written permission to disclose provided by the District; or (v) is in response to a subpoena or order of a court or other governmental body of the United States or any political subdivision thereof or otherwise required by law to be disclosed, provided that Auditor gives prompt written notice to the District of such requirement prior to disclosure.

12. RECORD-KEEPING. Auditor shall maintain all fiscal records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Auditor shall maintain any other records, pertinent to this Agreement in such a manner as to clearly document the Auditor’s performance hereunder. All such fiscal records, books, documents, papers, plans, and writings shall be retained by Auditor and kept accessible for a minimum of three (3) years, except as required longer by law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

13. ACCESS TO RECORDS. Auditor agrees that District and its authorized representatives shall have access to all books, documents, papers and records of the Auditor which are directly related to the Agreement, excluding files related to Auditor’s personnel and business operations, for the purpose of making any audit, examination, copies, excerpts and transcripts and this right shall survive the term of this Agreement.
14. FOREIGN CONTRACTOR. If Auditor is not domiciled in or registered to do business in the State of Oregon, Auditor shall promptly provide to the Oregon Department of Revenue and the Oregon Corporation Division all information required by those agencies relative to this Agreement. Auditor shall demonstrate its legal capacity to perform these services in the State of Oregon prior to entering into this Agreement.

15. GOVERNING LAW; JURISDICTION; VENUE. This Agreement shall be governed and construed in accordance with the laws of the State of Oregon without resort to any jurisdiction's conflict of laws, rules or doctrines.

16. OWNERSHIP OF WORK PRODUCT; LICENSE. All final reports of Auditor that result from this Agreement and are submitted to the District, excluding any Auditor Materials (defined below) contained or embodied therein, ("the work products") are the exclusive property of the District. The parties expressly agree that the work products produced pursuant to this Agreement are works specially commissioned by the District, and that any and all such works shall be made for hire in which all rights and copyright belong exclusively to the District. Except as otherwise provided herein, Auditor shall not publish, republish, display or otherwise use any of the work products resulting from this Agreement without the prior written agreement of the District.

16.1. Auditor shall own any engagement documentation and consulting-related general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials or other intellectual property or information which may have been discovered, created, received, developed or derived by Auditor either prior to or as a result of providing services under this Agreement ("Auditor Materials"). The District shall have a non-exclusive, non-transferable license to use Auditor Materials for the District's own internal use and only for the purposes for which they are delivered to the extent that they form part of the work product. Any interest granted hereunder by Auditor to the District shall be effective upon and to the extent of payment by the District of the fees and expenses invoiced by Auditor pursuant to this Agreement. Further, all original written material and other documentation, including background data documentation, and staff work that is preliminary to final reports, originated and prepared for District under the contract documents, consisting of audit work papers, shall be the exclusive property of Auditor. Auditor will not use any written or other materials developed for District under the contract documents in developing materials for others, except as may be specifically provided herein or in writing to the contrary.

16.2. Auditor and its personnel are free to use and employ their general skills, know-how, and expertise, and to use, disclose, and employ any generalized ideas, concepts, know-how, methods, techniques, or skills gained or learned during the course of this Agreement so long as they acquire and apply such information without any unauthorized use or disclosure of confidential or proprietary information of District. Material already in Auditor's possession, independently developed by Auditor outside the scope of the Agreement or independently obtained by the Auditor from third parties, belongs to Auditor.
16.3. This Agreement shall not preclude Auditor from independently developing materials
that may be similar to materials developed pursuant to the contract documents.

17. ERRORS. Upon written request and only to the extent permitted by professional
standards while maintaining Auditor's independence to provide audit services, Auditor shall
perform such additional work as may be necessary to correct errors in the work required under
this Agreement without undue delays and without additional cost.

18. TERMINATION. This Agreement may be terminated at any time by mutual consent of
both parties, or by either party upon thirty (30) days' written notice, delivered by certified mail
at the address listed in this Agreement, or by facsimile at the facsimile number listed below, or
in person. In the event of termination, (a) Auditor will stop providing Services hereunder except
on work mutually agreed upon in writing, necessary to carry out such termination; (b) District
shall pay Auditor for work and services provided and expenses incurred through the effective
date of termination; (c) neither party shall be liable to the other for any damages that occur as a
result of Auditor ceasing to render services to the District.

In case of termination by Auditor, Notice shall be mailed or faxed to:

Paul Matthews,
Chief Financial Officer
Tualatin Valley Water District
1850 S.W. 170th Avenue
Beaverton, Oregon 97006
Facsimile: (503) 649-2733

In case of termination by District, Notice shall be mailed or faxed to:

Julie Desimone,
Partner and National Practice Leader
Moss Adams LLP
805 S.W. Broadway, Suite 1200
Portland, Oregon 97205
Facsimile: (503) 274-2789

19. ATTORNEY FEES. If a suit or action is filed to enforce any of the terms of this
Agreement, each party shall pay its own costs and attorney fees.

20. SEVERABILITY. The parties agree that if any term or provision of this Agreement is
declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity
of the remaining terms and provisions shall not be affected, and the rights and obligations of the
parties shall be construed and enforced as if the Agreement did not contain the particular term
or provision held to be invalid.

21. FORCE MAJEURE. Neither District nor Auditor shall be held responsible for delay or
default caused by fire, riot, acts of God, or war where such cause was beyond, respectively,
District's or Auditor’s reasonable control. Auditor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

22. WAIVER. The failure of District or Auditor to enforce any provision of this Agreement shall not constitute a waiver by District or Auditor of that or any other provision.

23. AUTHORIZATION. The person signing this Agreement on behalf of Auditor hereby covenants and warrants that he/she is authorized to do so, and that his/her signature will fully bind Auditor to the terms and conditions of this Agreement. Upon the District’s request, Auditor shall provide the District with evidence to confirm the foregoing covenants and warranties between the parties.

24. MERGER. This Agreement and attached exhibits constitute the entire Agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties.

25. OBJECTIVE OF THE AUDIT. The objective of Auditor’s audit is the expression of an opinion about whether District’s financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Auditor’s audit will be conducted in accordance with U.S. generally accepted auditing standards and the Oregon Municipal Audit Law set forth in ORS Chapter 297 and incorporated herein and will include tests of District’s accounting records and other procedures Auditor considers necessary to enable Auditor to express such an opinion. If Auditor’s opinion is other than unqualified, Auditor will discuss the reasons with District in advance. If, for any reason, Auditor is unable to complete the audit or are unable to form or have not formed an opinion, Auditor may decline to express an opinion or to issue a report.

26. PROCEDURES AND LIMITATIONS.

26.1. Auditor’s procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. Auditor may also request written representations from District’s attorneys as part of the engagement, and they may bill District for responding to this inquiry. At the conclusion of Auditor’s audit, Auditor will require certain written representations from management about the financial statements and related matters. Management’s failure to provide representations to Auditor’s satisfaction will preclude Auditor from issuing Auditor’s report.

26.2. An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, Auditor’s audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, Auditor will plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. Such material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or
violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. A risk exists that Auditor may not detect material misstatements because (i) an audit is designed to provide reasonable, rather than absolute, assurance the financial statements are free of material misstatement, (ii) Auditor will not perform a detailed examination of all transactions as such is cost prohibitive, and (iii) an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, Auditor will inform District of any material errors, fraudulent financial reporting or misappropriation of assets, and violations of laws or governmental regulations that come to Auditor’s attention, unless clearly inconsequential. Auditor’s responsibility as auditors is limited to the period covered by Auditor’s audit and does not extend to any time period for which Auditor is not engaged as auditors.

26.3. Auditor’s audit will include obtaining an understanding of District and its environment, including its internal control sufficient to assess the risks of material misstatements of the financial statements whether due to error of fraud and to design the nature, timing, and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in the design or operation of internal control. However, if, during the audit, Auditor becomes aware of any matters involving internal control or its operation that Auditor considers to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, Auditor will communicate them in writing to District and those charged with governance. Auditor will also identify if Auditor considers any significant deficiency, or combination of significant deficiencies, to be a material weakness.

26.4. Auditor may assist District in the preparation of District’s financial statements. Regardless of any assistance Auditor may render, all information included in the financial statements remains the representations of District. Auditor may issue a preliminary draft of the financial statements to District for District’s review. Any preliminary draft financial statements should not be relied upon, reproduced or otherwise distributed without the written consent of Auditor.

27. RESPONSIBILITY FOR FINANCIAL STATEMENTS.

27.1. District is responsible for making all financial records and related information available to Auditor and for the accuracy and completeness of that information. Auditor may advise District about appropriate accounting principles and their application and will assist in the preparation of District’s financial statements, but District is responsible for the financial statements. This responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. District is responsible for the design and implementation of programs and controls to prevent and detect
fraud, and for informing Auditor about all known or suspected fraud affecting District involving (i) management, (ii) employees who have significant roles in internal control, and (iii) others where the fraud could have a material effect on the financial statements. District is responsible for informing Auditor of District’s knowledge of any allegations of fraud or suspected fraud affecting District received in communications from employees, former employees, regulators or others. District is responsible for adjusting the financial statements to correct material misstatements and for confirming to Auditor in the management representation letter that the effects of any uncorrected misstatements aggregated by Auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. District is also responsible for identifying and ensuring that District complies with applicable laws and regulations.

27.2. District agrees that as a condition of Auditor’s engagement District will provide Auditor, in a timely and orderly way, with information in District’s possession that Auditor requests or that has a material impact on the nature or characterization of any material transaction to complete Auditor’s engagement and that information will be, to the best of District’s knowledge and belief, truthful and accurate.

28. DISSEMINATION OF FINANCIAL STATEMENTS.

28.1. Auditor’s report on the financial statements must be associated only with the financial statements that were the subject of Auditor’s engagement. District may make copies of Auditor’s report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with Auditor’s report. District agrees not to reproduce or associate Auditor’s report with any other financial statements, or portions thereof, that are not the subject of this engagement.

28.2. District may choose to publish District’s financial statements electronically on District’s Internet website. District agrees Auditor is not required under professional standards or this Agreement to read or monitor the information contained on District’s website or to consider the consistency of other information in the electronic site with the original document. However, Auditor reserves the right to review the information as presented on District’s Internet website and to withdraw Auditor’s report should Auditor disagree with the form, context or manner of presentation of the financial statements upon which Auditor reported. District agrees that upon written notification of Auditor’s objections District will immediately remove Auditor’s report and any reference thereto or to Auditor from District’s Internet website.

29. OFFERING OF SECURITIES. This Agreement does not contemplate Auditor providing any services in connection with the offering of securities, whether registered or exempt from registration, and Auditor will charge additional fees to provide any such services. District agrees
not to incorporate or reference Auditor’s report in a private placement or other offering of District’s equity or debt securities without Auditor’s express written permission. District further agrees Auditor is under no obligation to re-issue Auditor’s report or provide consent for the use of Auditor’s report at a later date in connection with an offering of securities, the issuance of debt instruments or for any other circumstance. Auditor will determine, at Auditor’s sole discretion, whether Auditor will re-issue Auditor’s report or provide consent for the use of Auditor’s report only after Auditor have conducted any due diligence Auditor deems necessary in the circumstances. District agrees to provide Auditor with adequate time to review documents where Auditor’s report is (i) requested to be reissued, (ii) referred to, or (iii) reference to Auditor’s firm as “Experts” is expected to be made. If Auditor decides to re-issue Auditor’s report or consent to the use of Auditor’s report, District agrees that Auditor will be included on each distribution of draft offering materials and Auditor will receive a complete set of final documents.

30. **CHANGES IN PROFESSIONAL OR ACCOUNTING STANDARDS.** To the extent that future federal, state, or professional rule-making activities require modification of Auditor’s audit approach, procedures, scope of work, etc., Auditor will advise District of such changes and the impact on Auditor’s fee.

31. **LIMITATION ON LIABILITY.** In no event will either party be liable to the other for any special, indirect, incidental, or consequential damages in connection with or otherwise arising out of this Agreement, even if advised of the possibility of such damages. In no event shall either party be liable for exemplary or punitive damages arising out of or related to this Agreement.

32. **DOCUMENT RETENTION POLICY.** At the conclusion of this engagement, Auditor will return to District all original records District supplied to Auditor. District’s records are the primary records for District’s operations and comprise the backup and support for the results of this engagement. Auditor’s records and files, including Auditor’s work papers whether kept on paper or electronic media, are Auditor’s property and are not a substitute for District’s own records. Except as set forth above, District agrees that Auditor may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

33. **USE OF ELECTRONIC COMMUNICATION.** In the interest of facilitating Auditor’s services to District, Auditor may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to District. Auditor employs measures in the use of facsimile machines and computer technology designed to provide reasonable assurance that data security is maintained. While Auditor will use Auditor’s best efforts to keep such communications secure in accordance with Auditor’s obligations under applicable laws and professional standards, District recognizes and accepts that Auditor has no control over the unauthorized interception of these communications once they have been sent. Unless District issues specific instructions to do otherwise, Auditor will assume that District consents to Auditor’s use of facsimile transmissions to District’s representatives and other use of these electronic devices during this engagement as Auditor deems appropriate.
IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first above written.

TUALATIN VALLEY WATER DISTRICT

By: Mark Knudson,
Chief Executive Officer

Date: 5/21/2019

MOSS ADAMS LLP

By: Julie Desimone,
Partner and National Practice Leader

Date: 4/10/19
EXHIBIT A - SCOPE OF SERVICES AND GENERAL REQUIREMENTS.

1. All audits shall be performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the requirements of the Minimum Standards for Audits for Oregon Municipal Corporations. The audit shall also be performed in compliance with all other applicable federal, state, and local laws and regulations.

2. The District does not currently require a single audit. However, the District is likely to be the recipient of federal funds during the period covered by this proposal. Audits conducted after federal funding is received shall be conducted in accordance with generally accepted government auditing standards and the provisions of OMB uniform guidance. Any fees relating to the additional services required to conduct the audit under these circumstances shall be considered as additional fees subject to negotiation and are not to be considered within the scope of the services to be provided under the original agreement.

3. The District is the managing agency for the Willamette River Water Coalition (WRWC) and the Willamette Intake Facilities Commission (WIF). In July of 2019, it is anticipated that the District will become the managing agency of the Willamette Water Supply System Commission (WWSS) upon inception. Additional joint ventures may be formed during the term of the audit agreement.

Audit services for the District and the WIF, as well as review services for the WRWC are included as part of this Scope of Services. Audit services for the WWSS and any additional joint ventures created during the term of the audit agreement will be considered as additional fees subject to negotiation and are not to be considered within the scope of services to be performed under the original agreement.

4. The audit/review periods cover the fiscal year beginning July 1st, through June 30th. The audit shall cover all the funds of the District. Separate audits or reviews are required for joint ventures for which the District is the managing agency. Lists and copies of the required reports are attached for use in preparing the audit proposal and are available on our website. See references to website and appendices below.

5. If circumstances disclosed by the audit indicate that a more intensive and detailed examination is required than that which would be sufficient under normal circumstances, Auditor shall provide the District all pertinent facts relative to the extraordinary circumstances in writing together with Auditor’s estimate of the additional effort to provide the necessary services. Any fees relating to such extensions of examination procedures are to be considered as additional fees subject to negotiation and are not to be considered within the scope of services to be performed under the original agreement.

6. Historically, the audit fieldwork generally takes four to five days at interim and final audit. With the addition of joint ventures to the audit scope, more time may be required. (See Appendix A for the current list of joint ventures). Other joint ventures may be added
during the term of this agreement. Interim field work may be scheduled at the
cconvenience of the audit team and District accounting staff. The audit firm may be asked
to conduct a preliminary audit exit conference for the District’s Management.

7. Auditor shall provide a separate Management Letter addressing the observations, options
   and comments concerning internal controls and operations efficiencies and
   recommendations for improvements if they are noted during the course of the audit.
   Such observations, opinions or comments are not to be construed as special or additional
   studies.

8. The District has been awarded the Government Finance Officer Association’s (GFOA’s)
   Certificate of Achievement for Excellence in Financial Reporting every year since 1990.
   The award indicates the report not only complies with generally accepted accounting
   principles and applicable legal requirements, but is also easy to read, efficiently
   organized, and conforms to program standards.

   It is the District’s intent to annually submit its CAFR to the GFOA Certificate program and
   to continue to receive the award. The District may require technical assistance from the
   audit firm in regard to presentation or disclosure issues relating to the GFOA program.
   The District may also require assistance in responding to the annual GFOA reviewer
   comments. Once the audit is completed, a set of auditor opinion letters on the auditing
   firm’s stationery with the required disclosures will be necessary for inclusion into the
   District’s CAFR and for the joint venture reports. The District will print and assemble the
   final CAFR documents. The 2018 TVWD CAFR can be viewed on the District website at:
   
   https://www.tvwd.org/media/203983/cafr_18_17.pdf
   
   The 2018 Willamette River Water Coalition Financial Report is located here:

   The 2018 Willamette Intake Facilities Commission Financial Report is located here:
   https://www.tvwd.org/media/203930/01_wif%20report%20_v2.pdf
Fee Proposal

The fees below were carefully considered and we believe reflect a fair and reasonable value in relation to the District’s needs as outlined in your scope of work. Starting with a carefully designed audit approach, tied directly to the needs of your stakeholders and based on our substantial understanding of your systems, the fees below were calculated based on the hours needed to appropriately address your inherent risks.

Our goal is to be clear with you on fees from the very beginning—we’d rather provide a reasonable fee estimate than charge you for unexpected hours later. Other firms may offer to complete your audit in fewer hours but consider what may get overlooked when audit hours are not appropriately budgeted. Can you be sure a low-hour engagement will apply the right level of risk assessment or evaluate the correct balances and transaction cycles? Will your board, external users of your financial statements, or beneficiaries of your services get an appropriate analysis that addresses their biggest worries or concerns? With Moss Adams, you’ll get all of that plus a strategic relationship with national industry leaders—the District and its stakeholders will rest easy knowing they’re working with the right team and the right approach for financial accuracy and transparency.

We’ve priced our engagement competitively to reflect our desire for a long-term client service commitment and to support the District’s strategic objectives. However, if fees may keep us from being considered, please reach out to us to discuss prior to making a final decision—we wouldn’t willingly allow a fee differential to keep you from staying on as one of our most valued clients.

STANDARD HOURLY RATES

<table>
<thead>
<tr>
<th>Staff Level</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>$455</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>$360</td>
</tr>
<tr>
<td>Manager</td>
<td>$280</td>
</tr>
<tr>
<td>Senior</td>
<td>$205</td>
</tr>
<tr>
<td>Staff</td>
<td>$165</td>
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</table>
Exhibit B - Fee Proposal

FEE FOR AUDIT AND REVIEW SERVICES

<table>
<thead>
<tr>
<th>Service Description</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit of the financial statements of Tualatin Valley Water District</td>
<td>$46,000</td>
<td>$47,300</td>
<td>$48,600</td>
<td>$49,900</td>
<td>$51,200</td>
</tr>
<tr>
<td>Audit of the financial statements of Willamette Intake Facility Commission</td>
<td>$4,000</td>
<td>$4,100</td>
<td>$4,200</td>
<td>$4,300</td>
<td>$4,400</td>
</tr>
<tr>
<td>Financial statement review services for Willamette River Water Coalition</td>
<td>$3,000</td>
<td>$3,100</td>
<td>$3,200</td>
<td>$3,300</td>
<td>$3,400</td>
</tr>
<tr>
<td>Attendance at audit committee meetings, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Presentation of audit results</td>
<td></td>
<td></td>
<td>Included</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Communication of internal control issues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Management letter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Not-to-Exceed Fee</td>
<td>$53,000</td>
<td>$54,500</td>
<td>$56,000</td>
<td>$57,500</td>
<td>$59,000</td>
</tr>
</tbody>
</table>

BILLING INFORMATION

Billing for services rendered will be presented monthly and, at your request, include the name and title of staff, hours worked, and the hourly rate totaling the labor amount. Our billing invoices will also include a summary showing the maximum fee, fees paid to date, and the remaining "not-to-exceed" balance.

ADDITIONAL FEE DETAILS

<table>
<thead>
<tr>
<th>Subject</th>
<th>The Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Overruns</td>
<td>During the course of the audit, we'll measure our progress against our planned budget. If situations arise that are significantly different than our expectations, we'll bring them to your attention immediately and discuss various options before we proceed. We'll meet weekly during the course of fieldwork with the appropriate parties to ensure there are open lines of communication between our organizations.</td>
</tr>
<tr>
<td>Routine Phone Calls and Emails</td>
<td>Our policy is to not charge for short telephone calls seeking miscellaneous advice unless those consultations require significant additional work or research. If a matter requires further follow-up, we’ll discuss a fee estimate with you before incurring significant time.</td>
</tr>
<tr>
<td>Minor Research and Consultation</td>
<td>If we're requested to provide minor research or consultation service, we'll estimate the number of hours necessary to provide the requested services. We’ll then provide a fee quote for your approval before commencing any work. Our fees for these services are generally at our standard billing rates.</td>
</tr>
<tr>
<td>Future New Audit, Review, and Accounting Standards</td>
<td>Our fee estimate discussed herein is based on accounting and professional standards that exist and are applicable as of the date of this proposal. To the extent that future rulemaking activities require modification to our audit approach, procedures, scope of work, etc., we'll advise you of such changes and the impact on our fee proposal. If we're unable to agree on the additional fees, if any, that may be required to implement any new accounting, auditing, and review standards that are required to be adopted and applied as part of our engagement, we reserve the right to withdraw from the engagement, regardless of the stage of completion.</td>
</tr>
</tbody>
</table>
EXHIBIT C

AUDIT WORK PAPERS, SUPPORT, AND SERVICES TO BE PROVIDED BY DISTRICT STAFF

The following work papers are prepared by the District’s Finance Staff:

TUALATIN VALLEY WATER DISTRICT

AUDIT WORK PAPERS

I. Trial Balances and Other
   - Trial Balances with prior year activity for each Budgetary Fund
   - Adjusting journal entries
   - GAAP adjustments

II. Completed Draft of CAFR
   - Letter of Transmittal
   - Management’s Discussion & Analysis
   - Basic Financial Statements
   - Notes to Basic Financial Statements
   - Required Supplementary Information
   - Budgetary Schedules
   - Statistical Section

III. Consolidating Worksheets
   A. Cash and Investments
      - Bank reconciliations
      - Outstanding checks list
      - Deposits in transit
      - Schedule of investments
      - Schedule of investment earnings by fund
      - Schedule of investment gains and losses from sale of investments
   B. Statements of Net Position Analysis-Assets
      Schedules for all significant asset categories, including:
      - Accounts receivable including accrued water sales
      - Inventory
      - Capital asset additions and deletions
      - Plant in service
Statements of Net Position Analysis - Assets (continued)

- Work in progress
- Contributed projects
- Depreciation schedule
- Support for current year contributed capital
- Leased assets and amortization
- Non-utility property
- Accrued accounts and deposits
- Joint Ventures

C. Statements of Net Position Analysis – Liabilities

Schedules for all significant liability categories, including:

- Accounts payable
- Retainage payable
- Payroll liabilities
- Accrued compensated absences
- Bond & interest schedules
- Customer deposits detail
- Pension liabilities and related deferred inflows and outflows
- OPEB liabilities and related deferred inflows and outflows
- Lease liabilities

IV. Other

- Analysis of changes to Net Position categories
- Net Position calculations
- Inter-Fund transfers lead schedule.
- Reconciliation of payroll to 941s and PERS reports
- New bond issues or refunding detail
- Response to GFOA Comments
- Bond & coupon schedules
- Support for debt service coverage covenants
- Insurance coverage

V. Other Reports

- Budget Adjustments and Supplemental Budgets
- Budget Hearing Notices
- Budget Documents and Reconciliation to Operating Statements
- Other Schedules and Reports upon request

WILLAMETTE INTAKE FACILITY COMMISSION
AUDIT WORKPAPERS

I. Trial Balances and Other
   - Trial Balances with prior year activity
   - Adjusting journal entries
   - GAAP adjustments

II. Financial Statements
   - Basic financial statements
   - Notes to basic financial statements
   - Budgetary schedule

III. Supporting schedules for significant categories on the statement of net position:
   - Cash and investments
   - Accounts receivable
   - Capital assets
   - Accounts payable
   - Accrued liabilities
   - Components of net position

IV. Supporting schedules for significant categories on the statement of revenue, expenses, and changes in net position:
   - Depreciation
   - Capital contributions
   - Operating income and expenses
   - Analysis of variances in operating income and expenses

V. Other Reports
   - Budget Adjustments and Supplemental Budgets
   - Budget Hearing Notices
   - Budget Documents and Reconciliation to Operating Statements
   - Other Schedules and Reports upon request
   - Related party transactions
WILLAMETTE WATER SUPPLY SYSTEM COMMISSION (to be established in the year ending 6/30/2020)

AUDIT WORKPAPERS

I. Trial Balance and Other

- Trial Balance
- Adjusting journal entries
- GAAP adjustments

II. Financial Statements

- Management's discussion and analysis
- Basic financial statements
- Notes to basic financial statements
- Budgetary schedule

III. Supporting schedules for significant categories on the statement of net position

- Cash and investments
- Accounts receivable
- Capital assets
- Accounts payable
- Accrued liabilities
- Components of net position

IV. Supporting schedules for significant categories on the statement of revenue, expenses, and changes in net position:

- Depreciation
- Capital contributions
- Operating income and expenses

V. Other Reports:

- Budget Adjustments and Supplemental Budgets
- Budget Hearing Notices
- Budget Documents and Reconciliation to Operating Statements
- Other Schedules and Reports upon request
- Related party transactions
WILLAMETTE RIVER WATER COALITION

REVIEW WORKPAPERS

I. Trial Balance and Other
   - Trial Balance
   - Adjusting journal entries
   - GAAP adjustments

II. Financial Statements
   - Management's discussion and analysis
   - Basic financial statements
   - Notes to basic financial statements
   - Budgetary schedule

III. Supporting schedules for significant categories on the statement of net position
   - Cash and investments
   - Accounts receivable
   - Capital assets
   - Accounts payable
   - Accrued liabilities
   - Components of net position

IV. Supporting schedules for significant categories on the statement of revenue, expenses, and changes in net position:
   - Reimbursements from joint ventures
   - Operating expenses
   - Capital contributions
   - Analysis of variances in operating income and expenses

V. Other Reports:
   - Budget Adjustments and Supplemental Budgets.
   - Budget Hearing Notices.
   - Budget Documents and Reconciliation to Operating Statements.
   - Other Schedules and Reports upon request
   - Related party transactions
June 12, 2020

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”), as of and for the year ended June 30, 2020. 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 2020, 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 2020 and expect to begin final testing of the Commission’s financial statement balances in October 2020. We plan to issue our audit report for the Commission no later than December 2020. 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, 2020, and will be our focus related to audit procedures performed:

- Plant assets - depreciation
- Operating revenues
- Operating expenses
- Consistent application of internal controls in a remote work environment

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.

Respectfully,

Julie Desimone, Partner
for Moss Adams LLP
WIF COMMISSION STAFF REPORT

To: Board of Commissioners
From: Joel Cary, TVWD Water Resources Division Manager
Date: July 27, 2020
Subject: Legislative Update

Key Concepts:
- Engagement with the Governor’s office and Legislative members regarding impacts to water service providers from COVID-19 continues
- The Legislative Assembly held a two-day special session that concluded on June 26
- Of note was Senate Bill (SB) 1602 related to formal adoption of forestry spraying practices in relation to streamside buffers and drinking water intakes
- Work continues on legislative efforts to address cyanoHABs

Background:
Representatives from the Oregon Water Utility Council (OWUC), the League of Oregon Cities (LOC), and Special Districts Association of Oregon (SDAO) have continued to meet with the Governor’s office and the House Committee on Water to discuss the ongoing concerns of water service providers. More specifically, the financial impacts from COVID-19. Details about current financial impacts to both small and large water agencies have been repeatedly provided to help create a holistic picture of the situation to the Governor’s staff and Committee members. This coalition has been advocating for COVID-19 emergency funds to support customer assistance programs and related funding. Most recently, a working meeting was held with the Governor’s office on July 8 to consider solutions for the distribution of potential funds to municipal and private water service providers, which has been one of the primary challenges to committing funds for this effort. The next group meeting is scheduled for late July to review action items from the meeting. Chief among these was determining which state-based agencies are best equipped to facilitate distribution of agreements for assistance related funding.

Regarding the Legislature and the special session that concluded on June 26, much of the focus centered on police accountability and measures deemed time sensitive or necessary in response to COVID-19. In addition, a few bills that were enacted from the previous 2020 short session earlier this year were also passed. SB 1602 was among those. This bill memorializes an historic agreement between environmental advocacy groups and the timber industry regarding forestry spraying practices. This bill increases stream-side riparian buffers, creates additional buffers for aerial spraying, and crucially, requires an inventory of water diversion points to minimize risks to drinking water intakes. While the WIF Commission’s intake is not directly associated with forestry practices, this is a positive outcome for the WIF intake overall. More information will be shared as the final bill requirements are adopted by the State Forestry Department.

Last, work with the Legislative Policy Research Office (LPRO) to address cyanoHABs has continued to move forward at the direction of Representative Helm, Chair of the House Committee on Water. A meeting with LPRO’s Interim Director occurred in May to review and discuss recommendations from last year’s HABs Work Group; specifically, how to move forward with the “gaps analysis” of related HABs programs across the state. A select group of individuals from drinking water agencies, the Oregon Health Authority, and the Department of Environmental Quality are convening again to plan the next steps for this work. This includes developing a detailed survey of HABs stakeholders, their associated programs in
order to highlight current and future resource needs, and finally, identifying areas for improved collaboration and efficiency across local and state-based programs.

**Budget Impact:**
Informational items only; currently no expected impact to 2020-2021 WIF Budget.

**Staff Contact Information:**
Joel Cary; TVWD Water Resources Division Manager; 503-848-3019; joel.cary@tvwd.org

**Attachments:**
SB 1602

**Management Staff Initials:**

<table>
<thead>
<tr>
<th>General Manager</th>
<th>TVWD General Counsel</th>
<th>TVWD Chief Engineer</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>TVWD Chief Financial Officer</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
AN ACT

Relating to forests; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Governor shall facilitate the organization and holding of one or more mediation sessions between representatives of the forest industry and representatives of environmental interests in accordance with the Memorandum of Understanding announced by the Governor on February 10, 2020. The Governor shall limit participation in the mediation sessions to not more than 12 representatives, but may not limit such third party assistance as the representatives may require.

(2) The purpose of the mediation sessions shall be to develop an approach to evaluate and jointly recommend substantive and procedural changes to Oregon Forest Practices Act laws and regulations to advance the attainment of federal regulatory assurances for aquatic and riparian-dependent species.

(3) The Governor shall organize the mediation sessions with the goal of fulfilling the purpose described in subsection (2) of this section no later than 18 months after the effective date of this 2020 special session Act.

(4) Except as provided in ORS 36.220 (1) to (4), mediation sessions described in this section are not subject to ORS 36.220 to 36.238 or 192.610 to 192.690.

SECTION 2. Section 1 of this 2020 special session Act is repealed on January 2, 2023.

SECTION 3. The President of the Senate and the Speaker of the House of Representatives shall arrange for legislative committees related to natural resources to hold a joint informational hearing during the 2021 regular session of the Eighty-first Legislative Assembly regarding the mediation sessions described in section 1 of this 2020 special session Act. The committees shall, at a minimum, invite the Governor to submit testimony or documents at the joint informational hearing regarding the past and expected schedule and structure for the mediation process and such other information concerning the mediation sessions as the Governor deems reasonable and prudent to disclose.

SECTION 4. As used in sections 4 to 11 of this 2020 special session Act:

(1) “Department reporting system” means a forest activity electronic reporting and notice system operated by the State Forestry Department.

(2) “Nearby recipient” means a person registered under section 5 of this 2020 special session Act:
(a) Whose parcel location information is reconciled under section 5 (2) of this 2020 special session Act with a tax lot that is in whole or in part less than one mile from the edge of a proposed or scheduled pesticide application by helicopter to forestland; or
(b) Whose water intake location noted under section 5 (4) of this 2020 special session Act is less than one mile from the edge of a proposed or scheduled pesticide application by helicopter to forestland.

(3) “Pesticide”:
(a) Except as provided in this subsection, has the meaning given that term in ORS 634.006.
(b) Does not include fertilizer. As used in this paragraph, “fertilizer” means any substance, or any combination or mixture of substances, that is designed for use primarily as a source of plant food, for inducing increased plant growth or for producing any physical, microbial or chemical change in the soil.

(4) “Water use qualifying for a spray buffer” means the use of water:
(a) For watering not more than one-half acre of lawn or noncommercial garden;
(b) By one or more dwelling units for domestic animal consumption ancillary to residential or related use of a property;
(c) By one or more dwelling units for household purposes or human consumption;
(d) For livestock watering; or
(e) Supplied for community purposes through a municipal water system, a system operated by a federally recognized Indian tribe or a system operated by a private corporation. As used in this paragraph, “community purposes” includes, but is not limited to, uses described in paragraphs (a) to (d) of this subsection, commercial or industrial use, fire protection, watering of public parks and street cleaning.

SECTION 5. (1) A person may register with the State Forestry Department to receive notices of proposed or scheduled pesticide applications by helicopter to forestland near the residence of the person. To obtain registration, the person must provide the department with:
(a) A description of the parcel where the person resides;
(b) Proof satisfactory to the department that the person resides at the parcel; and
(c) Contact information for the person that, at a minimum, includes:
   (A) A mailing address; and
   (B) An electronic mail address or telephone number.
(2) Upon the receipt of information under subsection (1) of this section, the department shall reconcile the parcel location information with tax lot information and note the tax lot in a geospatial layer maintained within a department reporting system.
(3) A person appropriating surface water for a water use qualifying for a spray buffer may register with the department to receive notices of proposed or scheduled pesticide applications by helicopter to forestland near the water intake used by the person. To obtain registration, the person must provide the department with:
(a) The global positioning system coordinates for the water intake;
(b) If the water use qualifying for a spray buffer is subject to water right requirements, a permit, certificate, registration, limited license or order of determination for the water use;
(c) If the water use qualifying for a spray buffer is exempt from water right requirements, a description of the spring box or other type of water intake and of the type of water use;
(d) Unless established in documentation described in paragraph (b) of this subsection, an attestation that the person believes the person has a lawful entitlement to make the water use qualifying for a spray buffer;
(e) An attestation that the person controls the works at the point of diversion for the water use qualifying for a spray buffer; and
(f) Contact information for the person that, at a minimum, includes:
   (A) A mailing address; and
   (B) An electronic mail address or telephone number.

(4) Upon the receipt of information under subsection (3) of this section, the department shall note the location of the water intake in a geospatial layer maintained within a department reporting system.

SECTION 6. (1) To the extent of any conflict between this section and ORS 527.610 to 527.770, the provisions of this section prevail.

(2) Notwithstanding ORS 527.670, an operator, timber owner or landowner proposing to conduct a pesticide application by helicopter to forestland shall send the State Forestry Department notice of the proposed pesticide application that includes the following:
   (a) Identification of the pesticides likely to be used. The notice may not identify any pesticides that are not likely to be used.
   (b) Identification of the forestland units to receive pesticide application.
   (c) Identification of a 90-day period within which the pesticide application is to occur.
   (d) Contact information for the operator, timber owner or landowner providing the notice that, at a minimum, includes a mail address, electronic mail address and telephone number.
   (e) Any information required by State Board of Forestry rules.

(3) Except as provided in subsection (4) of this section, if the department reporting system indicates that the location of the proposed pesticide application has one or more nearby recipients, the beginning of the 90-day period identified in the notice under subsection (2)(c) of this section must be 30 or more days after the date the notice is provided to the department.

(4) If a pesticide application is not completed during the 90-day period identified in a notice, the operator, timber owner or landowner must send a new notice before commencing or completing the pesticide application. Notwithstanding ORS 527.670, if the new notice is sent in the same calendar year as the original notice, the 90-day period identified in the new notice must be seven or more days after the date the new notice is provided to the department.

SECTION 7. (1) Upon receipt of a notice under section 6 (2) of this 2020 special session Act, a State Forestry Department reporting system shall provide the operator, timber owner or landowner that provided the notice with a list of, and contact information for, any nearby recipients for the proposed pesticide application.

(2) Two weeks after receiving a notice under section 6 (2) of this 2020 special session Act, and on the date of receipt of any new notice under section 6 (4) of this 2020 special session Act, the department shall send notice of the proposed pesticide application to the electronic mail address or telephone number of each nearby recipient for the application. The notice sent by the department must include, but need not be limited to, the location and nature of the proposed pesticide application and the 90-day period within which the pesticide application may occur, and the mailing address, electronic mail address and telephone number supplied as contact information by the operator, timber owner or landowner that provided notice of the proposed pesticide application under section 6 of this 2020 special session Act.

SECTION 8. (1) An operator, timber owner or landowner that sends notice under section 6 of this 2020 special session Act of a proposed pesticide application by helicopter to forestland shall notify the State Forestry Department prior to the pesticide application by helicopter being made. A notice under this section must:
   (a) Be made by electronic communication to a department reporting system;
   (b) Be sent to the department no later than 7 p.m. on the day preceding the pesticide application;
   (c) Specify the day following the notice as a day for pesticide application by helicopter;
   (d) Identify the forestland units to receive pesticide application on the specified day; and
   (e) Contain any additional information required by State Board of Forestry rules.
The sending of a notice under subsection (1) of this section does not limit the number of days on which a pesticide application by helicopter may be made. However, a separate notice is required for each day that a pesticide application by helicopter is to be made. The sending of a notice under subsection (1) of this section does not require that a pesticide application identified in the notice be conducted.

Upon receipt of a notice under this section, the department shall send the schedule information for the pesticide application and forestland unit identification to the electronic mail address or telephone number of each nearby recipient to which the department sent notice of the proposed pesticide application under section 7 of this 2020 special session Act.

SECTION 9. (1) If a forestland unit identified in a notice sent under section 8 of this 2020 special session Act receives an incomplete pesticide application on the date specified in the notice, the operator, timber owner or landowner shall send a notice of incompletion to a State Forestry Department reporting system no later than 24 hours after the end of the date specified for the application in the notice. The notice of incompletion shall consist of designating the forestland units to which an incomplete pesticide application by helicopter was made. Entry of a notice of incompletion does not affect the requirement to send notice under section 8 of this 2020 special session Act before completing the pesticide application.

(2) An operator, timber owner or landowner that sends a notice under section 8 of this 2020 special session Act shall send a completion verification to a department reporting system no later than 24 hours after the completion of the pesticide application. The completion verification shall consist of designating the forestland units to which the pesticide application by helicopter was made.

(3) The department shall make an electronic listing of the forestland units that were identified in the notice under section 8 of this 2020 special session Act available to the operator, timber owner or landowner in a format that allows the operator, timber owner or landowner to electronically designate:
   (a) Forestland units from the list that have received an incomplete pesticide application, when sending a notice of incompletion; and
   (b) Forestland units from the list on which pesticide application is complete, when sending a completion verification.

SECTION 10. (1) As used in this section, “spray season” means a period that:
   (a) Begins on January 1 and ends on June 30 in the same calendar year; or
   (b) Begins on July 1 and ends on December 31 in the same calendar year.

(2) If an operator, timber owner or landowner fails to timely send a notice under section 8 of this 2020 special session Act or timely send a notice of incompletion or completion verification under section 9 of this 2020 special session Act for one or more forestland units, or any combination of such failures on the same day:
   (a) For the first day during a spray season on which one or more failures occur, the State Forestry Department shall issue the landowner a warning.
   (b) For the second day during a single spray season on which one or more failures occur, the department shall assess the landowner a civil penalty of $1,000.
   (c) For a third day or any subsequent day during a single spray season on which one or more failures occur, the department shall assess the landowner a civil penalty of $5,000 per day.

SECTION 11. (1) If the State Forestry Department receives a notice under section 8 of this 2020 special session Act, at the beginning of the 90-day period identified in the notice, the department shall designate the forestland units identified in the notice as being in available status. Except as provided in subsection (2) of this section, the department shall terminate the available status of a forestland unit after 90 days.

(2) Upon receiving a notice under section 8 of this 2020 special session Act specifying a date on which a pesticide application by helicopter is to be made, the department shall change the designation of any forestland unit identified in the notice to pending status.
(3) Upon receiving a notice of incompletion under section 9 of this 2020 special session Act, the department shall change the designation of any forestland unit identified in the notice to incomplete status.

(4) Upon receiving a completion verification under section 9 of this 2020 special session Act, the department shall change the designation of any forestland unit identified in the completion verification to completed status.

(5) The department shall change the designation of a forestland unit from pending status if, at 11:59 p.m. on the day following the pesticide application date specified for the forestland unit in a notice under section 8 of this 2020 special session Act, the department has not received a notice of incompletion or completion verification for the forestland unit. Subject to subsection (1) of this section, the department shall return a forestland unit described in this subsection from pending status to available status.

SECTION 12. (1) As used in this section, “department reporting system” has the meaning given that term in section 4 of this 2020 special session Act.

(2) Sections 4 to 11 of this 2020 special session Act apply to pesticide applications occurring on or after:
   (a) July 1, 2021; or
   (b) If the State Chief Information Officer gives public notice prior to July 1, 2021, that the State Forestry Department reporting system lacks the required capacity for the carrying out of sections 4 to 11 of this 2020 special session Act, the earlier of:
      (A) July 1, 2022; or
      (B) The date on which the State Chief Information Officer gives public notice that the department reporting system has the required capacity.

SECTION 13. (1) As used in this section, “department reporting system” has the meaning given that term in section 4 of this 2020 special session Act.

(2) The State Forestry Department shall develop a system to allow nondepartment messages to nearby recipients described in section 7 (1) of this 2020 special session Act, notices under section 8 of this 2020 special session Act and notices of incompletion or completion verifications under section 9 of this 2020 special session Act to be sent electronically using mobile telephone equipment to access a department reporting system. The department shall make the access system compatible with, at a minimum, the two most commonly used types of mobile telephone operating systems.

SECTION 14. (1) As used in this section:
   (a) “Daily spray records” means records required of a pesticide operator under ORS 634.146.
   (b) “Geographic information system data” means the electronic location data recorded during a pesticide application by helicopter.
   (c) “Health provider” means a person holding a license, certificate or permit issued under Oregon law to provide the diagnosis, treatment or care of disease or injury in the ordinary course of business or practice of a profession, when seeking to provide diagnosis, treatment or care of a patient in response to a suspected exposure of the patient to pesticide.
   (d) “Pesticide operator” has the meaning given that term in ORS 634.006.

(2) The Pesticide Analytical and Response Center shall accept requests for a pesticide operator’s daily spray records and geographic information system data concerning a pesticide application by helicopter to forestland from:
   (a) A unit of state government, as defined in ORS 174.111;
   (b) A law enforcement agency, as defined in ORS 181A.010; or
   (c) A health provider.

(3)(a) The center shall forward a request received under subsection (2) of this section to the pesticide operator that is the subject of the request. A pesticide operator that receives a request from the center shall send the center the daily spray records and geographic in-
formation system data possessed or accessible to the pesticide operator concerning pesticide applications by helicopter to forestland identified in the request.

(b) The pesticide operator shall send the requested daily spray record information to the center no later than 24 hours after receiving the request. The pesticide operator shall send the requested geographic information system data to the center no later than five business days after receiving the request.

(c) Upon receiving requested information from a pesticide operator, the center shall forward the information received to the requesting unit of state government, law enforcement agency or health provider.

(4) Failure of a pesticide operator to timely send records or data as required under subsection (3) of this section is a violation subject to a fine of $1,000 per request.

(5) Records and data sent or received under this section are not public records for purposes of ORS 192.311 to 192.478.

SECTION 15. (1) As used in this section:

(a) “Interfere”:

(i) Means to use force, violence or action that impedes a pesticide application by helicopter to forestland.

(ii) Does not mean:

(i) The memorializing of pesticide application activities through photography, videotaping, audiotaping or other creation of an electronic record by a person on public property or on private property where the person has a lawful right to be present; or

(ii) Other activities to the extent that the activities are protected under the First Amendment to the United States Constitution or Article I, section 8, of the Oregon Constitution.

(b) “Nearby recipient” has the meaning given that term in section 4 of this 2020 special session Act.

(2) A person that intentionally interferes with a pesticide application by helicopter to forestland commits an unclassified violation punishable by a fine of:

(a) $1,000, if during the five years before the date of the interference the person has not previously been found to have committed a violation under this section; or

(b) $5,000, if not more than five years before the date of the interference the person was found to have committed a violation under this section.

(3) For purposes of this section, there is a conclusive presumption that interference is intentional if performed by a nearby recipient who was sent information under section 8 (3) of this 2020 special session Act concerning the pesticide application.

SECTION 16. (1) As used in this section:

(a) “Department reporting system,” “pesticide” and “water use qualifying for a spray buffer,” have the meanings given those terms in section 4 of this 2020 special session Act.

(b) “Flowing water” means surface water is present at the time of a pesticide application.

(c) “Inhabited dwelling” means a structure or part of a structure used as a home, residence or sleeping place by a person maintaining a household or by two or more persons maintaining a common household, but does not include outbuildings, yard areas or other land associated with the structure.

(d) “School” means the campus of:

(A) A Head Start program;

(B) A public or private institution offering instruction for all or part of prekindergarten through grade 12;

(C) The Oregon School for the Deaf;

(D) A regional residential academy operated by the Oregon Youth Authority;

(E) An education service district or community college or

(F) A public or private college or university.
(e) “Sixth-level hydrologic unit” means the cataloging unit level of the 12-digit hydrologic unit mapping system developed by the Federal Geographic Data Committee.

(f) “Type D stream” means a stream that has domestic use, but does not have fish use.

(g) “Type F stream” means a stream that has fish use or has both domestic use and fish use.

(h) “Type N stream” means a stream that does not have domestic use or fish use.

(2) Notwithstanding ORS 527.672, a person may not directly apply pesticide by helicopter to forestland:

(a) Less than 300 feet from an inhabited dwelling, unless the landowner is the requester of the application;

(b) Less than 300 feet from a school, unless the school board or other governing body for the school is the requester of the application; or

(c) Subject to subsection (4) of this section, less than 300 feet from a water intake for a water use qualifying for a spray buffer:

(A) Within the same sixth-level hydrologic unit as a water source for water use qualifying for a spray buffer that is registered under section 5 of this 2020 special session Act; or

(B) Within the same sixth-level hydrologic unit as a water source for water use qualifying for a spray buffer that is identified by the State Forestry Department and for which the location has been recorded in the department reporting system.

(3) On forestland that is subject to ORS 527.610 to 527.770, a person may not directly apply pesticide by helicopter near a stream:

(a) That is identified by the department as a Type D stream or Type F stream, within the greatest of:

(A) 75 feet;

(B) The required vegetated buffer; or

(C) A riparian management area existing in State Board of Forestry rules on the effective date of this 2020 special session Act within which vegetation retention and special management practices are required; or

(b) That is identified by the department as a Type N stream and has flowing water, within 50 feet.

(4) The restrictions in subsection (2)(c) of this section are contingent upon the water intake location being recorded in the department reporting system.

SECTION 17. Section 16 of this 2020 special session Act applies to pesticide applications made on or after January 1, 2021.

SECTION 18. The State Board of Forestry shall adopt rules to make 2017 board rules regarding salmon, steelhead and bull trout applicable for the Siskiyou Georegion.

SECTION 19. The State Board of Forestry shall make the rules adopted by the board under section 18 of this 2020 special session Act effective on January 1, 2021.

SECTION 20. (1) As used in this section, “department reporting system” and “water use qualifying for a spray buffer” have the meanings given those terms in section 4 of this 2020 special session Act.

(2) The State Forestry Department shall record in the department reporting system any points of diversion inventoried by the Water Resources Department that are:

(a) For a water use qualifying for a spray buffer; and

(b) Mapped with sufficient precision to allow the State Forestry Department to implement buffers under section 16 (2)(c) of this 2020 special session Act.

(3) The State Forestry Department shall periodically review Water Resources Department inventory information for points of diversion and update State Forestry Department reporting system information as necessary to comply with subsection (2) of this section.

SECTION 20a. The State Forestry Department shall begin recording inventoried points of diversion in the department reporting system as required by section 20 of this 2020 special
session Act no later than 60 days after the operative date of section 20 of this 2020 special session Act.

SECTION 20b. (1) As used in this section, “department reporting system” and “water use qualifying for a spray buffer” have the meanings given those terms in section 4 of this 2020 special session Act.

(2) Except as provided in subsection (3) of this section, the State Forestry Department and the Water Resources Department shall, in the manner provided in ORS 192.245, submit a report to the Legislative Assembly during the 2022 regular session:

(a) Stating the number of points of diversion that have been recorded in the State Forestry Department reporting system under section 20 of this 2020 special session Act;
(b) Estimating the extent to which points of diversion for water use qualifying for a spray buffer remain to be inventoried; and
(c) Estimating the resources required for the Water Resources Department to identify points of diversion, whether already inventoried or remaining to be inventoried, with sufficient precision to allow the State Forestry Department to identify those points of diversion qualifying for a spray buffer and implement buffers under section 16 (2)(c) of this 2020 special session Act.

(3) If section 20 of this 2020 special session Act becomes operative on or after the date that the 2022 regular session of the Legislative Assembly adjourns sine die, the departments shall submit the report required by this section to the Legislative Assembly during the 2023 regular session.

SECTION 21. Section 20 of this 2020 special session Act becomes operative on the date sections 4 to 11 of this 2020 special session Act become applicable to pesticide applications as determined under section 12 of this 2020 special session Act.

SECTION 22. This 2020 special session Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2020 special session Act takes effect on its passage.