



TUALATIN VALLEY
WATER DISTRICT

Budget Committee Meeting Meeting Minutes

May 31, 2023

REGULAR SESSION – 6:02 p.m.

CALL TO ORDER

Commissioners Present: Jim Doane, PE; Jim Duggan, PE; Carl Fisher; Elliot Lisac, Todd Sanders, PhD

Budget Committee Members Present: Carlo Peratoner, Craig Hopkins (arrived at 6:05 p.m.), John Velehradsky, PE (Retired), Marilyn McWilliams, Mike Whiteley, PE

Staff Present: Tom Hickmann, Chief Executive Officer; Paul Matthews, Chief Financial Officer; Pete Boone, PE, Chief Operating Officer; Dave Kraska, PE, Water Supply Program Director; Andrew Carlstrom, Customer Service Manager; Tim Boylan, IT Services Director; Kylie Bayer, HR Director; Sam Kaufmann, District Recorder

BUDGET COMMITTEE CHAIR AND STAFF PRESENTATIONS

Motion was made by Sanders, seconded by Doane, to elect Mike Whitely as Budget Committee Chair. The motion passed unanimously with Doane, Duggan, Fisher, Lisac, Sanders, Peratoner, Hopkins, Velehradsky, McWilliams and Whitely voting in favor.

A. Consider Approval of Minutes

- April 18, 2023 Budget Committee Workshop Minutes
- May 9, 2023 Budget Committee Workshop Minutes

Motion was made by McWilliams, seconded by Sanders, to approve the minutes as presented. The motion passed unanimously with Doane, Duggan, Fisher, Lisac, Sanders, Peratoner, Hopkins, Velehradsky, McWilliams and Whitely voting in favor.

Paul Matthews reviewed and answered questions from the two Budget Committee Workshops.

Paul Matthews presented the 2023-25 budget and budget message highlights.

Commissioner Doane preferred to maintain engagement with the apprenticeship program for meter reading positions.

Paul Matthews introduced the proposed 2023-2025 budget by fund.

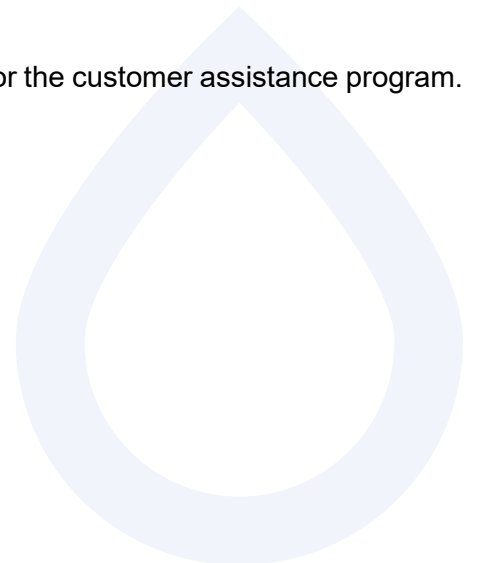
Commissioner Fisher asked to reevaluate the one month per year timeline for the customer assistance program. Tom Hickmann replied he would follow up with the Board at a later date.

BUDGET COMMITTEE PUBLIC HEARING

Chair Whitely opened the public hearing at 7:58 p.m.

Chair Whitely asked for questions from the Committee. There were none.

Chair Whitely called for public testimony, there was none.



Chair Whitely closed the public hearing at 7:59 p.m.

Commissioner Doane and Craig Hopkins commended the budget committee and staff for their hard work in preparing the 2023-2025 budget.

Motion was made by Velehradsky, seconded by Hopkins, that the Budget Committee of the Tualatin Valley Water District approve the Proposed 2023-25 Biennial Budget as presented by staff at the levels of appropriation displayed for each of the District's funds. The motion passed unanimously with Doane, Duggan, Fisher, Lisac, Sanders, Peratoner, Hopkins, Velehradsky, McWilliams and Whitely voting in favor.

ADJOURNMENT

There being no further business, President Sanders adjourned the meeting at 8:24 p.m.

Todd Sanders, President

Jim Doane, Secretary





2023-25 Biennial Budget Committee Meeting

Tour: April 11, 2023

Workshop #1: April 18, 2023

Workshop #2: May 9, 2023

➔ *Budget Committee Meeting and Public Hearing: May 31, 2023*

May 31, 2023

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Budget Committee Chair

Election

- Nominations
 - Open
 - Close
- Election of chair
- Transfer of virtual gavel

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Approval of Budget Committee Workshop Minutes

Motion and Second to Approve

- April 18, 2023: Budget Committee Workshop
- May 9, 2023: Budget Committee Workshop

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TUALATIN VALLEY
WATER DISTRICT

Presentation by Management

2023-25 Biennial Budget
Committee Meeting

May 31, 2023

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Budget Committee Meeting Agenda

Management Presentations

- Questions from Budget Committee Members
- Chief Executive Officer's Comments
- Presentation of the Budget Message
- Proposed 2023-25 Budget

Budget Committee

- Additional Questions from the Members
- Public Hearing
- Discussions and Action on the Proposed 2023-25 Budget

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Oregon Local Budget Law

-  Oregon Revised Statutes 294
-  Standardizes Procedures
-  Provides Opportunities for Public Input
-  Budget Committee members should not deliberate outside of the formal meeting(s)
-  Compliance is Mandatory

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Budget Committee Procedures

Things to Consider

- All members of the Budget Committee have equal authority
- The Budget Committee must have a majority of members present for a meeting
- Budget Committee actions must have approval of a majority of its members (minimum 6 affirmative votes)

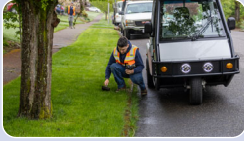
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Questions from Budget Committee Members



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Question from Workshops



AMI

- How it works
- What are the likely costs
- Payback analysis



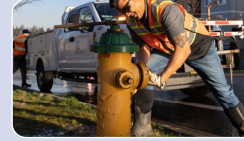
Customer Service

- Material and Services costs by Division
- Description of key efforts



Risk Management

- Property/Casualty Insurance market update
- Description of estimating approach



Full-time Equivalents

- Historical and budgeted Full-time Equivalent (FTE) count

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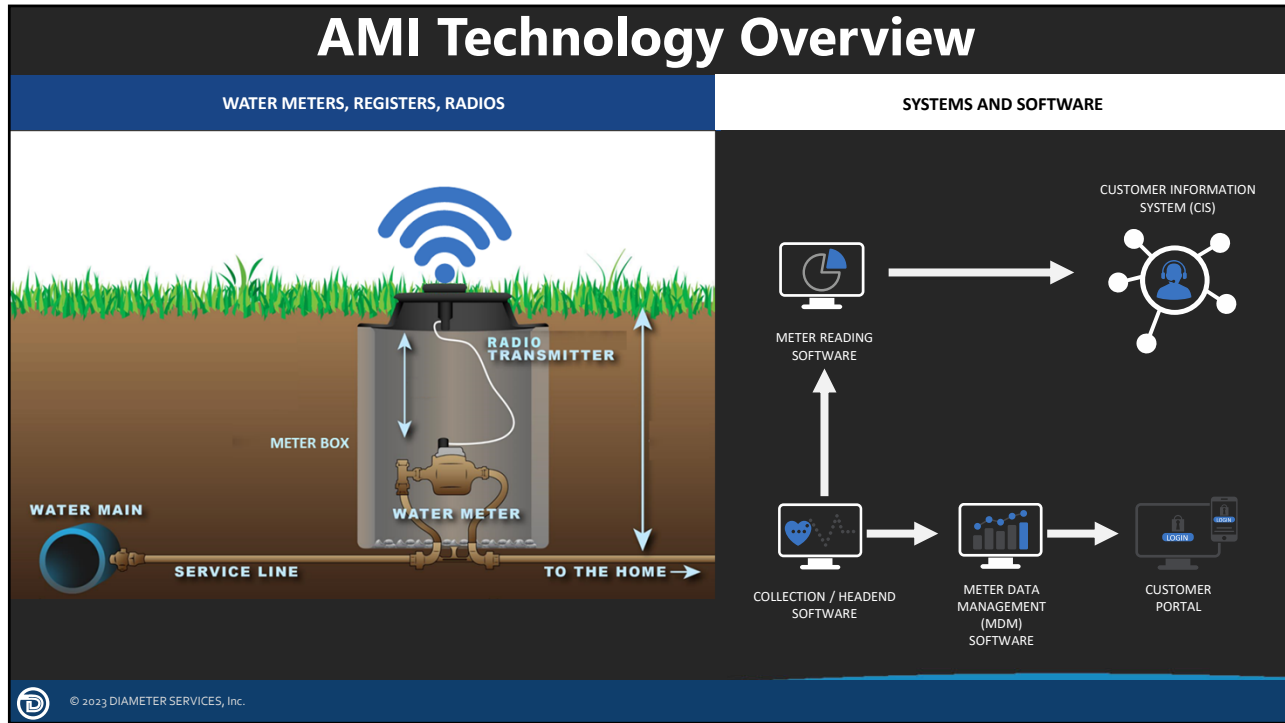
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AMI Business Case Evaluation

- Consultants received the District's Business-case evaluation (BCE) guidelines
- If improperly applied, traditional BCE techniques can provide incorrect answers
 - ❑ Real-resource savings as the measure of costs and benefits
 - ❑ Many benefits accrue to customers and the District in ways that are difficult to value
 - ❑ Work continues on BCE

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AMI Cost Estimates

	FY2024	FY2025	FY2026	FY2027	Totals
AMI Implementation	\$7,000,000	\$7,000,000	\$7,760,000	\$8,035,000	\$29,795,000
<i>Less: Grant Funding</i>		(1,666,667)	(1,666,667)	(1,666,667)	(5,000,000)
Net Project Amounts	\$7,000,000	\$5,333,333	\$6,093,333	\$6,368,333	\$24,795,000
<i>Less: CWS Share (25%)</i>	(1,750,000)	(1,333,333)	(1,523,333)	(1,592,083)	(6,198,750)
Net TVWD Share	\$5,250,000	\$4,000,000	\$4,570,000	\$4,776,250	\$18,596,250

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AMI Program

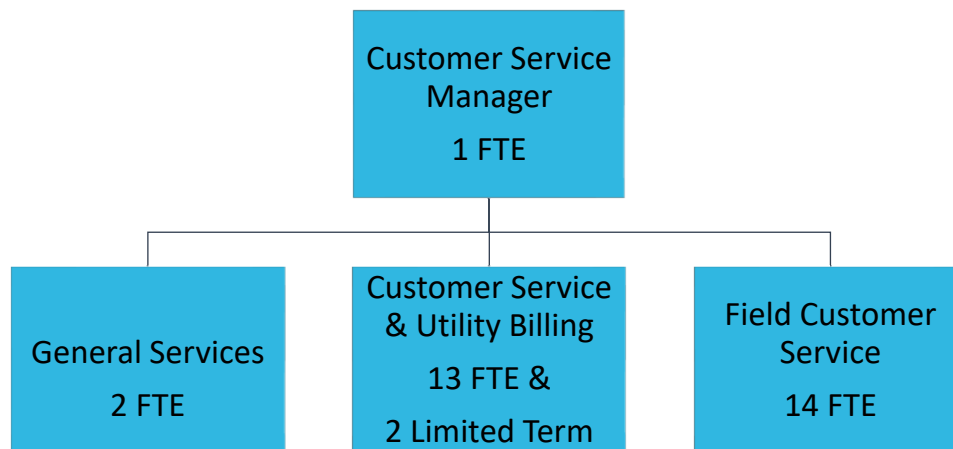
Key Assumptions

- Total costs before applying inflation is \$28 million. With inflation, the estimated cost is \$29.8 million.
- The program is expected to be implemented over a four-year period.
- Reclamation is expected to provide a \$5 million grant for the AMI program.
- The Reclamation grant will be available to offset AMI program costs starting in FY2025, the second year of the 2023-25 biennial budget period.
- CWS will pay 25% of the cost of the AMI program remaining after the Reclamation grant has been subtracted.

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Customer Service Department



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Customer Service – General Services

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Professional Services Expense	\$230,000	\$730,000	\$500,000	217.4%	78.2%
Business Expense	12,440	15,450	3,010	24.2%	11.4%
Training & Education	96,050	127,540	31,490	32.8%	15.2%
Dues & Subscriptions	115,981	10,672	(105,309)	-90.8%	-69.7%
Sundry Expense	3,575	0	(3,575)	-100.0%	-100.0%
Conservation	134,325	134,326	1	0.0%	0.0%
Division Totals	\$592,371	\$1,017,988	\$425,617	71.8%	31.1%

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Customer Service – Customer Service/Utility Billing

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Business Services	\$0	\$175,000	\$175,000	0.0%	0.0%
Postage Expense	454,343	533,120	78,777	17.3%	8.3%
Billing Adjustments	10,000	10,000	0	0.0%	0.0%
Customer Assistance	0	1,520,000	1,520,000	0.0%	0.0%
Leak Adjustments	787,140	1,157,310	370,170	47.0%	21.3%
Cash Remittance Expense	14,900	12,660	(2,240)	-15.0%	-7.8%
Cash Overs/Shorts	200	200	0	0.0%	0.0%
Bill Printing & Mailing	230,869	214,554	(16,315)	-7.1%	-3.6%
Division Totals	\$1,497,452	\$3,447,844	\$1,950,392	130.2%	51.7%

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Customer Service – Field Customer Service

Description	2021-23 Budget	Requested Budget	Change	Percent Change	Annualized Percent
Meter Maintenance	\$258,547	\$221,575	(\$36,972)	-14.3%	-7.4%
Small Tools & Supplies	4,100	6,600	2,500	61.0%	26.9%
Division Totals	\$262,647	\$228,175	(\$34,472)	-13.1%	-6.8%

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Risk Management – Property/Casualty Insurance

Uncertainty	Pandemic	Others
<ul style="list-style-type: none"> Property/casualty insurance premiums face uncertainty Conservative estimate recommended by Agent of Record 	<ul style="list-style-type: none"> Global experience with property losses Supply chain issues increase costs of claims 	<ul style="list-style-type: none"> Inflationary increases property values Trend in general liability verdicts Rate locks and longevity credits will not be available for upcoming renewals

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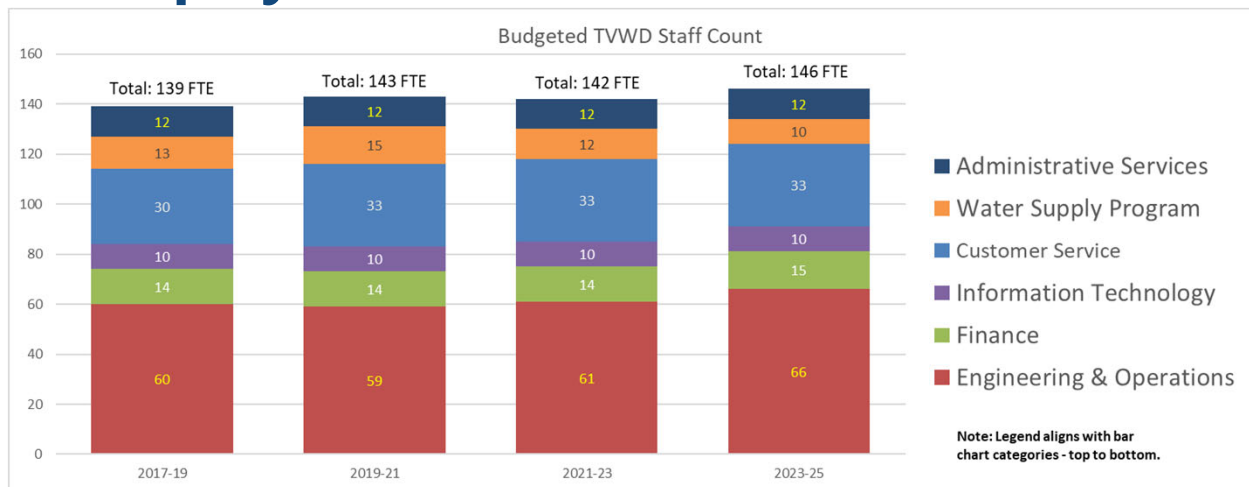
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Risk Management

Continuing Benefits

- District will continue to receive up to a 10% credit for participating to the best practices program.
- Cybersecurity efforts have allowed the District to maintain supplemental coverage at a reasonable rate.

Historical and Forecast Number of Employees





Comments from Chief Executive Officer

2023-25 Biennial Budget
Committee Meeting

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TVWD is in Transition

Suburban Water Provider Phase

- Serve customers water purchased under wholesale contracts
- Manage a complex transmission and distribution system
- Prepare for the WWSP Construction Phase

WWSP Construction Phase

- Serve customers water purchased under wholesale contracts
- Manage a complex transmission and distribution system
- Manage the construction of a \$1.6 billion program
- Prepare for the Regional Operations Phase

Regional Operations Phase

- Serve customers water produced by WWSS/WIF
- Manage a complex transmission and distribution system
- Manage the newly created WIF and WWSS

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Mission, Vision, and Values Statements

	Previous	Current
Mission	To Provide Our Community Quality Water and Customer Service	Reliable, resilient, and safe water
Vision	Delivering the Best Water, Service, Value	Our water sustains thriving communities —every day for everyone.
Values	Reliability, Integrity, Stewardship, Excellence, Safety	Respect, Integrity, Service, Equity

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CEO Priorities for Management Staff

Human Investment	Intergovernmental Relations	Business Intelligence	Efficiency Through Modernization	Current Initiatives
<ul style="list-style-type: none"> Prepare employees to be successful in meeting the future requirements of the District. 	<ul style="list-style-type: none"> Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource. 	<ul style="list-style-type: none"> Improve planning and the District's ability to respond by developing actionable information from disparate sources of data. 	<ul style="list-style-type: none"> Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so. 	<ul style="list-style-type: none"> Successfully execute and complete the initiatives currently underway.

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Pursuing Financial Assistance

- Bureau of Reclamation (\$5 million)
- Potential matching from State

AMI



- FEMA/BRIC (Approximately \$11 million)

Taylor's Ferry



- Congressionally Directed Spending (CDS)/STAG Program (\$4 million)
- Potential future CDS/STAG
- Potential State lottery bonds

WWSS



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TUALATIN VALLEY
WATER DISTRICT

Proposed 2023-25 Biennial Budget and Budget Message Highlights

2023-25 Biennial Budget
Committee Meeting

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Oregon Local Budget Process

Requested Budget

- Management develops department-level requests

Proposed Budget

- Budget officer prepares Proposed Budget for Budget Committee Action

Approved Budget

- Budget Committee approves budget for consideration for Adoption

Adopted Budget

- Board of Commissioners adopts budget and sets appropriations

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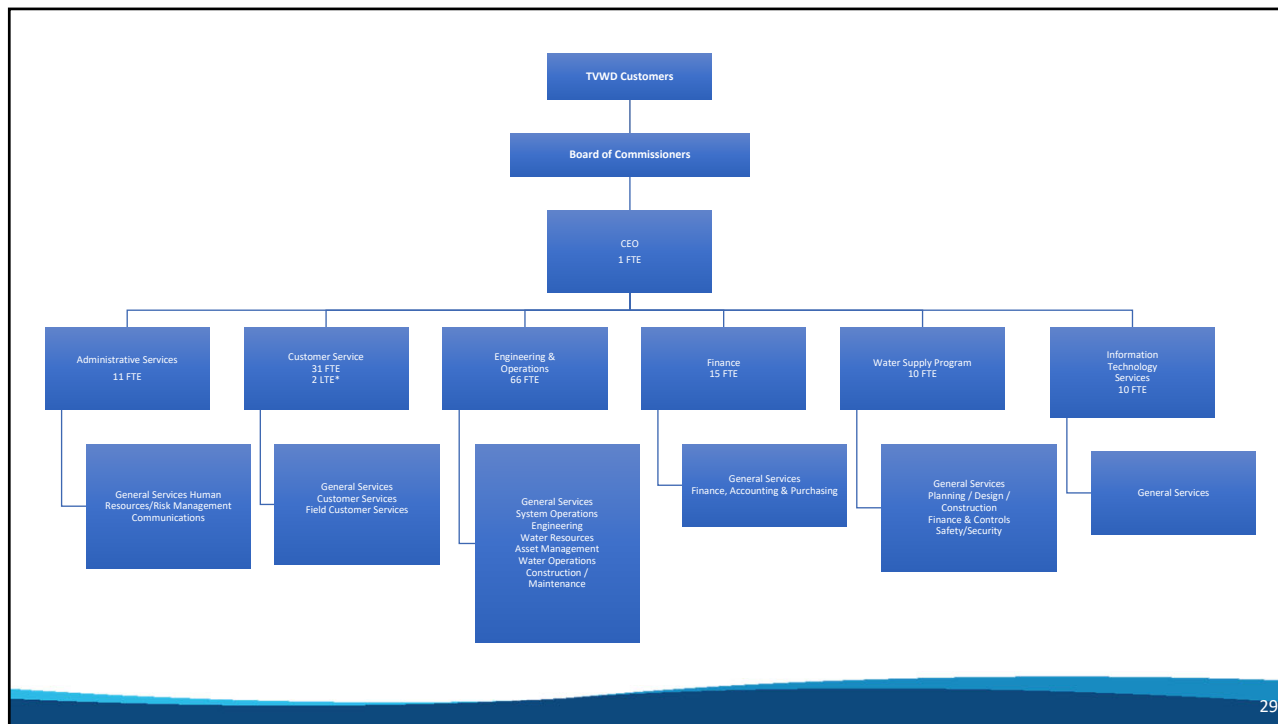
Budget Message Organization

Key Elements

- TVWD Description and Background Information
- District Goals and Initiatives
- 2023-25 Biennium Budget Summary
- Capital improvements plan for the District and the Willamette Water Supply Program
- Concluding Thoughts and Future Planning
- Acknowledgements and Submission
- Distinguished Budget Award

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Major Themes Confirmed by SWOT

Human Investment	Intergovernmental Relations	Business Intelligence	Efficiency Through Modernization	Current Initiatives
<ul style="list-style-type: none"> Prepare employees to be successful in meeting the future requirements of the District. 	<ul style="list-style-type: none"> Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource. 	<ul style="list-style-type: none"> Improve planning and the District's ability to respond by developing actionable information from disparate sources of data. 	<ul style="list-style-type: none"> Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so. 	<ul style="list-style-type: none"> Successfully execute and complete the initiatives currently underway.

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Strategic Initiatives and Desired Results

Strategic Initiatives	Desired Results				
	Water Needs & Expectations	Community Confidence in TVWD	Stewards of Financial Resources	Stewards of Natural Resources	Stewards of People and Systems
Implement Monthly Billing		✓	✓		✓
AMI Program	✓	✓	✓	✓	✓
Business Intelligence		✓	✓		✓
Existing Initiatives	✓	✓	✓	✓	✓

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Complete Existing Initiatives

Objectives

- Successfully complete important initiatives that carry over from prior efforts

Key Elements

- WWSS
- Normalize CIS
- Class/Comp study
- Implement DEI strategy
- Government affairs
- Mission, vision, values and strategic planning framework

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Monthly Billing Pilot

Objectives

- Address affordability – provide pilot project customers monthly billing frequency, a recommendation of the first Rate Advisory Committee
- Contribute to development of a roadmap for scaling monthly billing to TVWD/CWS residential customers once meter data is available from AMI

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Monthly Billing Pilot (continued)

Key Elements

- Select a pilot area in the TVWD service area and provide monthly reading and billing by August 1, 2023
- Evaluate/review business process and develop level of effort information for eventual transition to monthly billing for all customers
- Survey customers and solicit feedback, identify opportunities for customer experience improvement when monthly billing is scaled to all customers

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Advanced Metering Infrastructure (AMI)

Objectives

- Implement AMI technology for all District customers
- Provide AMI benefits including: frequent consumption data; automated meter reading; minimized estimated reads and truck rolls; improved leak detection and alerts for customers and staff; reduced theft and improved system security; improved distribution system management; support transition to monthly billing

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Advanced Metering Infrastructure (AMI) (continued)

Key Elements

- Business Case – AMI planning and design (underway now)
- Procurements – professional services, AMI solution, replacement of registers on existing meters, software solutions and interfaces
- Start Up: Engage internal and external resources as the AMI and installation vendors set up facilities, software solutions, integration services, and user acceptance testing
- Proof of Concept (prior to production): Testing and integrating software solutions and for limited installations of water meters and AMI equipment
- Installation and Deployment: complete all project deliverables and milestones within established timelines; deploy software solutions; complete water meter replacement, retrofit and upgrade activities; conduct quality assurance on installations; develop staff capacity and competencies for operations; implement customer outreach program; and operate customer coordination center for inquiries, appointment requests, complaints

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Business Intelligence

Objective

- Extract Data From Multiple Systems
- Generate Insights for decision making

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Business Intelligence (continued)

Key Elements

- Design a Data Infrastructure
- Configure Data Integrations
- Generate Reports / Dashboards

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New Requested Staff Positions

Engineering and Operations

- Water Works Operator Supervisor
- 3 Water Works Operators
- Water Quality Specialist

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New Requested Staff Positions

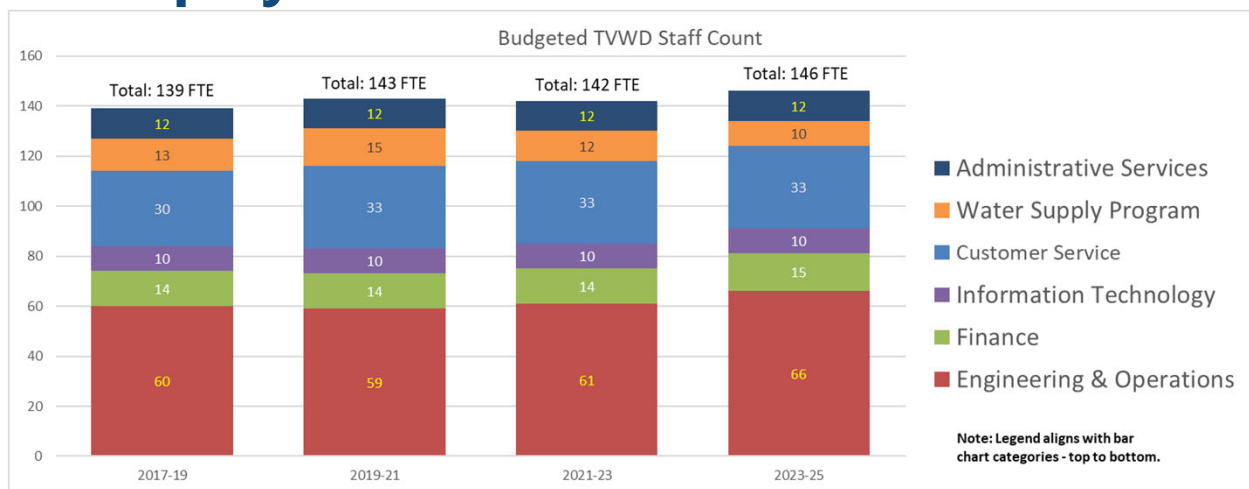
Customer Service

- Meter Reader

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Historical and Forecast Number of Employees



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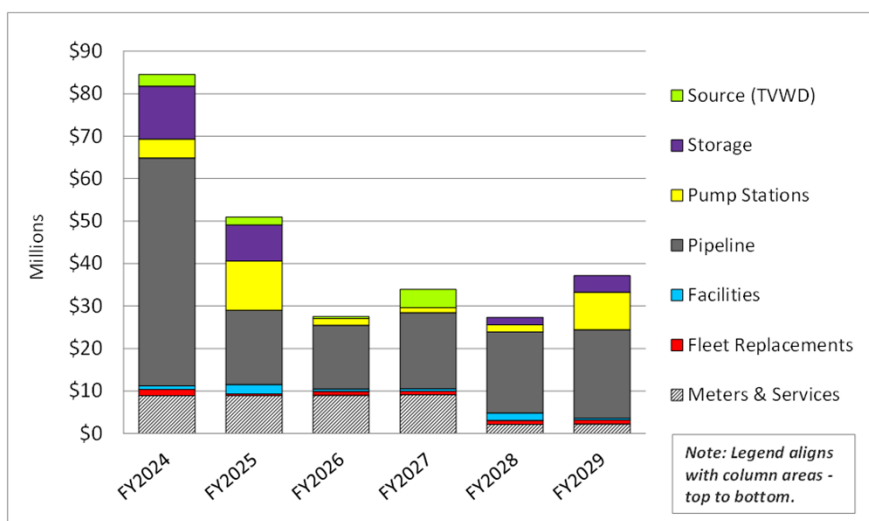
Proposed 2023-25 Budget by Fund

2023-25 Biennial Budget
Committee Meeting

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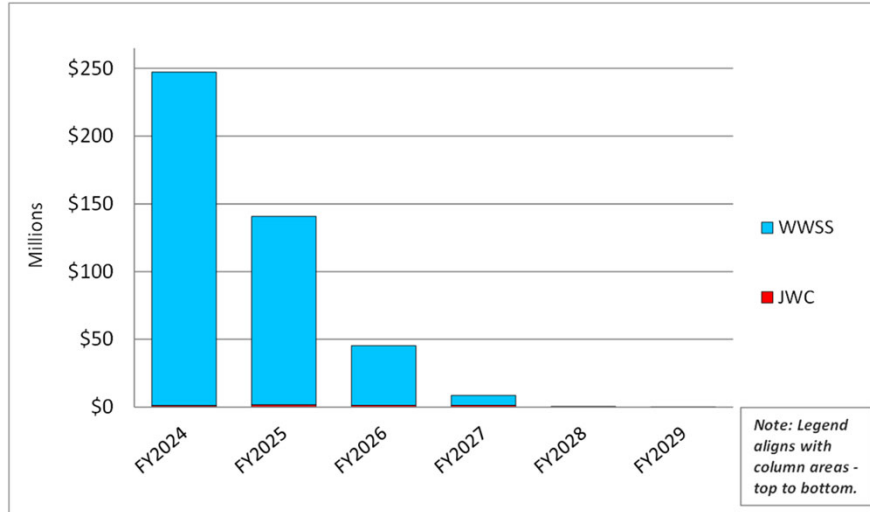
Key Infrastructure Investments (In-District only)



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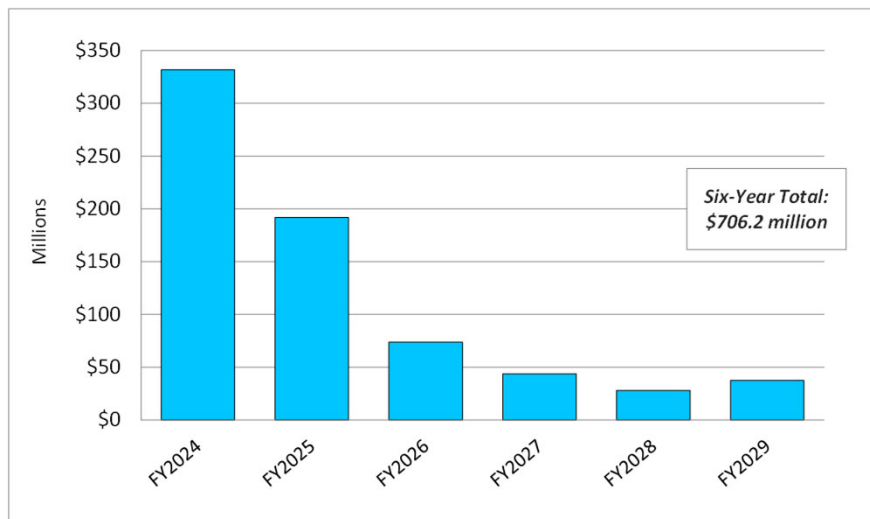
Key Infrastructure Investments (Joint Ventures)



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Key Infrastructure Investments (Total CIP)



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TVWD's Fund Structure

Five Funds Directly Support the Water Utility	
General Fund (01)	Administration, operations, and maintenance activity. All District staff are budgeted in this fund. This fund is appropriated in this biennial budget.
Capital Improvement Fund (11)	Accounts for the resources and expenditures used for acquisition or construction of major capital facilities. This fund is appropriated in this biennial budget.
Capital Reserve Fund (18)	Holds resources for current and future capital improvement and water supply projects. This fund is appropriated in this biennial budget.
Debt Proceeds Fund (22)	Holds proceeds from the District's debt portfolio including the revenue bonds, WIFIA loan proceeds, and other types of borrowings. This fund is appropriated in this biennial budget.
Revenue Bond Debt Service Fund (31)	Accounts for repayment of principal and interest on the District's revenue bonds. This fund is appropriated in this biennial budget.

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TVWD's Fund Structure (continued)

Four Funds Manage Partnerships	
Willamette Water Supply System Fund - WWSS (45)	An ORS chapter 190 Joint Venture with the cities of Beaverton, Hillsboro, and TVWD. TVWD serves as the managing agency providing administration, operations, project management and accounting services. This fund is appropriated in this biennial budget.
Willamette Intake Facilities Fund - WIF (44)	An ORS chapter 190 Joint Venture with the cities of Beaverton, Hillsboro, Sherwood, Tigard, Wilsonville, and TVWD. TVWD serves as the managing agency providing general administration, project management, and accounting services. This fund is appropriated in this biennial budget.
Willamette River Water Coalition Fund - WRWC (41)	An ORS chapter 190 Joint Venture with the cities of Sherwood, Tigard, Tualatin, and TVWD. TVWD serves as the managing agency providing general administration and accounting services. This fund is appropriated in this biennial budget.
Customer Emergency Assistance Fund (43)	Accounts for the resources, administration, and customer payments for those who qualify for emergency assistance. This fund is appropriated in this biennial budget.

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General Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ 42,330,036	\$ 50,095,791	\$ 7,765,755	18.3%	8.8%
Materials & Services	47,640,836	66,134,555	18,493,719	38.8%	17.8%
Capital Outlay	705,950	2,799,500	2,093,550	296.6%	99.1%
Special Payments	1,625,000	2,035,000	410,000	25.2%	11.9%
Interfund Transfers	83,500,000	127,341,737	43,841,737	52.5%	23.5%
Contingency	20,000,000	20,000,000	-	0.0%	0.0%
Total	\$ 195,801,822	\$ 268,406,583	\$ 72,604,761	37.1%	17.1%

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General Fund

Resources	
TVWD	\$ 271,790,713
Other Resources	17,600,670
Total Resources	\$ 289,391,383
Requirements	
Personnel Services	\$ 50,095,791
Materials & Services	66,134,555
Capital Outlay	2,799,500
Special Payments	2,035,000
Interfund Transfers	127,341,737
Contingency	20,000,000
Unappropriated	20,984,799
Total Requirements	\$ 289,391,383

Key Elements

- Builds capacity for future operations of the WWSS
- Approximately 25% increase in Purchase Water Costs
- Funds all personnel services for the District – including WWSP

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Capital Improvement Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	379,582,670	523,589,659	144,006,989	37.9%	17.4%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	-	-	-	NA	NA
Total	\$ 379,582,670	\$ 523,589,659	\$ 144,006,989	37.9%	17.4%

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Capital Improvement Fund

Resources	
TVWD	\$ 520,089,659
Other Partners	3,500,000
Total Resources	\$ 523,589,659
Requirements	
Materials & Services	\$ 0
Capital Outlay	523,589,659
Contingency	0
Total Requirements	\$ 523,589,659

Key Elements

- AMI
- Metzger Pipeline East (MPE)
- In-District investments
- Joint Ventures

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Capital Reserve Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	376,262,670	471,065,937	94,803,267	25.2%	11.9%
Contingency	-	-	-	NA	NA
Total	\$ 376,262,670	\$ 471,065,937	\$ 94,803,267	25.2%	11.9%

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Capital Reserve Fund

Resources	
Beginning Balance	\$ 108,757,547
Interest Income	\$ 5,221,939
Contributions	\$ 12,483,366
Interfund Transfer	434,436,597
Total Resources	\$ 560,899,449
Requirements	
Interfund Transfer	\$ 471,065,937
Unappropriated	89,833,512
Total Requirements	\$ 560,899,449

Key Elements

- Accounts for financial reserves
- Transfers to the District Capital Improvement Fund
- Resources include SDC revenues, meter & services install fees, interest earnings, transfers-in from other funds

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Debt Proceeds Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	-	-	-	NA	NA
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	226,500,000	363,460,319	136,960,319	60.5%	26.7%
Contingency	-	-	-	NA	NA
Total	\$ 226,500,000	\$ 363,460,319	\$ 136,960,319	60.5%	26.7%

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Debt Proceeds Fund

Resources	
Beginning Balance	\$ 99,023,722
Interest Income	330,079
Bond Proceeds	264,106,518
Total Resources	\$ 363,460,319
Requirements	
Materials & Services	\$ 0
Interfund Transfer	363,460,319
Contingency	0
Total Requirements	\$ 363,460,319

Key Elements

- Accounts for proceeds of borrowing
- Anticipated WIFIA draws during biennium
- Interfund transfers to the Capital Reserve Fund

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Customer Emergency Assistance Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	531,035	319,875	(211,160)	-39.8%	-22.4%
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	-	-	-	NA	NA
Total	\$ 531,035	\$ 319,875	\$ (211,160)	-39.8%	-22.4%

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Customer Emergency Assistance Fund

Resources	
Beginning Balance	\$ 250,000
Donations & Interest	18,750
Transfers In	51,125
Total Resources	\$ 319,875
Requirements	
Materials & Services	\$ 319,875
Capital Outlay	0
Total Requirements	\$ 319,875

Key Elements

- Provides emergency relief to qualified customers
- Qualification provided by third party
- Sources of Funds:
 - Customer donations
 - Commissioners and staff
 - Budgeted funds
- Interest earnings remain within Fund

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Willamette Water Supply System Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	2,343,405	2,698,100	354,695	15.1%	7.3%
Capital Outlay	452,289,650	651,226,029	198,936,379	44.0%	20.0%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	235,000	269,000	34,000	14.5%	7.0%
Total	\$ 454,868,055	\$ 654,193,129	\$ 199,325,074	43.8%	19.9%

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Willamette Water Supply System Commission

Key Elements

Resources	
TVWD	\$ 386,803,478
Other Partners	267,355,650
Total Resources	\$ 654,159,129
Requirements	
Materials & Services	\$ 2,698,100
Capital Outlay	651,226,029
Contingency	235,000
Total Requirements	\$ 654,159,129

- Joint venture of TVWD, and the cities of Beaverton and Hillsboro
- TVWD serves as managing agency
- TVWD’s share of operating expenses are budgeted in Administration Regional Partnerships
- The budget is set annually by the WWSS Commission Board
- Constructs and operates the Willamette Water Supply System

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Willamette Intake Facilities Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	1,056,920	1,013,495	(43,425)	-4.1%	-2.1%
Capital Outlay	6,533,736	11,000	(6,522,736)	-99.8%	-95.9%
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	107,000	101,000	(6,000)	-5.6%	-2.8%
Total	\$ 7,697,656	\$ 1,125,495	\$ (6,572,161)	-85.4%	-61.8%

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Willamette Intake Facilities Commission

Resources	
TVWD	\$ 444,383
Other Partners	681,112
Total Resources	\$ 1,125,495
Requirements	
Materials & Services	\$ 1,013,495
Capital Outlay	11,000
Contingency	101,000
Total Requirements	\$ 1,125,495

Key Elements

- Joint venture of TVWD, and cities of Beaverton, Hillsboro, Sherwood, Tigard, and Wilsonville
- TVWD serves as managing agency
- TVWD's share of operating expenses are budgeted in Administration Regional Partnerships
- The budget is set annually by the WIF Commission Board
- Constructs and operates the Willamette Intake Facilities on the Willamette River

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Willamette River Water Coalition Fund

Description	2021-23 Budget	Proposed Budget	Change	Percent Change	Annualized Percent
Personnel Services	\$ -	\$ -	\$ -	NA	NA
Materials & Services	114,300	279,300	165,000	144.4%	56.3%
Capital Outlay	-	-	-	NA	NA
Special Payments	-	-	-	NA	NA
Interfund Transfers	-	-	-	NA	NA
Contingency	11,650	27,900	16,250	139.5%	54.8%
Total	\$ 125,950	\$ 307,200	\$ 181,250	143.9%	56.2%

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Willamette River Water Coalition

Resources	
TVWD	\$ 137,626
Other Partners	169,574
Total Resources	\$ 307,200
Requirements	
Materials & Services	\$ 279,300
Capital Outlay	0
Contingency	27,900
Total Requirements	\$ 307,200

Key Elements

- Joint venture of TVWD, and cities of Sherwood, Tigard, and Tualatin
- TVWD serves as the managing agency
- TVWD's dues are budgeted in Regional Partnerships
- The WRWC budget is set annually by its governing board
- Primarily focused on water rights on the Willamette River

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Appropriations Summary - Proposed 2023- 25 Budget

	2021-23 Biennial Adopted Budget	2023-25 Biennial Proposed Budget	% Change from 2021-23 Biennial
Sources of Funds			
Operating Revenue	\$ 180,495,611	\$ 243,881,950	35.1%
Non-Operating Revenue	472,586,886	670,849,588	42.0%
Total Revenues:	\$ 653,082,497	\$ 914,731,538	40.1%
Transfers In From Other Funds	686,262,670	961,867,993	40.2%
Debt Resources	226,500,000	264,106,518	
Beginning Fund Balances	93,893,898	259,873,626	176.8%
Total Sources	\$ 1,659,739,065	\$ 2,400,579,675	44.6%
Uses of Funds			
Personnel Services	\$ 42,330,036	\$ 50,095,791	18.3%
Materials and Services	51,686,496	70,445,325	36.3%
Capital Outlay	839,112,006	1,177,626,187	40.3%
Debt Service	-	7,290,612	N/A
Special Payments	1,625,000	2,035,000	25.2%
Contingency	20,353,650	20,397,900	0.2%
Transfers Out To Other Funds	686,262,670	961,867,993	40.2%
Total Appropriations:	\$ 1,641,369,858	\$ 2,289,758,809	39.5%
Ending Fund Balances	18,369,207	110,820,866	503.3%
Total Uses	\$ 1,659,739,065	\$ 2,400,579,675	44.6%

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Summary

2023-25 Challenges

- Building capacity to operate the WWSS/WIF
- Continuing large infrastructure investments
- Pursuing financial assistance

Proposed 2023-25 Budget

- Funds initiatives based on strategic plan
- Maintains current service levels with limited additions for strategic initiatives
- Recognizes impact of pandemic on customers by funding bad debt expense and newly proposed Customer Assistance Program
- Funds District's infrastructure investments
- Funds District transition to managing agency for the WWSS and WIF

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Maintaining Focus on Priorities

Human Investment	Intergovernmental Relations	Business Intelligence	Efficiency Through Modernization	Current Initiatives
<ul style="list-style-type: none"> • Prepare employees to be successful in meeting the future requirements of the District. 	<ul style="list-style-type: none"> • Improve relationships with local governments and neighboring utilities to solidify TVWD as a necessary and desired regional resource. 	<ul style="list-style-type: none"> • Improve planning and the District's ability to respond by developing actionable information from disparate sources of data. 	<ul style="list-style-type: none"> • Improve the service levels provided to our customers and find long-term strategies to lower the cost of doing so. 	<ul style="list-style-type: none"> • Successfully execute and complete the initiatives currently underway.



TVWD is in Transition





Recommendation

2023-25 Biennial Budget
Committee Meeting

May 31, 2023

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Management Recommendation

Budget Committee

- Approve TVWD’s 2023-25 Biennial Budget as proposed
- Recommend the Board of Commissioners Adopt the Approved Budget

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Questions and Answers

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Next Steps

- Future Meetings
 - Board of Commissioners Meeting Consider Adoption of 2023-25 Budget: Wednesday, June 21st at 6:00 pm
- Questions for the Team

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