



TUALATIN VALLEY
WATER DISTRICT

2020 Rate Forum

Tuesday, August 25, 2020

Learn about Investments Driving Rate Increase

Tom Hickmann, PE - Chief Executive Officer

Dave Kraska, PE – Willamette Water Supply Program Director

Paul Matthews – Chief Financial Officer

Please mute your microphone!
Feel free to type Questions in the Chat.



TUALATIN VALLEY
WATER DISTRICT

2020 Rate Forum

Tom Hickmann, PE
Chief Executive Officer

TVWD Water Rates

- Established rates through a public process
 - Rate proposal
 - Information/Public Input – open houses, public comment collected online and in person
 - Rate Hearing
 - Rate Adoption
- Rates are established at the amount needed to fund the budget
- The budget adoption includes a rigorous public process including oversight and involvement from a citizen volunteer budget committee and elected Board of Commissioners
- Today's event is an educational event to explain the rate increase drivers

Water Infrastructure Process

- The planning for water supply needs goes back 50-80 years.
- The Willamette Water Supply Program planning started decades ago and the construction is underway now and will conclude in 2026.
- Major investment in an additional water supply is vital to the region.

TVWD Responding to Current Conditions

- COVID-19 is providing a challenging context for households, businesses and agency operations.
- TVWD is reducing expenditures
 - Reprioritizing investments in the District's repair and maintenance
- CARES Act to aid customers who need bill assistance.
- Re-executing WIFIA Loan to fund the Willamette Water Supply System, the one project that we can not postpone



TUALATIN VALLEY
WATER DISTRICT

Bill Assistance Available CARES Act

Community Action

Accepts requests for assistance

Monday through Thursday from 9 am to Noon

503-615.0771

caowash.org/



TUALATIN VALLEY
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Dave Kraska, PE

Willamette Water Supply Program Director

Willamette Water Supply

Our Reliable Water

Overview of the Willamette Water Supply

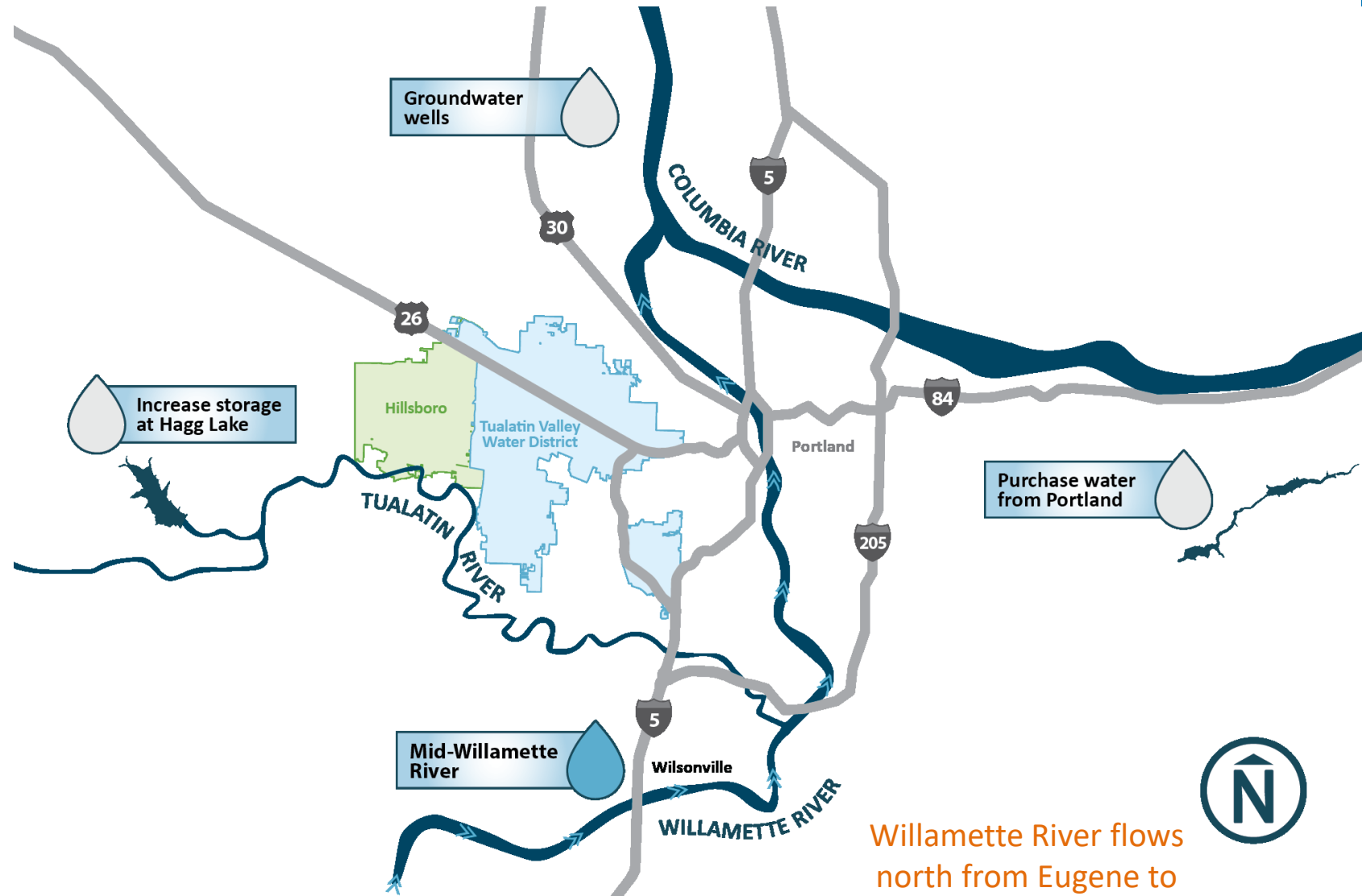


TUALATIN VALLEY
WATER DISTRICT



TVWD selected the Willamette River after a multi-year technical study and public input

- ✓ Lower cost – less impact on rates
- ✓ Excellent water quality
- ✓ Ownership
- ✓ Reliable supply
- ✓ Fewer environmental impacts



Willamette River flows north from Eugene to the Columbia River.

Willamette Water Supply Mission

Provide a cost-effective, reliable, and resilient water supply system by July 2026, that benefits current and future generations of the communities we serve and supports a vibrant local economy.



Project overview

1. Willamette River intake, located in Wilsonville
2. New state-of-the-art water treatment plant
3. 30+ miles of large diameter transmission pipeline
4. Water storage tanks



Supporting our economy

To date, 95% of
money spent has
gone to local
employees,
goods and
services.



CORNELIUS PASS RD PIPELINE PROJECT
FRANCES ST TO HIGHWAY 26

PLW_2.0
(PIPELINE WEST)

3.3 MILES

CONSTRUCTION: 2021 - 2023

SOUTH BEAVERTON AREA WATER STORAGE TANKS
STORAGE TANKS

RES_1.0

CONSTRUCTION: 2022 - 2024

TUALATIN-SHERWOOD AREA PIPELINE PROJECT
SW 124TH AVE TO NORTH OF BEEF BEND RD

PLM_4.0
(PIPELINE MAIN)

5.2 MILES

PLM_4.1 HIGHWAY 99 CROSSING (WASHINGTON COUNTY)
CONSTRUCTION: 2019 - 2022

PLM_4.2 TUALATIN-SHERWOOD RD (WASHINGTON COUNTY)
CONSTRUCTION: 2021 - 2023

PLM_4.3 ROY ROGERS RD
CONSTRUCTION: 2021 - 2023

PLM_4.4 CHICKEN CREEK TO BORCHERS DR
CONSTRUCTION: 2021 - 2023

124TH AVENUE PARTNERSHIP PROJECT
SW 124TH AVE EXTENSION

PLM_3.0
(PIPELINE MAIN)

2.7 MILES

CONSTRUCTION COMPLETED: 2019 (WASHINGTON COUNTY)

WATER TREATMENT PLANT
WATER TREATMENT PLANT (WTP)

WTP_1.0

CONSTRUCTION: 2022 - 2025

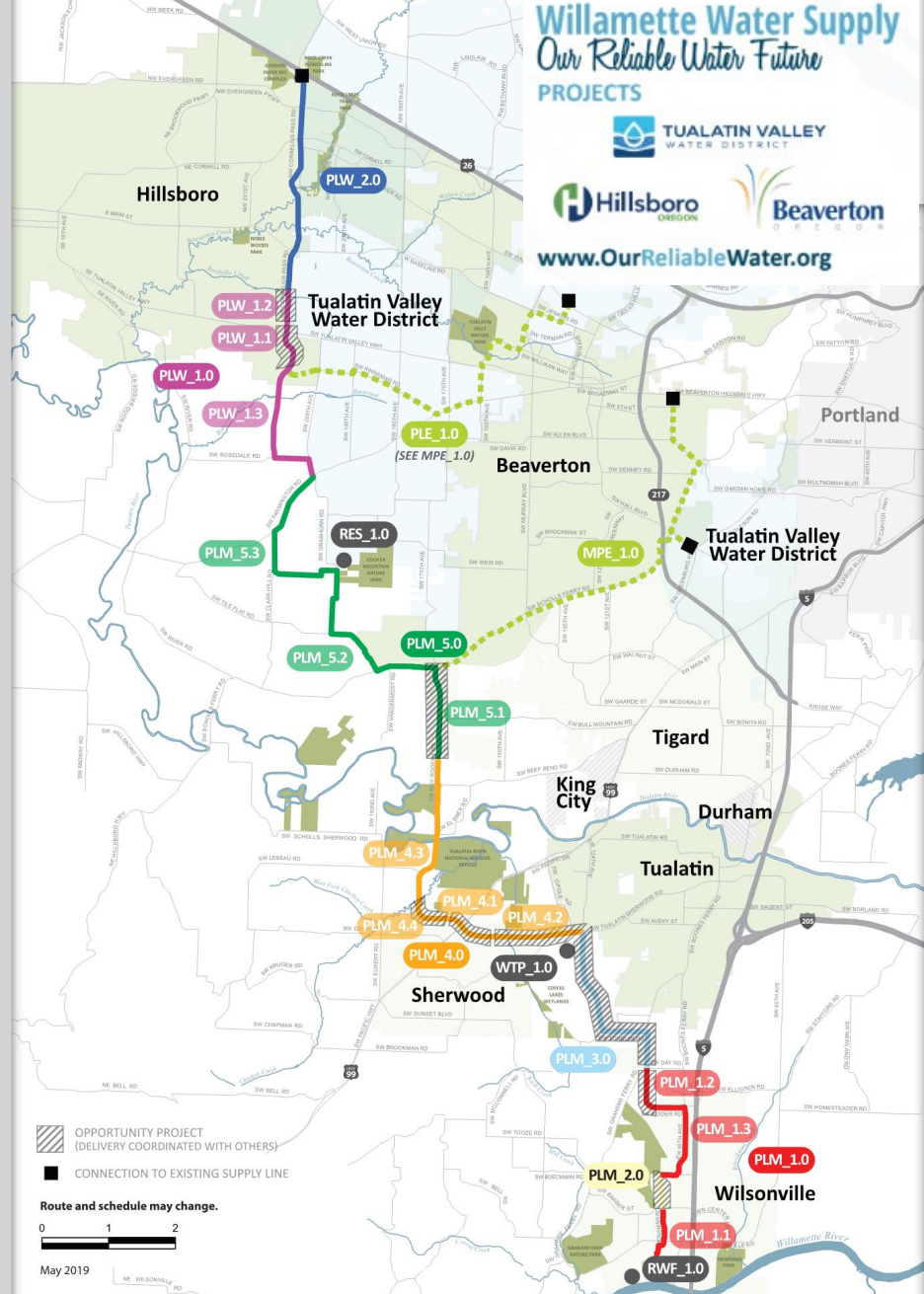
INCLUDES FINISHED WATER PUMP STATION PROJECT (FPS_1.0)
INCLUDES DISTRIBUTED CONTROL SYSTEM PROJECT (DCS_1.0)

RAW WATER FACILITIES
RAW WATER FACILITIES (RWF)

RWF_1.0

0.5 MILES

CONSTRUCTION: 2020 - 2024



SOUTH HILLSBORO AREA PIPELINE PROJECT
FARMINGTON RD TO FRANCES ST

PLW_1.0
(PIPELINE WEST)

4.0 MILES

PLW_1.1 KINNAMAN RD TO TV HWY (SOUTH HILLSBORO DEVELOPMENT)
CONSTRUCTION: 2017 - 2019

PLW_1.2 TV HWY TO FRANCES ST (CITY OF HILLSBORO)
CONSTRUCTION: 2022 - 2024

PLW_1.3 FARMINGTON RD TO KINNAMAN RD
CONSTRUCTION: 2020 - 2022

METZGER PIPELINE EAST PROJECT
ROY ROGERS RD TO BEAVERTON HILLSDALE HWY

MPE_1.0
(METZGER PIPELINE EAST)

7.3 MILES

CONSTRUCTION: 2021 - 2024

Subject to further design and regulatory approvals, MPE_1.0 will replace PLE_1.0.

SCHOLLS FERRY RD AREA PIPELINE PROJECT
NORTH OF BEEF BEND RD TO FARMINGTON RD

PLM_5.0
(PIPELINE MAIN)

7.0 MILES

PLM_5.1 NORTH OF BEEF BEND RD TO SCHOLLS FERRY RD (WASHINGTON COUNTY)
CONSTRUCTION: 2018 - 2021

PLM_5.2 SCHOLLS FERRY RD TO GRABHORN RD
CONSTRUCTION: 2019 - 2020

PLM_5.3 GRABHORN RD AT TILE FLAT TO FARMINGTON RD
CONSTRUCTION: 2022 - 2024

WILSONVILLE AREA PIPELINE PROJECT
WILLAMETTE RIVER WTP TO DAY RD

PLM_1.0
(PIPELINE MAIN)

3.3 MILES

PLM_1.1 WILSONVILLE RD
CONSTRUCTION: 2019 - 2020

PLM_1.2 GARDEN ACRES RD TO 124TH AVE (GARDEN ACRES DEVELOPMENT)
CONSTRUCTION: 2019 - 2020

PLM_1.3 WILSONVILLE RD TO GARDEN ACRES RD
CONSTRUCTION: 2020 - 2022

KINSMAN ROAD PARTNERSHIP PROJECT
KINSMAN RD EXTENSION

PLM_2.0
(PIPELINE MAIN)

0.6 MILES

CONSTRUCTION COMPLETED: 2018 (CITY OF WILSONVILLE / ODOT)

Progress to Date

- Completed four pipeline projects
- Secured WIFIA loans
- Received Federal permit
- Advanced 14 project designs
- Continued successful partnerships

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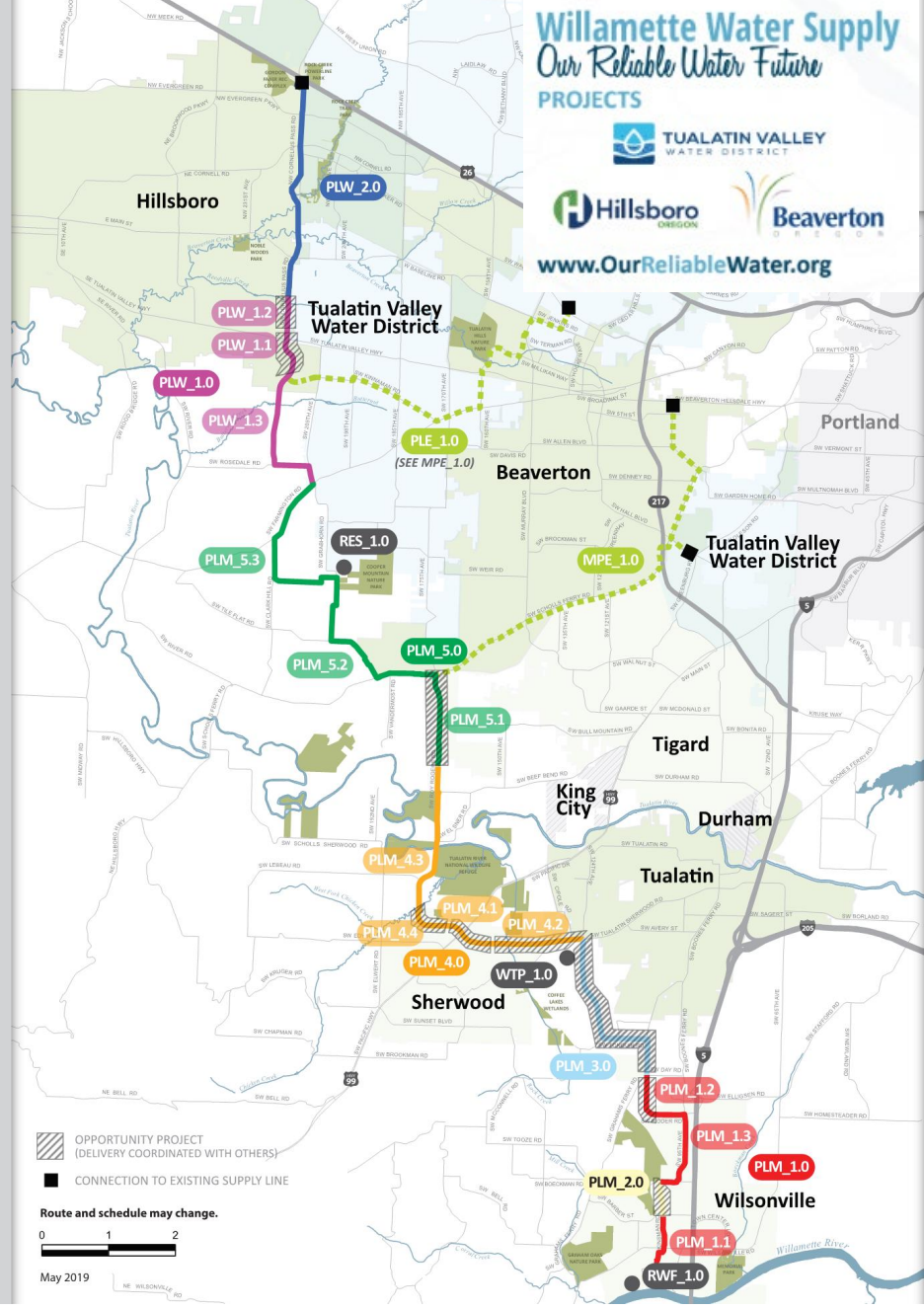
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Looking to 2021

- Continue local spend
- Continue partnerships
- Eight pipeline projects under construction
- Raw Water Facilities construction
- Continue regular community outreach

WWSP employs robust processes to maximize value and control costs

- Maximize competition on contracts
 - Right-sized projects
 - Outreach
 - Quality designs
- Continuous value engineering
- Commodities tracking
- Rigorous change management
- Claims avoidance and management
- Systems and tools for proactive control

History of WWSP Projects Bid to Date	
Number of projects bid	9
Total budget for projects	\$153,359,414
Total contractors' bids plus contingency	\$150,226,575
Difference	(\$3,132,839), -2%

Thank you!

Willamette Water Supply Program

503-941-4570

info@ourreliablewater.org

www.ourreliablewater.org



Area traffic updates:

GetUsThere.org





TUALATIN VALLEY
WATER DISTRICT


2020 Rate Forum

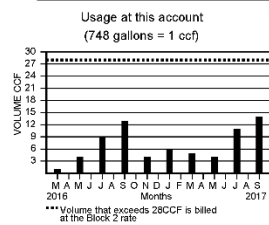
Paul Matthews
Chief Financial Officer

Water Rates – Focus of Today’s Discussion

Partnerships Save Money

- TVWD bills sewer and surface water management (SWM) on behalf of Clean Water Services and the City of Beaverton
- This saves customers money by reducing duplicate billing system costs
- TVWD does not set sewer or SWM rates

Tualatin Valley Water District Delivering the Best Water • Service • Value 1850 SW 170th Avenue • Beaverton, Oregon 97003 Pay By Phone (844) 331-8344 • Billing Questions (503) 848-3000 www.tvwd.org		 CleanWater Services 2550 SW Hillsboro Highway • Hillsboro, Oregon 97123 Billing Questions (503) 681-4400 • District Office (503) 681-3600 www.CleanWaterServices.org			
WATER CHARGES (See reverse side for details)		SEWER AND SURFACE WATER CHARGES			
Water Residential Volume	14 CCF	75.88	Sewer Base Charge	60.06	
Water Residential Fixed Charge		32.80	Sewer Usage Charge	18.11	
			Usage = 9.1 CCF (Based on Winter Usage)		
			Surface Water Charge	18.50	
Total Water Charges		108.68	Total Sewer & Surface Water Management Charges		
			96.67		
ACCOUNT #	000000-00	ID #	000000	Amount Due:	205.35
Name:	JOE SMITH			Billing Date:	07/26/20
Service Address:	12345 SW MAIN ST BEAVERTON OR 97003			Service Period:	05/11/20 to 07/12/20
				Due Date:	08/10/20



Water, Sewer & SWM Charges	\$205.35
Previous Balance	189.09
Payments	-189.09
Adjustments & Fees	0.00
Account Balance	\$205.35

Does TVWD have your correct contact information? Please take a moment to update your phone number and email address in case we need to reach you in the event of an emergency. You can do so by visiting www.tvwd.org/UpdatePhone. Save your pipes by pouring all cooking grease into the trash, not the drain. It may look harmless as a liquid, but can quickly cool and mean costly repairs. Learn more at cleanwaterservices.org/grease. 0.7PPM fluoride added to water.

Return this portion with your payment
 100% postconsumer waste recycled content

Total Amount Due for Water, Sewer, and Surface Water

Account Number: 000000-00 Due Date: 08/10/20 \$205.35

Make check payable to:

TVWD / CWS
 P.O. Box 8996
 Vancouver, WA 98668-8996


JOE SMITH
 12345 SW MAIN ST
 BEAVERTON OR 97003

Please indicate amount enclosed

\$

SAMPLE

Water Rates – Focus of Today’s Discussion

Tualatin Valley Water District

Delivering the Best Water 💧 Service 💧 Value

1850 SW 170th Avenue • Beaverton, Oregon 97003
Pay By Phone (844) 331-8344 • Billing Questions (503) 848-3000
www.tvwd.org

WATER CHARGES

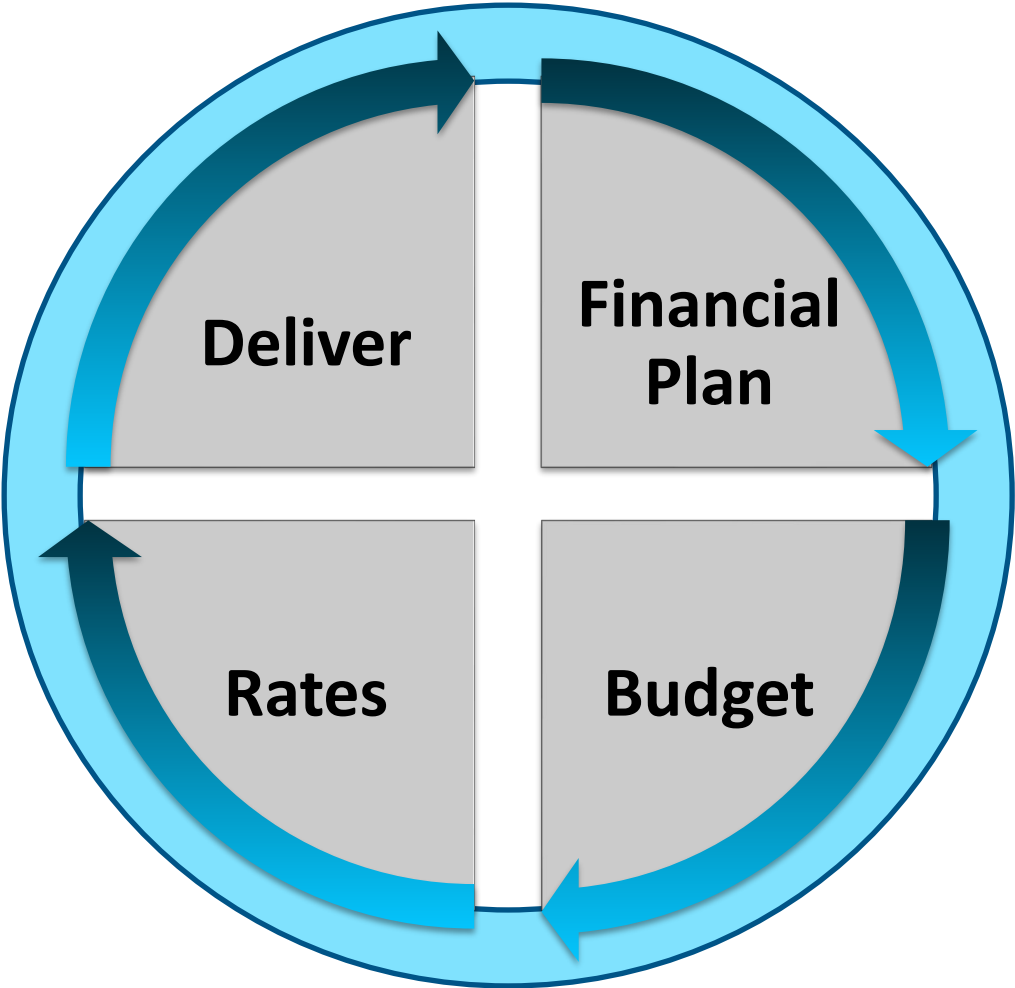
(See reverse side for details)

Water Residential Volume	14 CCF	75.88
Water Residential Fixed Charge		32.80
Total Water Charges		108.68

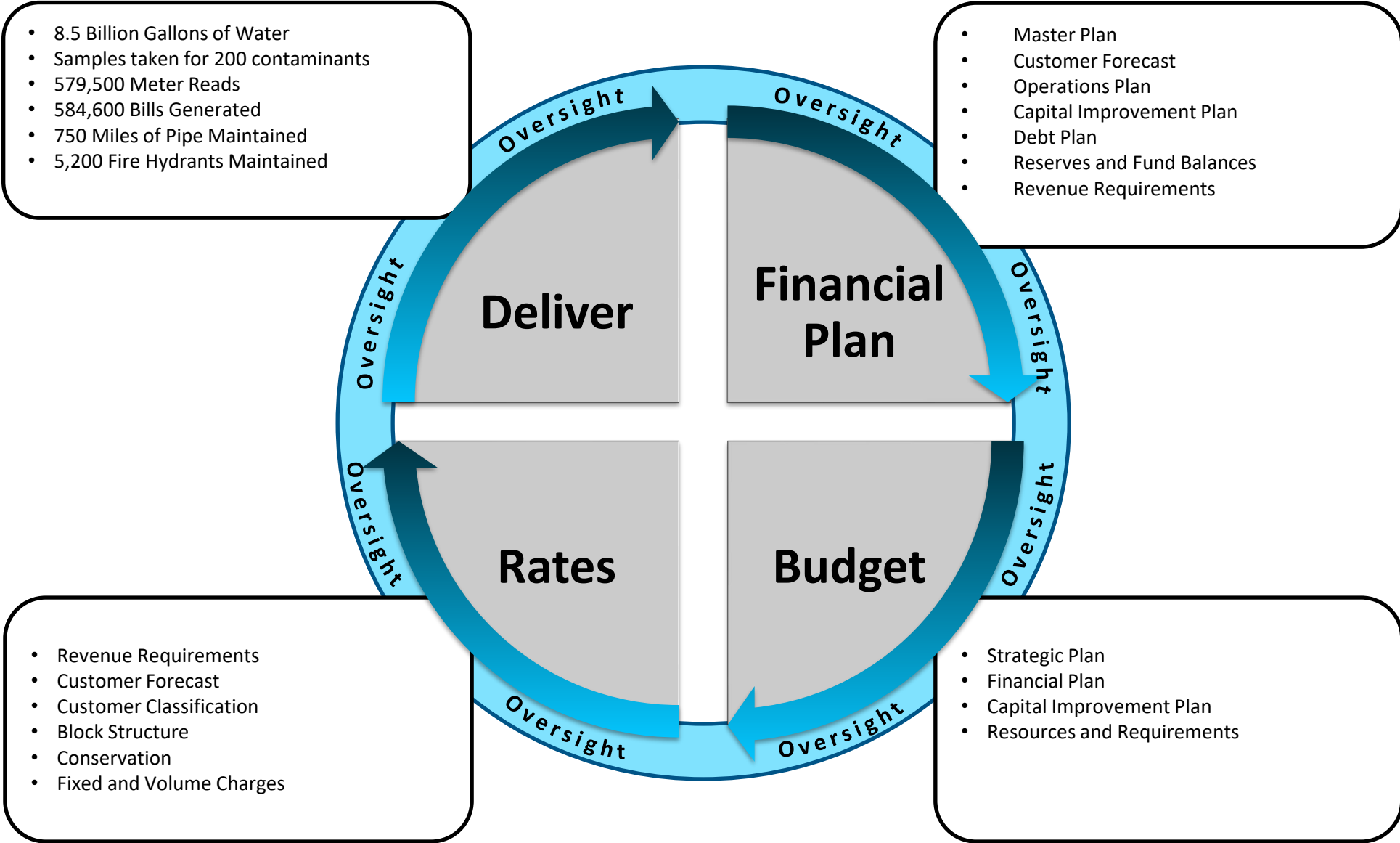
Components of Water Bill

- Volume charge based on amount of metered water
- Fixed charge based on meter size

District Financial Management Process



District Financial Management Process Interdependencies



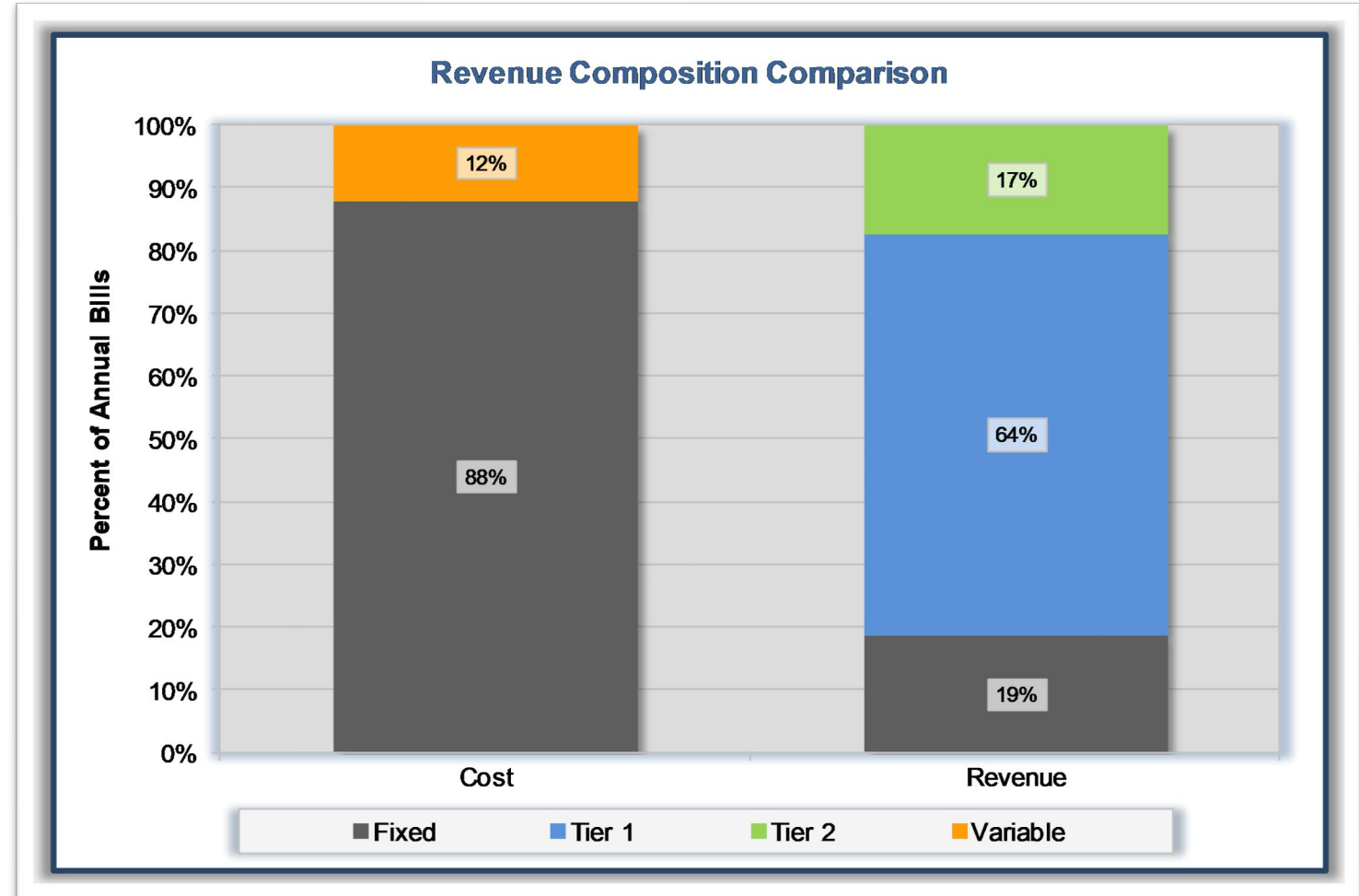
TVWD's Costs and Revenue Structure

Fixed Costs

- Does not vary with amount of water delivered
- E.g., Meter reading, pipeline maintenance, etc.

Variable Costs

- Varies with amount of water delivered
- Chemicals, power, some portion of purchased water





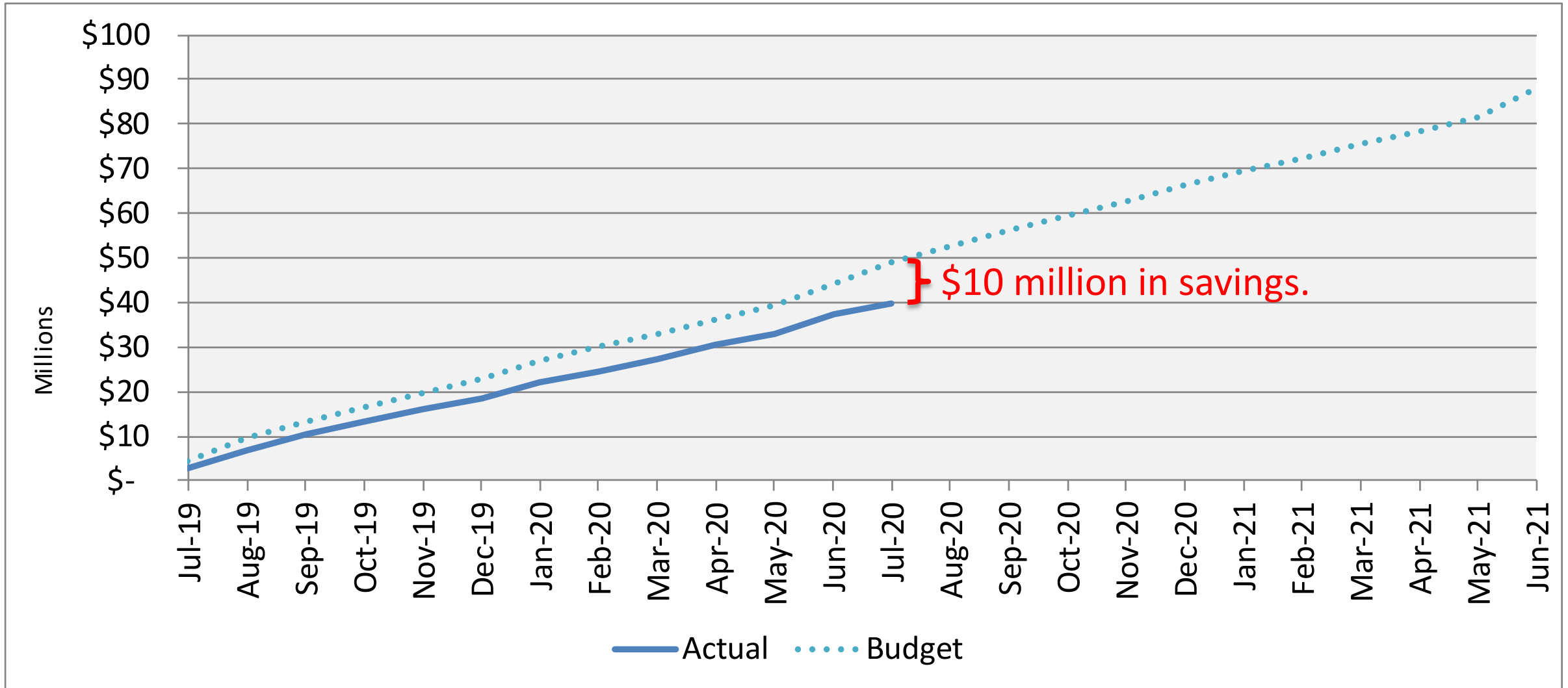
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WATER DISTRICT

Cost Management

Water Rate Virtual Open House

Paul Matthews

Cumulative Operating Expenditures



Note: Based on unaudited reports.

District's Financial Performance 2019-21 Biennium

Key Findings

- Operating expenditures under budget
- Capital expenditures under budget
- Water sales revenue below target
- System development charges exceeded target, but may be slowing
- District's financial performance is facing headwinds as capital expenditures for new infrastructure drive business plan



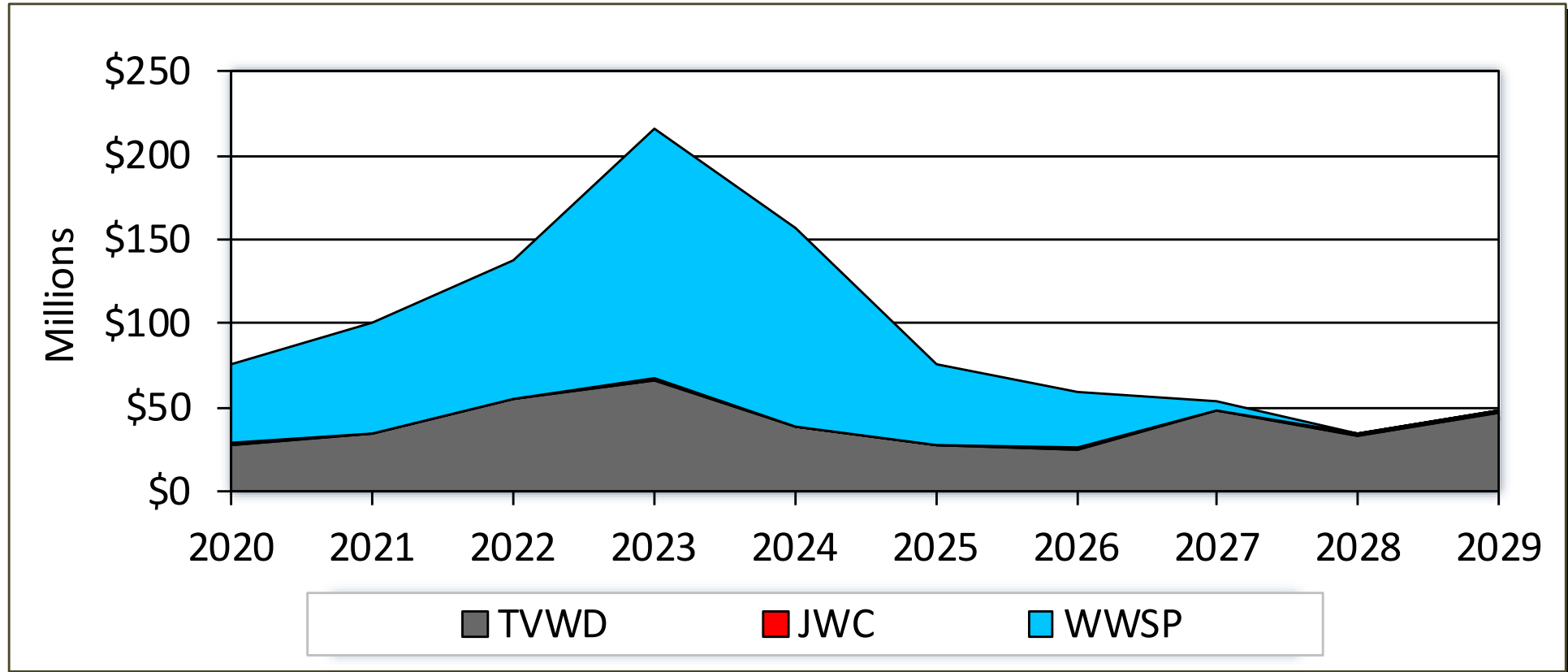
TUALATIN VALLEY
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2019-21 Business Plan

Water Rate Virtual Open House

Paul Matthews

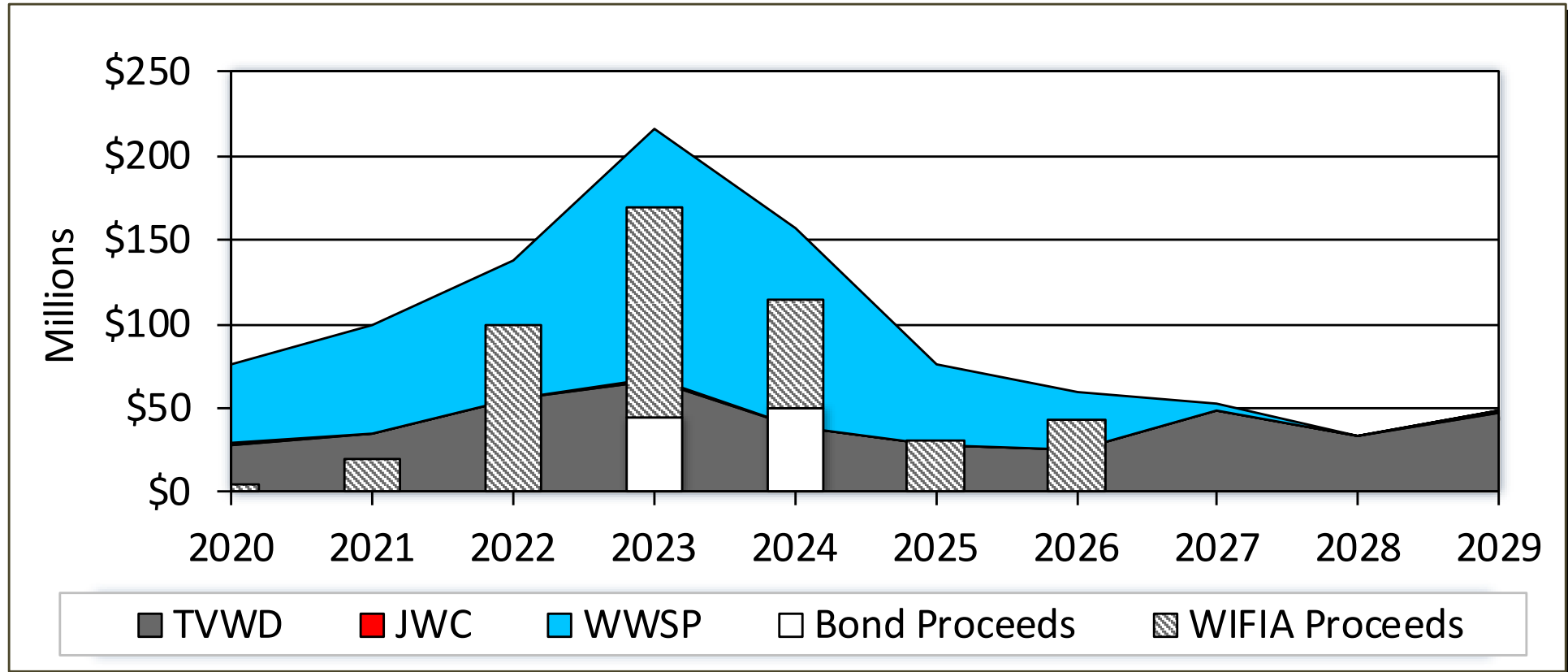
Planned Capital Expenditure by Fiscal Year



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Totals
WWSP*	\$47.1	\$65.1	\$81.7	\$148.1	\$117.9	\$48.5	\$33.8	\$4.3	\$0.0	\$0.0	\$546.7
JWC*	1.3	0.6	0.8	0.5	0.3	0.4	0.4	0.8	0.8	1.1	7.1
TVWD	27.8	34.2	55.0	66.8	38.5	27.5	25.4	48.2	33.1	46.9	403.3
Totals	\$76.1	\$100.0	\$137.6	\$215.5	\$156.8	\$76.3	\$59.6	\$53.3	\$33.9	\$48.0	\$957.1

*TVWD share of projected total costs.

Projected Debt Financing by Fiscal Year



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Totals
WIFIA*	\$5	\$20	\$100	\$125	\$65	\$30	\$43	-	-	-	\$387
Bonds*	-	-	-	44	50	-	-	-	-	-	94
Totals	\$5	\$20	\$100	\$169	\$115	\$30	\$43	-	-	-	\$481

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

Material Changes to 2019-21 Business Plan

Changes Affecting Long-term Debt

- Lower water sales revenue
- Future system development charge revenue
- Initiative to lower interest rate

Volume Rates

(\$ / CCF¹)

Block ^{Notes 2,3}	Current	Nov 2020
Block 1	\$5.42	\$5.62
Block 2	\$7.73	\$8.01

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

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

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

Fixed Monthly Charges

Meter Size	Current	Nov 2020
5/8 Inch	\$16.40	\$16.99
3/4 Inch	18.06	18.71
1 Inch	22.26	23.06
1.5 Inch	29.91	30.99
2 Inch	44.12	45.71
3 Inch	122.85	127.27
4 Inch	164.60	170.53
6 Inch	265.28	274.83

Customer Impact

Typical Customer Using 7 CCF¹ (5,236 gallons) per Month

Typical Single-Family Residential Bill		
5/8-Inch Meter	Current	Nov 2020
Fixed Charge	\$16.40	\$16.99
Volume Charge	\$37.94	\$39.34
Total	<hr/> \$54.34	<hr/> \$56.33
Monthly Increase		\$1.99

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

Customer Impact

Above Average Customer Using 12 CCF¹ (8,976 gallons) per Month

Above Average Single-Family Residential Bill		
5/8-Inch Meter	Current	Nov 2020
Fixed Charge	\$16.40	\$16.99
Volume Charge	\$65.04	\$67.44
Total	<hr/> \$81.44	<hr/> \$84.43
Monthly Increase		\$2.99

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

Customer Impact

High-Use Customer Using 28 CCF¹ (20,944 gallons) per Month

High-Use Single-Family Residential Bill		
5/8-Inch Meter	Current	Nov 2020
Fixed Charge	\$16.40	\$16.99
Volume Charge	\$184.10	\$190.82
Total	<u>\$200.50</u>	<u>\$207.81</u>
Monthly Increase		\$7.31

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

Addressing Rate Concerns

What We've Done

- Managed operating expenses
- Revamped our Customer Emergency Assistance Program
- Expanded Customer Assistance with funding from CARES Act
- Negotiating lower interest rate on loan



TUALATIN VALLEY
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**Your Turn! Questions?
Please Type in the Chat or Raise Your Hand**

How to contact us

Email: webmaster@tvwd.org

Website: tvwd.org