

Willamette Water Supply System Commission

Board Meeting
Thursday, February 2, 2023
12:00 PM

Microsoft Teams Meeting

**Willamette Water Supply System Commission
Board Meeting Agenda
Thursday, February 2, 2023 | 12:00 – 1:30 PM
Microsoft Teams Meeting**

This meeting will not be held at a physical location. If you wish to attend and need dial-in information, please contact annette.rehms@tvwd.org or call 971-222-5957 by 10:00 a.m. on February 2, 2023.

If you wish to address the WWSS Board, please request the Public Comment Form and return it 48 hours prior to the day of the meeting.

The meeting is accessible to persons with disabilities and those who need qualified bilingual interpreters. A request for an interpreter for the hearing impaired, a bilingual interpreter or for other accommodations should be made at least 72 hours before the meeting to the contact listed above.

REGULAR SESSION – 12:00 PM

CALL TO ORDER

1. GENERAL MANAGER’S REPORT – *Dave Kraska*

Brief presentation on current activities relative to the WWSS 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

These items are considered to be routine and may be approved in one motion without separate discussion. Any Board member may request that an item be removed by motion for discussion and separate action. Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Board has approved those items which do not require discussion.

A. Approve the December 1, 2022 meeting minutes

B. Accept Financial Statement and Report of Independent Auditor for the Fiscal Year ended June 30, 2022

4. BUSINESS AGENDA

A. Election of Officers – *Dave Kraska*

B. Adopt Fiscal Year 2023-2024 Annual Work Plan and Budget and WWSP Capital Improvement Plan (Baseline 8.1) – *Justin Carlton*

C. Adopt Congressional Directed Spending Grant Technical Correction – *Justin Carlton*

5. INFORMATION ITEMS

A. Planned April Business Agenda items – *Joelle Bennett*

B. The next Board Meeting is scheduled on April 6, 2023, via Microsoft Teams

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled

ADJOURNMENT

Willamette Water Supply System Commission

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GENERAL MANAGER'S REPORT

To: WWSS Board of Commissioners
From: David Kraska, P.E., WWSS General Manager
Date: February 2, 2023
Subject: Willamette Water Supply System General Manager's Report

This report provides an overview of some of the current Willamette Water Supply System (WWSS) work efforts under the direction of this Commission, beginning with a Safety Minute presentation.

- 1. Update on Possible Move to Hybrid Meetings** – At the October 6, 2022 WWSS Commission Board meeting, staff provided an update on the possible move to hybrid meetings. TVWD is still in the process of acquiring the needed equipment to facilitate holding hybrid meetings in its boardroom. Accordingly, we recommend the April 2023 meeting be held virtually. Once TVWD has successfully updated its boardroom to support hybrid meetings, we will inform this Board at the following meeting and discuss the possibility of transitioning from virtual meetings to in-person or hybrid board meetings.
- 2. Acceptance of Financial Statements and Report of Independent Auditor** – On the consent agenda for today's meeting is the consideration of accepting by motion both the financial statements for the fiscal year ended June 30, 2022, and the report of the independent auditor. As the Managing Agency, TVWD prepared the WWSS Commission's financial statements for the fiscal year ended June 30, 2022. Moss Adams LLP, TVWD's independent auditor, has completed its audit of these financial statements. Moss Adams has provided an unmodified opinion on the WWSS Commission's financial statements. An unmodified opinion is commonly referred to as a "clean audit." Acceptance of the financial statements and the report of the independent auditor by the WWSS Commission Board validates the filing of the financial statements with the Oregon Secretary of State as required by Oregon law.
- 3. Quarterly Financial Report** – Task 4.d. of the Annual Work Plan requires the Managing Agency to prepare quarterly financial reports and provide them to the WWSS Commission Board as part of the packet. Attached to this General Manager's report is the WWSS Commission's quarterly financial statement for the period ending December 31, 2022.
- 4. Willamette Water Supply System Insurance Renewal** – The 2023 renewal of the Special Districts Insurance Services (SDIS) Liability Coverage insurance has been completed and the new policy took effect on January 1, 2022. There were minimal changes in coverage and the premium was within budget at \$7,518.00. Effective January 1, 2023, a Social Engineering Sublimit of \$250,000 was added to the policy to cover money stolen through fraud schemes. This new sublimit is due to the continued increase in Social Engineering Fraud claims locally and nationwide. In addition to having insurance for it, TVWD as the Managing Agency for the WWSS Commission will continue to guard against this risk through its operations controls and on-going employee education.

- 5. Permitting and Communications Updates** – The Willamette Water Supply Program (WWSP) permitting efforts remain very active. Attached to this General Manager's Report is a tabulation of the permits and approvals recently granted, and the status of those currently in process.

Permitting highlights:

- Staff finalized the terms of the reimbursement agreement with Bonneville Power Administration (BPA) for the design and relocation of power lines within the Pipeline Main (PLM)_1.3 project.
- Washington County issued two more building permits for the Reservoir (RES)_1.0 project's East Valve and Flow Meter Vaults this month. Two additional building permits for the reservoir structure and water quality buildings are currently under review by the County. The final three final building permit applications are being prepared for submission for the engine generator platform, light pole platform, and permanent fence.
- WWSP staff recently met with Oregon Department of Environmental Quality (DEQ) staff to tour the Wilsonville Area Pipeline Project (PLM_1.3) in Wilsonville. The tour, requested by the new DEQ 401 Water Quality Certification Specialist assigned to the WWSP, provided an opportunity to educate the DEQ about the WWSP, our erosion control protocols, and the effectiveness of those protocols after the recent winter rains.

Communications highlights:

- WWSP staff recently held a "Meet the Contractor" event for neighbors of the Cornelius Pass Road (PLW_2.1) pipeline project, located in the northeast corner of Orenco Woods Nature Park (OWNP) and through the WWSS owned property west of Cornelius Pass Road. The meeting began by introducing the construction team, which included staff from general contractor, Moore Excavation, Inc. (MEI). Staff from WWSP, Metro, and City of Hillsboro Water and Parks & Recreation departments provided information about the project timeline and wildlife protection measures. The presentation also described the efforts to create additional wildlife habitat in OWINP and at Jackson Bottom Wetland, using trees and brush removed during pipeline installation. Vegetation clearing work begins later this month in advance of bird nesting season.

- 6. Construction and Operations Readiness Status Updates** – Attached to this General Manager's Report is a tabulation of the status of all the active construction projects. To provide a more complete understanding of the work underway, we will share a presentation of recent photos from these construction sites, and the status of our efforts to prepare for operations. A copy of this presentation is attached to this General Manager's report.

Willamette Water Supply Program Permits and Approvals – Recent Actions and Status

Date of Report: January 19, 2023

Permits and Approvals Recently Granted

Agency	Projects Involved	Permit or Approval Granted
BPA	PLM_1.3	Reimbursement Agreement, fully executed
City of Wilsonville	PLM_1.3	Partial Erosion Control Permit (Kinsman)
City of Beaverton	MPE_1.2	Plumbing Permit for PFC Facility
Washington County	PLM_4.3	Temporary Lane Closure and Right of Way Utility Permit Amendments
Washington County	RES_1.0	Building Permits (East and Flow Meter Valve Vaults)
DEQ	WTP_1.0	Stormwater Discharge Permit

Permits and Approvals Submitted

Agency	Projects Involved	Permit or Approval Submitted
US Fish and Wildlife Services	System-wide	Annual report submitted to USFWS
US Army Corps of Engineers	System-wide	Annual report submitted to USACE
Oregon Dept. Fish & Wildlife	System-wide	Annual report submitted to ODFW

Permits and Approvals in Progress

Agency	Projects Involved	Permit or Approval in Progress
City of Beaverton	MPE_1.2	PFC Facility Electrical and Mechanical permits
Washington County	MPE_1.3	Electrical and Temporary Road Closure permits; Beaverton Noise/Night Variance Permit
Washington County	PLM_3.0	Noise Variance
Washington County	PLM_4.2	Cipole Night Variance; Sherwood Right of Way and Temporary Road Closure permits; Tualatin Detour Route and Sign Placement Permit (Herman and 124th)
Washington County	PLM_4.3	Electrical, Noise Variance
Washington County	PLW_2.1	ROW Access Permit; Type I Land Use, Building, Private Utility permits
Washington County	RES_1.0	Mechanical and Electrical Permits
Washington County	PLM_5.3/RES_1.0	ROW Utility and Access Permit Renewals (11 renewals)

Anticipated Approvals

Agency	Projects Involved	Permit or Approval Anticipated
City of Sherwood	PLM_4.2	Right of Way, Temporary Road Closure, Engineering permits; Tualatin Detour Route and Sign Placement Permit (Herman and 124 th)
City of Sherwood	WTP_1.0	Plan Review, Retaining Wall Permit, Mechanical permits; Washington County Facility Permit
Washington County	PLM_4.3	Noise Variance

Washington County	PLW_2.1	ROW Access Permit; Building, Grading and Erosion Control, Public Infrastructure, Private Utility permits
Washington County	RES_1.0	Building Permits (2)

Willamette Water Supply Program Projects in Construction – Recent Status Update

Date of Report: January 19, 2023

Project	Description	Progress Since Last Month
1. RWF_1.0	Raw Water Facilities project located at the Willamette River Water Treatment Plant in Wilsonville	<ul style="list-style-type: none"> - Completed Lower Site drainage improvements, curb, and railing. - Achieved GMP-1.5 Substantial and Final Completion. - GMP-2 work has commenced: <ul style="list-style-type: none"> · Electrical subcontractor is fully mobilized to site · Processing submittals. · Prepared piles and subgrade for slab at Electrical Building. · Under-slab electrical conduit installation to begin soon.
2. PLM_1.3	Raw water pipeline project in Wilsonville from Wilsonville Road to Garden Acres Road	<ul style="list-style-type: none"> - Staging area preparation and mobilization. - Pavement saw cutting for pipe alignment. - Tree protection fencing and tree removal. - Temporary driveway construction. - 66" open cut waterline work to start in late January.
3. WTP_1.0	Water Treatment Plant project, located in City of Sherwood, near the intersection of SW Tualatin-Sherwood Road and SW 124 th Avenue	<ul style="list-style-type: none"> - Continue mass excavation and grading. - Temporary electrical duct banks. - Concrete placements at Area 30 (UV building). - Concrete placements at Area 53 (Finished Water Pump Station building). - Continue setup of staging/warehouse area. - Submittals and BIM modeling.
4. PLM_4.2	Finished water pipeline project being completed in partnership with Washington County's Tualatin-Sherwood Road Project, (WWSS pipeline from Langer Farms Parkway to SW 124 th Avenue, Washington County work continues east to Teton Avenue)	<ul style="list-style-type: none"> - Road widening along south side of Tualatin-Sherwood Road. - Retaining walls and storm drain installation - Utility relocations. - WWSP submittals.
5. PLM_4.1	Finished water pipeline project being completed in partnership with Washington County's Highway 99 Crossing Pipeline and Tualatin-Sherwood Road – Langer Farms Parkway to Borchers Drive	<ul style="list-style-type: none"> - Completed trenchless crossing of Hwy 99. - 66" waterline installed from Hwy 99 to Borchers. - Installation of 66" continuing east along Tualatin-Sherwood Road. - Continue road widening on Tualatin-Sherwood Road.
6. PLM_4.4	Finished water pipeline project being completed in partnership with Washington County's Roy Rogers Road – Chicken Creek to Borchers Drive	<ul style="list-style-type: none"> - Processing WWSP submittals and RFIs. - Sound wall installation is nearing completion. - Storm drain improvements starting in January. - Concrete curbs to be installed soon. - 66" pipe installation scheduled to start in spring.
7. PLM_4.3	Finished water pipeline project in unincorporated Washington County along Roy Rogers Road	<ul style="list-style-type: none"> - Access and haul roads for waterline construction.

		<ul style="list-style-type: none"> - Microtunneling subcontractor setting up for tunneling the Tualatin River Crossing to start in late January. - 66" open cut pipe installed along Roy Rogers Road north of Beef Bend Road.
8. RES_1.0/ PLM_5.3	Water Storage Tank and finished water pipeline project in rural Washington County. Tank site at SW Grabhorn Road and Stonecreek Drive. Pipeline extends from SW Grabhorn Road at SW Tile Flat Road Clark Hill to SW Rosedale Road at future Cornelius Pass Extension	<p>RES_1.0:</p> <ul style="list-style-type: none"> - Completed construction of the soil nail/rock bolt retaining walls. - RES_1.0 – Completed excavation of 66" yard piping and valve vaults. - RES_1.0 – Continue preparing water tank subgrade and underdrain piping. - RES_1.0 – Continue detention basin final subgrade and lining. - RES_1.0 – Subcontractor mobilization and preparation for the 66" butterfly valve vault and flow meter vault construction. <p>PLM_5.3:</p> <ul style="list-style-type: none"> - Continue installation of 66" waterline – approximately 9,000 LF (45%) installed. - PLM_5.3 – Completed ground improvement (cement deep soil mixing). - Continue trenchless crossing of Farmington Rd. – Approximately 103 ft out of 124 ft complete (84%).
9. PLW_1.3	Finished water pipeline project in South Hillsboro from SW Farmington Road to SE Blanton Street	<ul style="list-style-type: none"> - Farmington turnout vault piping and electrical work. - Butternut Creek turnout electrical and control panels. - Correction of deficiency list item.
10. PLW_1.2	Finished water pipeline project being completed in partnership with Washington County's Cornelius Pass Road – Frances Street and Tualatin Valley Highway	<ul style="list-style-type: none"> - Installing 48" waterline installation between Johnson Street and TV Hwy. on Cornelius Pass Road. - Completed Johnson Street crossing. - Cornelius Pass Road crossing in March 2023. - Soundwall pilaster installation on Cornelius Pass Road.
11. MPE_1.1/ COB_1.1	Finished water pipeline project being completed in partnership with the City of Beaverton's SW Western Avenue project	<ul style="list-style-type: none"> - Continued work on test stations, flow meter vault, bypass piping and air valve appurtenance piping. - Installation of City of Beaverton 16" water main in Western Avenue nearly complete. - City of Beaverton water service connections and tie-ins from 5th Street to Beaverton Hillsdale Highway. - City stormwater, paving and curb improvements along Western Avenue.
12. MPE_1.2/ COB_1.2	Finished water pipeline project in Beaverton from SW Scholls Ferry Road at Greenway Park to SW Allen Boulevard at Western Avenue	<ul style="list-style-type: none"> - Annular space grout at tunnel #1 at lower Fanno Creek crossing. - 16" City of Beaverton waterline on Scholls Ferry Road. - City of Beaverton waterline Cascade, Scholls Ferry and Denney Road service transfers. - Continue 48" open cut waterline on Scholls Ferry Rd up to Denney Road. - PFC facility meter vault and underground piping.

13. MPE_1.3	Finished water pipeline project in Beaverton on Scholls Ferry Road from Roy Rogers Road to Greenway Park	<ul style="list-style-type: none">- Processing submittals.- Upcoming PGE relocation.- Begin Roy Rogers turnout vault.- Pipe delivery.
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Willamette Water Supply

Our Reliable Water

Safety Minute: Freeze the Grease

February 2, 2022

1

Freeze the Grease this Holiday Season

- Grease from cooking may look harmless as a liquid, but when it cools it gets thick and sticky.
- Grease poured down drains will stick to pipe walls leading to clogs and overflows.



2

Freeze the Grease this Holiday Season

- Prevent backups in your home plumbing through proper grease disposal:
 - Pour it into a can
 - Freeze it
 - Toss it in the trash



3

Freeze the Grease this Holiday Season

- Clean Water Services offers free [“Freeze the Grease, Save the Drain”](#) kits.
- Call 503.681.3678 to request one. Use the pan scraper, plastic lid, and instructions to properly dispose of fats, oils, and grease



<https://cleanwaterservices.org/community-home/resources/dispose/grease/>

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Willamette Water Supply System Commission

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Willamette Water Supply System
 For the annual budget period ending June 30, 2023
 For the quarter ended December 31, 2022

Activity for the Quarter			Unaudited	Annual				
Budget	Actual	Variance		Annual Budget	Budget To date	Actual	Variance	Remaining Budget
			Revenues					
\$ 324,353	\$ 136,146	\$ (188,206)	Admin Services	\$ 1,297,410	\$ 324,353	\$ 232,428	\$ (91,925)	\$ 1,064,982
	\$ 100		Miscellaneous Income			\$ 100		
93,160,895	52,040,205	(41,120,690)	Capital contributions	372,643,578	\$ 93,160,895	67,600,972	(25,559,922)	305,042,606
\$ 93,485,247	\$ 52,176,451	\$ (41,308,896)	Total Revenues	\$ 373,940,988	\$ 93,485,247	\$ 67,833,500	\$ (25,651,847)	\$ 306,107,588
			Expenditures					
\$ 299,353	\$ 135,166	\$ 164,186	Materials and Services	\$ 1,197,410	\$ 299,353	\$ 232,428	\$ 66,925	\$ 964,982
93,160,895	52,040,205	41,120,690	Capital Outlay	372,643,578	\$ 93,160,895	67,600,972	25,559,922	305,042,606
25,000	-	25,000	Contingency	100,000	\$ 25,000	-	25,000	100,000
\$ 93,485,247	\$ 52,175,371	\$ 41,309,876	Total Expenditures	\$ 373,940,988	\$ 93,485,247	\$ 67,833,400	\$ 25,651,847	\$ 306,107,588

Willamette Water Supply System Commission

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MEMORANDUM

DATE: January 1, 2023

TO: SDIS Independent Insurance Agents & SDIS Property/Casualty Insurance Program Participants

FROM: Underwriting Department

RE: 2023 SDIS Property/Casualty Insurance Renewal

RENEWAL PACKET INFORMATION:

Included with this memo is the 2023 SDIS property/casualty coverage final renewal packet. This packet contains your district's invoice, declarations, schedules, loss runs and a comparison report.

Please note that this reflects *all* changes made prior to January 1, 2023. Any changes made on or after January 1st will be invoiced separately as a mid-term change in early February.

CHANGES IN COVERAGE:**Equipment Breakdown Coverage**

Effective 1/1/2023, Travelers Casualty Company of America will be providing Equipment Breakdown Coverage for members that elect this coverage. There are no significant changes in coverage from what CNA provided Trust members in the past.

We will communicate contact information for jurisdictional inspections and trainings as that becomes available.

Crime Coverage

As has been extensively reported in the media, instances of money being stolen through social engineering fraud schemes have increased in frequency and severity over the course of the last decade. The SDIS Trust has seen an uptick in the number of these claims. We have been fortunate that Travelers has continued to offer SDIS Trust members who purchase Comprehensive Crime Coverage a Social Engineering Fraud limit equal to their Employee Theft limit up to the maximum limit of \$1,000,000.

However, due to the increased Social Engineering Fraud claims activity locally and nationwide, Travelers has informed us that effective 1/1/2023 the limit for Social Engineering Fraud will be capped at \$250,000. This means that members whose Employee Theft Limits are greater than \$250,000 will find their Social Engineering Fraud coverage sub-limited to \$250,000. The Social Engineering Fraud limit for members

whose Employee Theft Limit is equal to or less than \$250,000 will continue to equal their Employee Theft Limit. This structure is consistent with coverage trends happening with other entities and pools.

Thank you for your continued support of Special Districts Insurance Services. We are pleased to continue offering the best coverage at the most affordable price for Oregon's special districts. If you have any questions or concerns, please contact us at undewriting@sdao.com or 800-285-5461.

Invoice

Invoice Number: 38P54290-5627 Entity ID: 54290 Effective Date: 1/1/2023 Expiration Date: 12/31/2023 Invoice Date: 01/01/2023

Named Participant

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record

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

Coverage

Contribution

SDIS Liability Coverage

\$7,094
Less Best Practices Credit (\$709)
Less Multi-Line Discount (\$0)
Adjusted Contribution \$6,385

Auto Liability*

\$0
Less Best Practices Credit (\$0)
Less Multi-Line Discount (\$0)
Adjusted Contribution \$0

**Non-owned and Hired Auto Liability
Auto Physical Damage**

\$175
\$0
Less Multi-Line Discount (\$0)
Adjusted Contribution \$0

**Hired Auto Physical Damage
Property**

\$0
\$0
Less Best Practices Credit (\$0)
Less Multi-Line Discount (\$0)
Adjusted Contribution \$0

Earthquake

\$0

Flood

\$0

Equipment Breakdown

\$0

Crime

\$958

Total \$7,518

2023 Longevity Credit **
Not Eligible

The listed coverages are only extended when a specific dollar amount or the word "included" is indicated in the Contribution column. Your payment evidences acceptance of this renewal. Please use the coupon on the following page to help us apply your payment.

* Includes Excess Auto and Auto Supplemental coverages.

** Longevity Credit amount is only for illustration. Eligible members should expect to receive checks in February or March.

Your Contribution is due on 3/1/2023

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

Make Checks Payable to:

Special Districts Insurance Services
PO Box 12613
Salem, OR 97309

Member: Willamette Water Supply System

Member ID: 01-54290

Total Due: \$7,518

Check # _____

Amount \$ _____

SDIS Liability Coverage Declarations

Certificate Number: 38P54290-5627

Coverage Period: 1/1/2023 through 12/31/2023

Named Participant

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record

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

SDIS Liability Coverage: Description	Limit ⁽¹⁾	Deductible ^{(2) (3)}
Per Occurrence Limit of Liability	\$10,000,000	None
Per Wrongful Act Limit of Liability	\$10,000,000	None
Annual Aggregate Limit of Liability	No Limit Except As Outlined Below	None

Additional Coverages: List only includes sublimited Additional Coverages. Unless indicated in Section III Additional Coverages, of the SDIS Liability Coverage Document, the following limits are not added to the above identified Limit(s) of Liability.

Coverage	Limit ⁽⁴⁾	Participant Limit ⁽⁵⁾	All Participants Limit ⁽⁶⁾	Deductible	Contribution
Ethics Complaint Defense Costs	\$2,500	\$5,000		None	Included
EEOC/BOLI Defense Costs	\$10,000,000			None	Included
Limited Pollution Coverage	\$250,000	\$250,000		None	Included
Injunctive Relief Defense Costs	\$25,000	\$25,000	Not Applicable ⁽⁷⁾	None	Included
Criminal Defense Costs	\$100,000	\$100,000	\$500,000	None	Included
Premises Medical Expense	\$5,000	\$5,000		None	Included
Fungal Pathogens (Mold) Defense Costs	\$100,000	\$100,000		None	Included
Applicators Pollution Coverage	\$50,000	\$50,000		None	Included
Lead Sublimit Defense Costs	\$50,000	\$50,000	\$200,000	None	Included
Marine Salvage Expense Reimbursement	\$250,000	\$250,000		None	Included
OCITPA Expense Reimbursement	\$100,000	\$100,000	\$500,000	None	Included
Data Disclosure Liability	\$1,000,000	\$1,000,000	\$5,000,000	None	Included
Communicable Disease Defense	\$50,000	\$50,000	\$2,000,000	None	<u>Included</u>
				Total Contribution:	\$6,385

Reference

- (1) Subject to a \$25,000,000 maximum limit for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act.
- (2) Subject to a \$10,000 controlled burn deductible for failure to follow DPSST guidelines.
- (3) Subject to a \$25,000 Employment Practices Deductible when SDIS not contacted for legal advice prior to termination.
- (4) Named Participant's maximum limit per Occurrence or Wrongful Act.
- (5) Named Participant's maximum limit for the Coverage Period.
- (6) Maximum limit of coverage, for all SDIS Trust Participants for the Coverage Period. Does not apply to Injunctive Relief Defense Costs (7).
- (7) Maximum limit of coverage, for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act, is \$100,000.

Forms applicable to Named Participant: SDIS Liability Coverage Document - 01/01/2023

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Liability Coverage Document. This certificate only represents a brief and incomplete summary of coverage. Other conditions and exclusions apply as described in the SDIS Liability Coverage Document. Titles are provided for convenience of reference and shall not be deemed to in any way to limit or affect the provisions to which they relate.

Countersigned by: Frank Shattuck
Authorized Representative
Property and Casualty Coverage for Education Trust

Date: January 01, 2023

Auto Liability and Auto Physical Damage Coverage Declarations

Certificate Number: 38P54290-5627

Coverage Period: 1/1/2023 through 12/31/2023

Named Participant

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record

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

Coverage is only provided for those coverages indicated below for which a contribution is shown.

Auto Liability

Coverage	Per Accident Limit of Liability	Deductible	Contribution
Auto Liability	No Coverage	None	No Coverage
Non-Owned/ Hired Auto Liability	\$500,000	None	\$175

Applicable Coverage Document: SDIS Auto Liability Coverage Document January 1, 2023

Auto Physical Damage

Coverage	Per Accident Limit of Liability	Deductible	Contribution
Auto Physical Damage	No Coverage	N/A	No Coverage
Hired Auto Physical Damage	No Coverage	No Coverage*	No Coverage

Applicable Coverage Document: SDIS Auto Physical Damage Coverage Document January 1, 2023

This Certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Auto Liability Coverage Document and SDIS Auto Physical Damage Coverage Document. This certificate only represents a brief and incomplete summary of coverage. Other conditions and exclusions apply as described in the SDIS Auto Liability Coverage Document and SDIS Auto Physical Damage Coverage Document. Titles are provided for convenience of reference and shall not be deemed to in any way to limit or affect the provisions to which they relate.

Countersigned by:



Date: January 01, 2023

Authorized Representative
Special Districts Insurance Services

* If two deductibles are displayed (ie: \$100/\$200), the first applies to Comprehensive Coverage and the second Collision Coverage.

Auto Excess Liability Coverage Declarations

Certificate Number: 38P54290-5627

Coverage Period: 1/1/2023 through 12/31/2023

Named ParticipantWillamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003**Agent of Record**Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

Coverage is only provided for those coverages indicated below for which a contribution is shown.

Excess Auto Liability

Coverage	Limit of Liability*	Retention	Contribution
Excess Auto Liability	\$9,500,000	No Coverage	No Coverage
Excess Non-Owned/ Hired Auto Liability	\$9,500,000	\$500,000	Included with Non-Owned/ Hired Auto Liability

Applicable Coverage Document: SDIS Excess Auto Liability Coverage Document - January 1, 2023

This Certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Excess Auto Liability Coverage Document. This Certificate only represents a brief and incomplete summary of coverage. Other conditions and exclusions apply as described in the SDIS Excess Auto Liability Coverage Document. Titles are provided for convenience of reference and shall not be deemed to in any way to limit or affect the provisions to which they relate.

Countersigned by:



Date: January 01, 2023

Authorized Representative
Special Districts Insurance Services

* Per Accident Limit of Liability.

Auto Supplemental Coverage Declarations

Certificate Number: 38P54290-5627

Coverage Period: 1/1/2023 through 12/31/2023

Named Participant

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record

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

Coverage is only provided for those coverages indicated below for which a contribution is shown.

Auto Supplemental

Coverage	Limit of Liability	Deductible	Contribution
Personal Injury Protection	No Coverage	N/A	N/A
Uninsured/ Underinsured Motorist Bodily Injury	\$500,000 Per Accident	None	Included with Auto Liability

Applicable Coverage Document: SDIS Auto Supplemental Coverage Document - January 1, 2023

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Auto Supplemental Coverage Document. This certificate only represents a brief and incomplete summary of coverage. Other conditions and exclusions apply as described in the SDIS Auto Supplemental Coverage Document. Titles are provided for convenience of reference and shall not be deemed to in any way to limit or affect the provisions which they relate.

Countersigned by:



Date: January 01, 2023

Authorized Representative
Special Districts Insurance Services

Comprehensive Crime Coverage Summary

Insured by Travelers Casualty and Surety Company of America

**Travelers Policy Number:** 105870359**Coverage Period:** 1/1/2023 through 12/31/2023**Named Participant**

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record

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

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

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

<u>Reference</u>	<u>Coverage (For Any One Loss)</u>	<u>Limit</u>	<u>Retention</u>
A1.	Employee Theft - Per Loss Includes Faithful Performance of Duty, same limit as A1, CRI -7126 Non-Compensated Officers, Directors-includes Volunteer Workers as employees, Deletion of Bonded Employee and Treasurer/ Tax Collectors Exclusion - CRI-19044	\$500,000	\$1,000
A2.	ERISA Fidelity - same limit as A.1 (CRI-19044)	\$500,000	\$1,000
B.	Forgery or Alteration	\$500,000	\$1,000
C.	On Premises	\$500,000	\$1,000
D.	In Transit	\$500,000	\$1,000
E.	Money Order Counterfeit Currency	\$500,000	\$1,000
F1.	Computer Fraud	\$500,000	\$1,000
F2.	Computer Restoration - same limit as A1 or maximum limit of \$100,000	\$100,000	\$1,000
G.	Funds Transfer Fraud	\$500,000	\$1,000
H1.	Personal Accounts Forgery or Alteration - same limit as A.1	\$500,000	\$1,000
H2.	Identity Fraud Expense Reimbursement - same limit as A1 or maximum of \$25,000	\$25,000	\$0
CRI-19070	Social Engineering Fraud - same limit as A1 or maximum of \$250,000	\$250,000	\$1,000
I.	Claims Expense	\$5,000	\$0
CRI-7072	Third Party Entity Funds Coverage	Not Covered	Not Covered

Contribution: \$958

This document provides a brief summary of Crime Coverage from Travelers Casualty and Surety Company of America (Travelers) and in-no-way replaces or supersedes the Travelers policy or coverage terms. Please refer to the Travelers Crime Coverage Form for detailed coverages, exclusions and conditions that may apply.

Willamette Water Supply System

Policy Year: 01/01/2023 to 12/31/2023

Agent: Brown & Brown Northwest-Portland

General Liability Schedule

Code	Description	Unit	Amount	Effective Date	Expiration Date	Contribution
540150	2022-2023 Budgeted Personal Services *	Dollars	\$0	1/1/2023	12/31/2023	\$0
540160	2022-2023 Budgeted Materials and Supplies *	Dollars	\$1,197,410	1/1/2023	12/31/2023	\$4,315
540170	2022-2023 Budgeted Contingencies *	Dollars		1/1/2023	12/31/2023	
540170H	2022-2023 Contingencies - Hydro Project*	Dollars		1/1/2023	12/31/2023	
540180	Number of Employees	Each		1/1/2023	12/31/2023	
540190	Number of Volunteers	Each		1/1/2023	12/31/2023	
540192	Number of Board Members	Each	3	1/1/2023	12/31/2023	\$0
540200	District Size	Sq Miles		1/1/2023	12/31/2023	
540210	Population Served	Each		1/1/2023	12/31/2023	
54039	Pipe Line	Miles	9	1/1/2023	12/31/2023	\$0
54100	Number of Drones (UAVs) Owned or Operated	Each		1/1/2023	12/31/2023	
54215	Buildings & Premises - Occupied by District	Sqf	10,904	1/1/2023	12/31/2023	\$0
54400	Boats	Each		1/1/2023	12/31/2023	
54411	Water Delivered Annually - Millions of Gallon	Gallons		1/1/2023	12/31/2023	
54522	Water District Lakes or Reservoirs	Each		1/1/2023	12/31/2023	
54522H	Lakes or Reservoirs - Hydro Project	Each		1/1/2023	12/31/2023	
54700	Water District Dams	Each		1/1/2023	12/31/2023	
54700H	Water District Dams - Hydro Project	Each		1/1/2023	12/31/2023	
54900	Dollars Paid For Services	Dollars	\$1,197,410	1/1/2023	12/31/2023	\$0
54946	Water Mains or Connections	Each		1/1/2023	12/31/2023	
54996	Fire Hydrants	Each		1/1/2023	12/31/2023	
54997	Events/Fundraisers - No Alcohol Served	Days		1/1/2023	12/31/2023	
54998	Events/Fundraisers - Alcohol Served	Days		1/1/2023	12/31/2023	
Total Contribution						\$4,315

Willamette Water Supply System

2022 - 2023 Policy Year Comparison Report

Agent: Brown & Brown Northwest-Portland

Report displays contribution difference (changes) between 2022 and the 2023 renewal in an effort to provide a general idea of rating components that influence contributions.

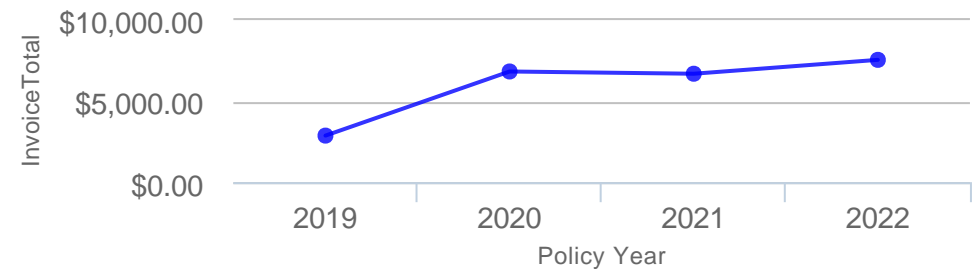
Coverage	2022 contribution	Change in exposures	2023 contribution	Total contribution change	Total % contribution change
General Liability	\$6,414	See Below	\$6,385	-\$29	-0.45%
Auto Liability	\$0		\$0	\$0	
Non-Owned Auto Liability	\$175		\$175	\$0	0.00%
Auto Physical Damage	\$0	\$0	\$0	\$0	
Non-Owned APD	\$0		\$0	\$0	
Property	\$0	\$0	\$0	\$0	
Earthquake	\$0	\$0	\$0	\$0	
Flood	\$0	\$0	\$0	\$0	
Equipment Breakdown	\$0	\$0	\$0	\$0	
Crime	\$958		\$958	\$0	0.00%
Total All Lines	\$7,547		\$7,518	-\$29	-0.38%

General Liability Exposure Comparison

Description	Last Year	This Year	Difference
2022-2023 Budgeted Materials and Supplies *	\$1,265,666	\$1,197,410	-\$68,256
2022-2023 Budgeted Personal Services *	\$0	\$0	\$0
Events/Fundraisers - Alcohol Served			\$0
Lakes or Reservoirs - Hydro Project			\$0
Water District Dams			\$0
Water District Dams - Hydro Project			\$0
Water District Lakes or Reservoirs			\$0

* Auto Liability Exposure = Number of Autos. Auto Physical Damage = Total Insured Automobile Values. Excess Liability = Materials and Supplies + Personal Services. Property and Boiler and Machinery = Total Insured Property Values.

Annual Contribution History



2023 Longevity Credit (see Longevity Credit Memo for details)

Amount: Not Eligible

2018-2022 Net Loss Ratio = 0.00%

Best Practices	Year	% Credit
	2022	10.00%
	2023	10.00%

Claims Schedule

No claims to report for policy years 2018 through 2023.

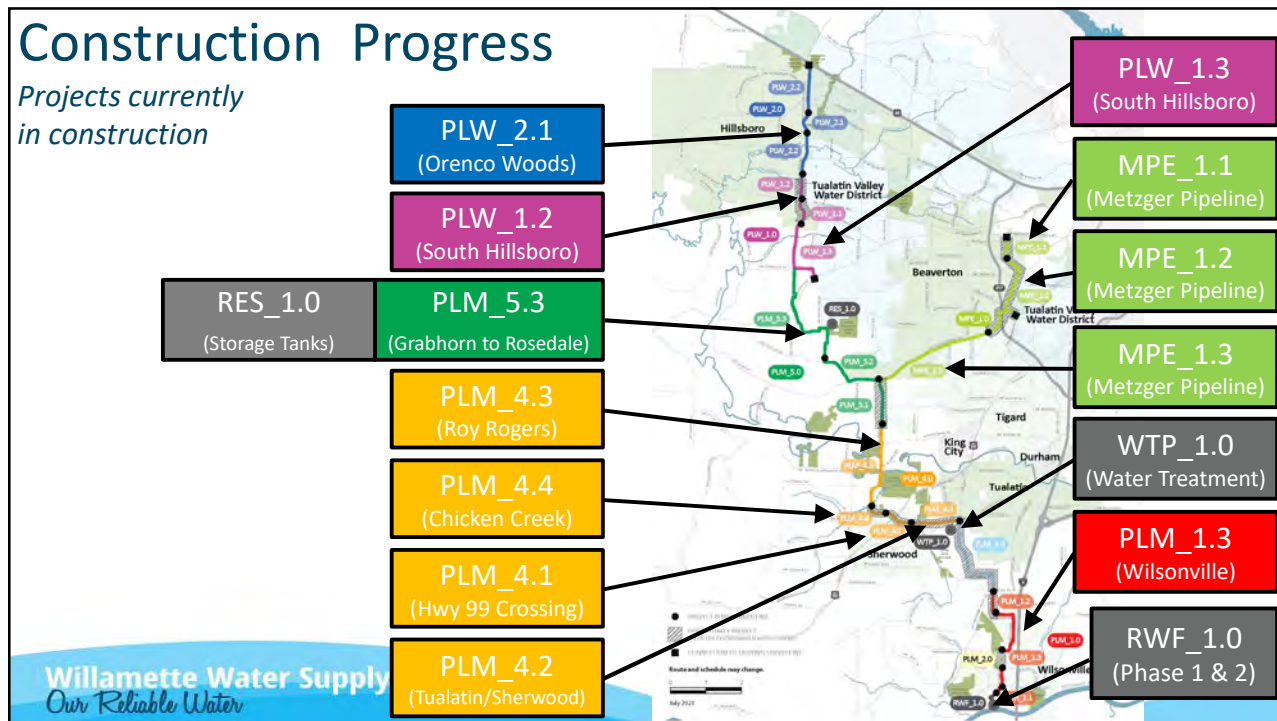
Willamette Water Supply

Our Reliable Water

WWSS Construction and Operational Readiness Status Updates

February 2, 2023

1



2

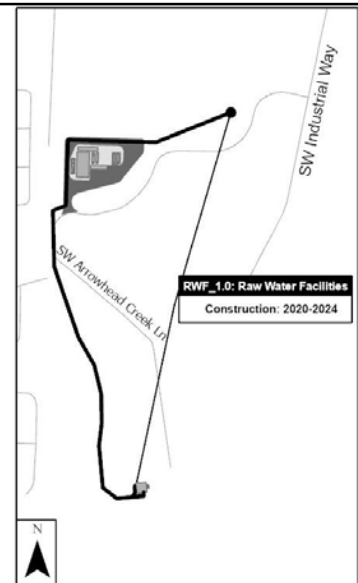
RWF_1.0 (GMP-2)

Contractor: Kiewit Infrastructure West Co.

Designer: Black & Veatch

Current and Planned Activities:

- Completed Lower Site drainage improvements, curb, and railing.
- Achieved GMP-1.5 Substantial and Final Completion
- GMP-2 work has commenced:
 - Electrical subcontractor is fully mobilized to site.
 - Processing submittals.
 - Prepared piles and subgrade for slab at Electrical Building.
 - Under-slab electrical conduit installation to begin soon.



Willamette Water Supply
Our Reliable Water

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Construction Photos – RWF_GMP-2.0

Upper Site: Electrical Building excavated to subgrade, foundation pile tops exposed



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Construction Photos – RWF_GMP-2.0

Lower Site: Park restoration complete. On-going landscape maintenance. Park open to public.



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Construction Photos – RWF_GMP-2.0

WRWTP & Lower Park Area: Completed lower site drainage improvements, Overlook area, pedestrian paths.



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PLM_1.3

Contractor: Moore Excavation Inc.
Designer: HDR

Current and Planned Activities:

- Staging area preparation and mobilization
- Pavement saw cutting for pipe alignment
- Tree protection fencing and tree removal
- Temporary driveway construction
- 66" open cut waterline work to start in late January



7

Construction Photos – PLM_1.3

Saw cutting along 95th Avenue



8

WTP_1.0

Contractor: Sundt Construction, Inc.

Designer: CDM Smith

Current and Planned Activities:

- Continue mass excavation and grading.
- Temporary electrical duct banks.
- Concrete placements at Area 30 (UV building).
- Concrete placements at Area 53 (Finished Water Pump Station building).
- Continue setup of staging/warehouse area.
- Submittals and BIM modeling.



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Construction Photos - WTP_1.0

Clearwell Area 35
and Finished Water
Pump Station Area
53



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Construction Photos - WTP_1.0

WTP site
looking south



Willamette Water Supply
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Construction Photos - WTP_1.0

WTP site
looking north



Willamette Water Supply
Our Reliable Water

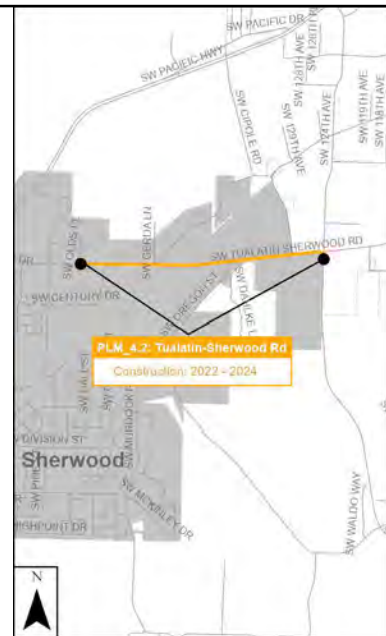
12

PLM_4.2

Partner: Washington County
 Contractor: Kerr/Emery JV
 Designer: Brown & Caldwell

Current and Planned Activities:

- Road widening south side of Tualatin-Sherwood Road.
- Retaining walls and storm drain installation.
- Utility relocations.
- WWSP submittals.



Construction Photos – PLM_4.2

Retaining wall work along Tualatin-Sherwood Road



PLM_4.1

Partner: Washington County
 Contractor: Moore Excavation Inc.
 Designer: Brown & Caldwell

Current and Planned Activities:

- Completed trenchless crossing of Hwy 99.
- 66" waterline installed from Hwy 99 to Borchers.
- Installation of 66" continuing east along Tualatin-Sherwood Road.
- Continue road widening on Tualatin-Sherwood Road.



Willamette Water Supply
 Our Reliable Water

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Construction Photos – PLM_4.1

66" pipe installation
 looking east
 (Intersection of
 Tualatin-Sherwood
 Road and Langer Farms
 Parkway)



Willamette Water Supply
 Our Reliable Water

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Construction Photos – PLM_4.1

Looking west along
Tualatin-Sherwood
Road at Baler Road.



Willamette Water Supply
Our Reliable Water

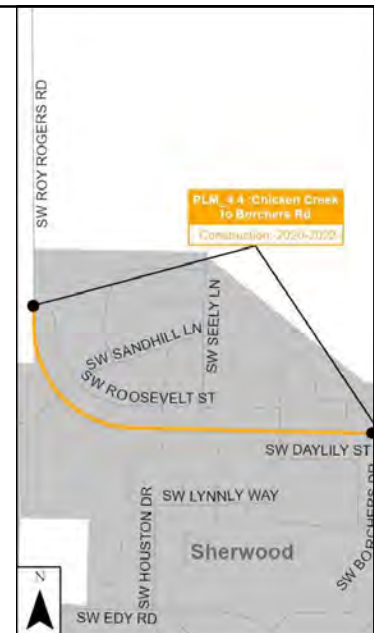
17

PLM_4.4

Partner: Washington County
Contractor: Tapani Inc.
Designer: Brown & Caldwell

Current and Planned Activities:

- Processing WWSP submittals and RFIs.
- Sound wall installation is nearing completion.
- Storm drain improvements starting in January.
- Concrete curbs to be installed soon.
- 66" pipe installation scheduled to start in spring.



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Construction Photos – PLM_4.4

Sound Wall Installation



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Our Reliable Water



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PLM_4.3

Contractor: Tapani Inc.
Designer: Brown & Caldwell

Current and Planned Activities:

- Access and haul roads for waterline construction.
- Microtunneling subcontractor setting up for tunneling for Tualatin River Crossing to start in late January.
- 66" open cut pipe installed along Roy Rogers Rd north of Beef Bend Road.



Willamette Water Supply
Our Reliable Water

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Construction Photos – PLM_4.3

South shaft setup for microtunnel boring machine



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Our Reliable Water

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Construction Photos – PLM_4.3

Microtunnel boring machine on site



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Construction Photos – PLM_4.3

66" pipe being installed north
of Beef Bend Road



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RES_1.0 / PLM_5.3

Contractor: Hoffman-Fowler JV
Designer: Black & Veatch / Jacobs

Current and Planned Activities:

- RES_1.0
 - Completed construction of the soil nail/rock bolt retaining walls.
 - Completed excavation of 66" yard piping and valve vaults.
 - Continue preparing water tank subgrade and underdrain piping.
 - Continue detention basin final subgrade and lining.
 - Mobilization for 66" butterfly valve vault and flowmeter vault construction.
- PLM_5.3
 - Continue installation of 66" waterline – approximately 9,000 LF (45%) installed.
 - Completed ground improvement (cement deep soil mixing).
 - Continue trenchless crossing of Farmington Rd.



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Construction Photos – RES_1.0

RES_1.0 site



Willamette Water Supply
Our Reliable Water

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Construction Photos – RES_1.0

Detention
pond at
RES_1.0 site



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Our Reliable Water

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Construction Photos – PLM_5.3

Installing the 66" pipeline



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Construction Photos – PLM_5.3

Trenchless crossing
under Farmington Road



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PLW_1.2

Partner: Washington County
 Contractor: Tapani, Inc.
 Designer: Kennedy/Jenks

Current and Planned Activities:

- Installing 48" waterline between Johnson Street and TV Hwy. on Cornelius Pass Road.
- Completed Johnson Street crossing.
- Cornelius Pass Road crossing in March 2023.
- Soundwall pilaster installation on Cornelius Pass Road.



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 Our Reliable Water

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Construction Photos – PLW_1.2

Project Overview:
 Looking from TV
 Hwy. north on
 Cornelius Pass
 Road.



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Construction Photos – PLW_1.2

Crossing Johnson St. with 48" waterline



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Construction Photos – PLW_1.2

Offloading last 48" steel pipe to cross Johnson Street.



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Construction Photos – PLW_1.2

Soundwall installation progress on Cornelius Pass Road.



Willamette Water Supply
Our Reliable Water

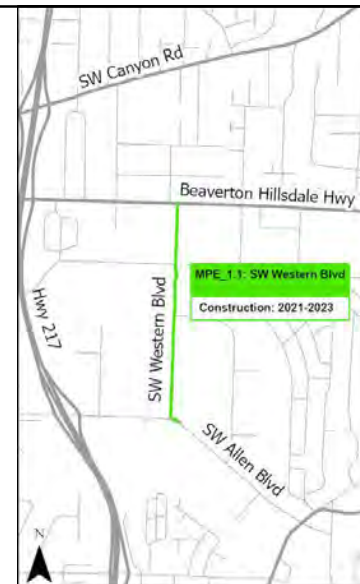
33

MPE_1.1

Partner: City of Beaverton
Contractor: Moore Excavation Inc.
Designer: Brown & Caldwell

Current and Planned Activities:

- Continued work on test stations, flow meter vault, bypass piping and air valve appurtenance piping.
- Installation of City of Beaverton 16" water main in Western Avenue nearly complete.
- City water service connections and tie-ins from 5th Street to Beaverton Hillsdale Highway.
- City stormwater, paving and curb improvements along Western Avenue.



Willamette Water Supply
Our Reliable Water

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Construction Photos – MPE_1.1

Setting of harness coupling at
48" butterfly valve
Sta. 36+15 – Western Avenue



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Construction Photos – MPE_1.1

Bolt up and installation of
30" butterfly valve
Flow Meter Vault - Western
Avenue



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MPE_1.2

Contractor: Emery & Sons
 Designer: Brown & Caldwell

Current and Planned Activities:

- Annular space grout at tunnel #1 at lower Fanno Creek crossing.
- 16" City of Beaverton waterline on Scholls Ferry Road.
- City of Beaverton waterline Cascade, Scholls Ferry and Denney Road service transfers.
- Continue 48" open cut waterline on Scholls Ferry Rd up to Denney Road.
- PFC facility meter vault and underground piping.



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Construction Photos – MPE_1.2

Wax tape over
 harness coupling



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Construction Photos – MPE_1.2

Cathodic jumpers at 48” and 12” Bypass



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Construction Photos – MPE_1.2

PFC flow meter vault base



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OPERATIONAL READINESS

Willamette Water Supply
Our Reliable Water

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Operational Readiness Topics



- WWSS OPERATIONS PLAN DEVELOPMENT
- COMMISSIONING AND STARTUP PLANNING
- WATER SUPPLY INTEGRATION PLANNING
- WWSS-RELATED STAFFING

Willamette Water Supply
Our Reliable Water

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Baseline WWSS Operations Staffing Plan Summary

Category	WWSS Baseline
Operations	11
Maintenance	4
Specialized O&M Support	4
Administrative Support Team	8
Transmission & Storage	5
Grand Total	32

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Third-Party Verification Project



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Review of WWSS “Comparables”

Utility	Treatment Plant	Conventional / Advanced	Capacity (MGD)	ADD (MGD)	Total No. of Staff
Joint Water Commission	JWC WTP	Conventional	85	~33	21.5
Lake Oswego-Tigard Water Partnership	Lake Oswego-Tigard WTP	Advanced (ozone)	38	11	11
Tacoma Water	Green River Filtration Plant	Advanced (pre-ozone)	150	69	17
City of Boulder	Betasso WTP/63 rd Street	Conventional	40/60	11/18	18.83*/29
Colorado Springs Utilities	Ed Bailey WTP	Advanced (ozone)	50	5	6.9*/9
Colorado Springs Utilities	Tollefson WTP	Conventional	36	18	10*/13
CalWater	North East WTP	Advanced (membrane filtration)	22	10	6
WWSS	Willamette WTP	Advanced (ozone)	60	23	19**

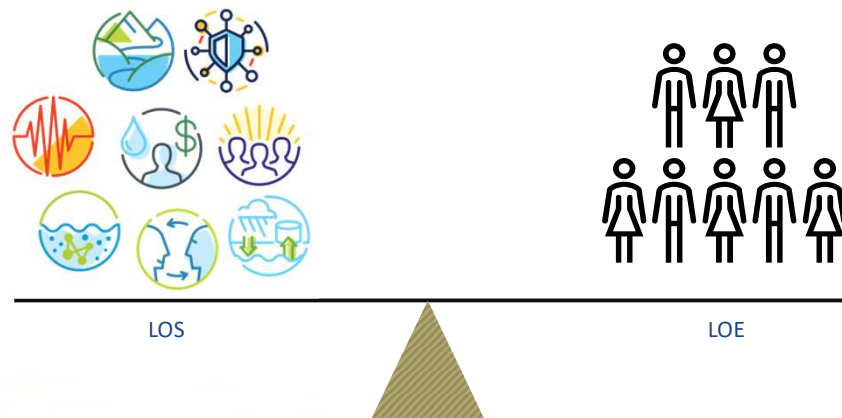
Notes:

*Allocated portion of shared staff

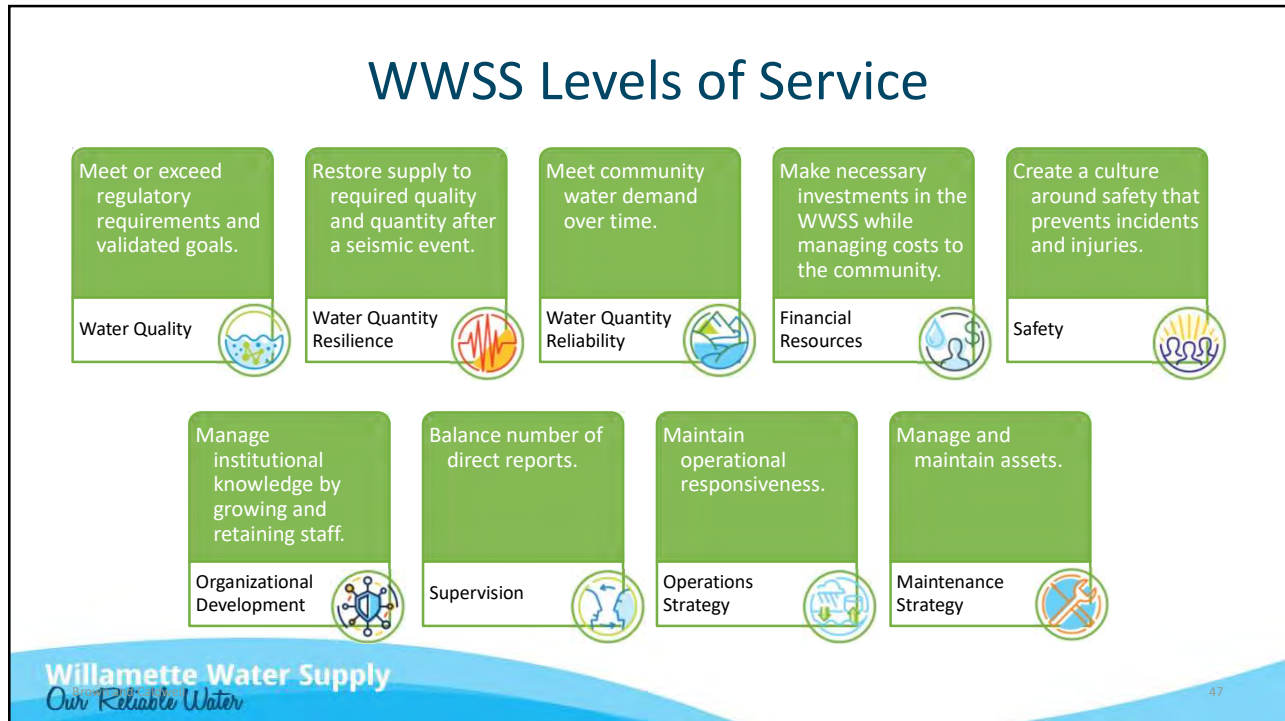
**Staffing for RWF & WTP infrastructure operations only. Does not include transmission and storage infrastructure operation.

45

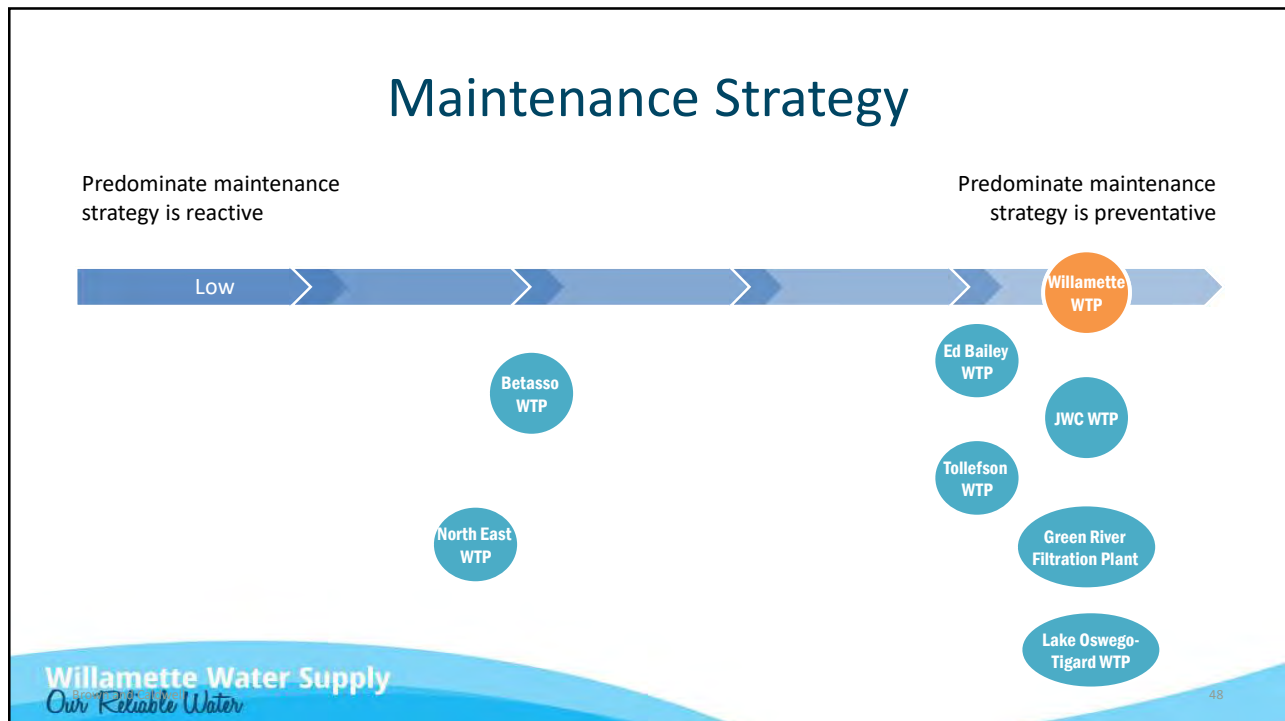
Balance Levels of Service with Level of Effort



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Revised/Verified Staffing Totals

Category	WWSS Baseline	Revised/Verified
Operations	11	10
Maintenance	4	5
Specialized O&M Support	4	3
Administrative Support Team	8	5
Transmission & Storage	5	4
Grand Total	32	27

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QUESTIONS?

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DRAFT

**Willamette Water Supply System Commission
Board Meeting Minutes
Thursday, December 1, 2022**

Attendance:

Commissioners present:

City of Beaverton	Allison Tivnon (<i>alternate</i>)
City of Hillsboro	David Judah
Tualatin Valley Water District (TVWD)	Jim Duggan

Committee Members present:

City of Beaverton	Dan Weinheimer, David Winship
City of Hillsboro	Niki Iverson, Lee Lindsey, Jessica Dorsey
TVWD	Tom Hickmann, Pete Boone

Managing Agency Staff present:

WWSS Commission General Manager / Willamette Water Supply Program (WWSP) Director	Dave Kraska
TVWD General Counsel	Clark Balfour
WWSP Assistant Director	Joelle Bennett
WWSP Program Manager	<i>Not available</i>
WWSP Engineering and Construction Manager	Mike Britch
WWSP Permitting and Outreach Manager	Christina Walter
WWSP Finance Manager	<i>Not available</i>
WWSS Commission Recorder / WWSP Executive Assistant	Annette Rehms

Other Attendees present:

City of Hillsboro JWC/WWSS Senior Program Manager	Chris Wilson
TVWD Commissioner	Jim Doane
TVWD Water Resources Division Manager	Joel Cary
TVWD Asset Management Division Manager	Matt Oglesby

REGULAR SESSION – 12:00 PM

CALL TO ORDER

Chair Judah called the regular Willamette Water Supply System (WWSS) Commission meeting to order at 12:01 p.m.

ROLL CALL

Ms. Rehms administered the roll call and noted a quorum was present.

1. GENERAL MANAGER'S REPORT

Mr. Kraska presented a safety minute on preventing frozen pipes. *(presentation on file)*

The General Manager's report included status updates on Willamette Water Supply Program (WWSP) permitting, communications, and construction activities; quarterly financial reports for the periods ending September 30, 2022; and a reminder that election of officers will take place during the February Board meeting. *(presentation on file)*

In response to questions, staff said that there have been some minor safety incidents reported but the program has a very strict and robust safety culture with dedicated professionals that manage and monitor safety practices on each construction project.

2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

- A. Approve the October 6, 2022, meeting minutes

Motion was made by Tivnon and seconded by Duggan to approve the Consent Agenda as presented. The motion passed unanimously with Tivnon, Judah, and Duggan voting in favor.

4. BUSINESS AGENDA

- A. Approve WTP_1.0 Third-Party Materials Testing and Special Inspection Contract – *Mike Britch*

Mr. Britch provided an overview of the WTP_1.0 third-party materials testing and special inspection contract. He reviewed the procurement approach, summarized the best value scoring, and described the estimated cost of the contract and recommended contingency. He then requested the Board's approval of contract 2023-027 with Carlson Testing, Inc., and to transfer the additional budget into Management Reserve.

Motion was made by Duggan and seconded by Tivnon to approving contract 2023-027 for \$1,236,180 with Carlson Testing, Inc. for WTP_1.0 Materials Testing and Special Inspection for the Willamette Water Supply Program and transferring \$3,310,572 into Management Reserve. The motion passed unanimously with Tivnon, Judah, and Duggan voting in favor.

5. INFORMATION ITEMS

- A. Planned February Business Agenda items – Joelle Bennett

Ms. Bennett presented information on business agenda items planned for the February 2, 2023, WWSS Commission Regular Board meeting.

Staff anticipates the following business agenda items:

1. Election of Officers
2. WWSS Annual Work Plan and Budget for Fiscal Year 2023-24 and WWSP Capital Improvement Plan (Baseline 8.0)

B. The next Board meeting is scheduled on February 2, 2023, via Microsoft Teams.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled

ADJOURNMENT

There being no further business, Chair Judah adjourned the meeting at 12:53 p.m.

David Judah, Chair

James Duggan, Vice Chair

Willamette Water Supply System Commission

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COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

June 30, 2022



Communications with Those Charged with Governance

The Board of Commissioners
Willamette Water Supply System Commission

We have audited the financial statements of Willamette Water Supply System Commission (the “Commission”) as of and for the year ended June 30, 2022 and have issued our report thereon dated December 2, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated June 27, 2022, we are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit of financial statements includes 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. Accordingly, we considered Commission’s internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated June 27, 2022.

Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Willamette Water Supply System Commission are described in Note 1 to the financial statements. The Commission changed its policy for office lease amortization during the year ended June 30, 2022, and is now capitalizing amortization expense for this lease to work in process. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Significant Unusual Transactions

We encountered no significant unusual transactions during our audit of the Commission's financial statements.

Significant Difficulties Encountered in Performing the Audit

Professional standards require us to inform you of any significant difficulties encountered in performing the audit. No significant difficulties were encountered during our audit of the Commission's financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures and corrected by management that were material, either individually or in the aggregate, to the financial statements as a whole.

For the year ended June 30, 2022, management's change in policy for office lease amortization (see *qualitative aspects of accounting practices*) included a reversal of amortization attributable to prior periods of \$464,040. We have concluded the impact of the prior period amount recorded in the current year financial statements is not considered material to the financial statements as a whole.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 2, 2022.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We are required to communicate to you other findings or issues arising from the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process. There were no such items identified.

This information is intended solely for the use of the Board of Commissioners and management of Willamette Water Supply System Commission and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
December 2, 2022



Willamette Water Supply System Commission

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Willamette Water Supply System Commission

A component unit of the Tualatin Valley Water District



Financial Statements

For the fiscal years ended June 30, 2022 and 2021

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
A component Unit of the Tualatin Valley Water District
Beaverton, Oregon

Financial Statements and
Supplemental Information

Years Ended June 30, 2022 and 2021

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

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WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

Board Members as of June 30, 2022

David Judah, Chair
Commissioner, City of Hillsboro Utilities Commission

James Duggan, Vice Chair
Commissioner, Tualatin Valley Water District

Marc San Soucie, Board Member
Councilor, City of Beaverton

Commission Address

Willamette Water Supply System Commission
c/o Tualatin Valley Water District
1850 SW 170th Avenue
Beaverton, OR 97003
Ph: (503) 848-3000



Report of Independent Auditors

The Board of Commissioners
Willamette Water Supply System Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Willamette Water Supply System Commission (the "Commission") which comprise the statements of net position as of June 30, 2022 and 2021 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The revenues, expenditures, and changes in fund balance – budget and actual are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2022 on our consideration of Willamette Water Supply System Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Willamette Water Supply System Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Willamette Water Supply System Commission's internal control over financial reporting and compliance.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the Minimum Standards for Auditors of Oregon Municipal Corporations, we have also issued our report dated December 2, 2022, on our consideration of the Commission's compliance with certain provisions of laws and regulations, including the provisions of the Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Portland, Oregon
December 2, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

As management of the Willamette Water Supply System Commission (Commission), a joint venture of Tualatin Valley Water District (District) and the cities of Beaverton and Hillsboro, we offer readers of the Commission's financial statements this narrative overview and analysis of the Commission's financial activities for the fiscal years ended June 30, 2022 (FY2022) and June 30, 2021 (FY2021). The Commission, a Component Unit of the District, and was formed in July 2019 to own, operate, and maintain the Willamette Water Supply System to supply potable water to the District and cities of Beaverton and Hillsboro, and potentially, other municipal water providers.

These financial statements include this Management's Discussion and Analysis (MD&A) section to provide users of the basic financial statements with an overview and analysis of the statements.

Financial Highlights

- Net position (assets minus liabilities) was \$368.2 million and \$262.6 million at June 30, 2022 and June 30, 2021, respectively.
- Net investment in capital assets is the largest portion of the Commission's net position. Net investment in capital assets increased by \$94.5 million from FY2021 and \$192.0 million increase since FY2020.
- Capital Assets, non-depreciable, which is mostly construction in progress, increased by \$106.0 million from FY2021 and \$203.8 million increase from FY2020.

Overview of the Financial Statements

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

- **Management's Discussion and Analysis.** This section of the report provides an overview of financial highlights and economic factors affecting the Commission.
- **Basic Financial Statements.** This section includes the Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and Notes to Basic Financial Statements. The statements focus on an entity-wide presentation using the accrual basis of accounting. They are designed to resemble more closely private-sector financial statements in that all activities are consolidated into a total for the Commission.
 - The statements of Net Position focus on resources available for future operations. The statements present a snap-shot view of the assets of the Commission, its liabilities, and the net difference.
 - The statements of Revenues, Expenses and Changes in Net Position focus on operating results and changes in capital for the two most recent fiscal years.

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

- The statements of Cash Flows focus on how the Commission obtained and expended its available cash and investments.
- The notes to the Basic Financial Statements provide additional disclosures required by generally accepted accounting principles that are essential to a full understanding of the information provided in the Basic Financial Statements.

Statements of Net Position

The Commission's change in assets exceeded liabilities by \$368.2 million. This amount reflects an increase of \$105.6 million or 40.2% from FY2021 and \$198.8 million increase since FY2020. Net investment in capital assets represents the largest portion of the Commission's net position at \$337.1 million and \$242.6 million at June 30, 2022 and June 30, 2021, respectively. A condensed version of the statement of Net Position as of June 30, 2022 and June 30, 2021, is as follows:

Table 1

	2022	2021	2020	2022 -2021 Change	2022 -2020 Change
Cash and cash equivalents	\$ 4,559,104	\$ 2,844,135	\$ -	\$ 1,714,969	\$ 4,559,104
Accounts receivable	26,461,231	15,846,730	18,702,121	10,614,501	7,759,110
Deposits and prepaid expenses	81,716	1,355,851	1,376,753	(1,274,135)	(1,295,037)
Leased assets, net of accumulated amortization	12,983,524	13,343,574	13,703,624	(360,050)	(720,100)
Capital assets, non-depreciable	370,191,904	264,230,942	166,367,201	105,960,962	203,824,703
Asset held for sale	-	-	4,250,000	-	(4,250,000)
Total Assets	414,277,479	297,621,232	204,399,699	116,656,247	209,877,780
Accounts and retainage payables	31,102,051	20,046,716	20,078,874	11,055,335	11,023,177
Lease liabilities	15,015,489	14,970,737	14,921,781	44,752	93,708
Total Liabilities	46,117,540	35,017,453	35,000,655	11,100,087	11,116,885
Net investment in capital assets	337,059,149	242,567,101	145,089,853	94,492,048	191,969,296
Unrestricted	31,100,790	20,036,678	24,309,191	11,064,112	6,791,599
Net Position	\$ 368,159,939	\$ 262,603,779	\$ 169,399,044	\$ 105,556,160	\$ 198,760,895

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

Statements of Revenues, Expenses and Changes in Net Position

A condensed version of the Commission's Statement of Revenues, Expenses and Changes in Net Position for the fiscal years ended June 30, 2022 and June 30, 2021, is as follows:

Table 2

	2022	2021	2020	2022 -2021 Change	2022 -2020 Change
Operating Revenues	\$ 647,819	\$ 664,222	\$ 518,361	\$ (16,403)	\$ 129,458
Operating expenses	312,009	1,024,272	878,409	(712,263)	(566,400)
Net Operating Income (Loss)	335,810	(360,050)	(360,048)	695,860	695,858
Non operating expenses	(492,235)	(488,655)	(436,073)	(3,580)	(56,162)
Capital contributions	105,712,585	94,053,440	170,195,165	11,659,145	(64,482,580)
Change in Net Position	105,556,160	93,204,735	169,399,044	12,351,425	(63,842,884)
Net Position, beginning of period	262,603,779	169,399,044	-	93,204,735	262,603,779
Net Position, end of period	<u>\$ 368,159,939</u>	<u>\$ 262,603,779</u>	<u>\$ 169,399,044</u>	<u>\$ 105,556,160</u>	<u>\$ 198,760,895</u>

The operating expenses for the Commission's activities totaled \$0.3 million and \$1.0 million for the years ended June 30, 2022 and June 30, 2021, respectively, a 69.5% decrease from FY2021. The decrease in operating expenses was due to a change in the accounting for amortization expenses of the office lease asset. In prior years, the amortization expense for the office lease asset was recorded as an operating expense and in FY2022 the expense was moved to work in process. Operating expenses consist of administrative expenses and the amortization expense on the land lease asset. Nonoperating expenses consist mainly of interest expenses for the lease liabilities and capital contributions consist of capital assets invested by the partners in the Commission.

Capital Assets

The Commission has net capital assets of approximately \$370.2 million and \$264.2 million as of June 30, 2022 and June 30, 2021, respectively. The Commission's capital assets include construction in progress of \$369.8 million and \$263.8 million as of June 30, 2022 and June 30, 2021, respectively, and \$0.4 million of non-depreciable easements as of June 30, 2022 and June 30, 2021. Construction in progress includes amortization expense on the office space lease.

Capital Assets, nondepreciable:	<u>2022</u>	<u>2021</u>
Construction in progress	\$ 369,752,259	\$ 263,791,297
Easements	439,645	439,645
Total Capital Assets, nondepreciable	<u>\$ 370,191,904</u>	<u>\$ 264,230,942</u>

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

Long-Term Debt Activity

The Commission reported lease liabilities of \$15.0 million as of June 30, 2022 and June 30, 2021. The leases are for subsurface land for the placement of a raw water pipeline and office space. The Commission had no bonded indebtedness at June 30, 2022.

Economic Factors

The Commission was formed in July 2019 to provide a reliable water supply for the region by helping water system operators balance supply during times of drought or other supply interruptions, as well as recover more quickly after a large natural disaster. Tualatin Valley Water District (the District) was appointed as the managing agency. Financial records are maintained by the District. Major goals of the Commission are to construct a new water filtration plant, more than 30 miles of water pipelines, and water storage tanks – all built to modern seismic standards. Construction of the WWSS infrastructure is anticipated to be completed by 2026.

Financial Contact

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

BASIC FINANCIAL STATEMENTS

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

STATEMENTS OF NET POSITION

JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 4,559,104	\$ 2,844,135
Accounts receivable	26,461,231	15,846,730
Prepaid expenses	54,279	1,328,414
Deposits	<u>27,437</u>	<u>27,437</u>
Total Current Assets	31,102,051	20,046,716
Leased assets, net of accumulated amortization	12,983,524	13,343,574
Capital assets, nondepreciable	<u>370,191,904</u>	<u>264,230,942</u>
Total Noncurrent Assets	383,175,428	277,574,516
Total Assets	414,277,479	297,621,232
LIABILITIES		
Accounts payable and accrued liabilities	26,542,947	17,202,581
Retainage payable	<u>4,559,104</u>	<u>2,844,135</u>
Total Current Liabilities	31,102,051	20,046,716
Lease liabilities	<u>15,015,489</u>	<u>14,970,737</u>
Total Liabilities	46,117,540	35,017,453
NET POSITION		
Net investment in capital assets	337,059,149	242,567,101
Unrestricted	<u>31,100,790</u>	<u>20,036,678</u>
Total Net Position	<u>\$ 368,159,939</u>	<u>\$ 262,603,779</u>

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

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Administrative services	\$ 647,819	\$ 664,222
OPERATING EXPENSES		
Administrative and Amortization	<u>312,009</u>	<u>1,024,272</u>
Net Operating Income (Loss)	335,810	(360,050)
NONOPERATING REVENUES (EXPENSES)		
Other revenue	200	-
Interest expense	<u>(492,435)</u>	<u>(488,655)</u>
Total Nonoperating Expenses	<u>(492,235)</u>	<u>(488,655)</u>
LOSS BEFORE CONTRIBUTIONS	<u>(156,425)</u>	<u>(848,705)</u>
Capital contributions	<u>105,712,585</u>	<u>94,053,440</u>
Changes in Net Position	105,556,160	93,204,735
Net Position, beginning of period	<u>262,603,779</u>	<u>169,399,044</u>
Net Position, end of period	<u><u>\$ 368,159,939</u></u>	<u><u>\$ 262,603,779</u></u>

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

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Reimbursements from joint venturers	\$ 642,153	\$ 686,274
Payments to suppliers for goods and services	(632,980)	(643,320)
Net Cash Provided By Operating Activities	<u>9,173</u>	<u>42,954</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions from joint venturers	105,712,585	94,053,440
Capital outlay and purchases of capital assets	(103,559,306)	(93,882,731)
Proceeds from the sale of assets	-	3,070,171
Reimbursements from other agencies	200	-
Payments paid on leases	(447,683)	(439,699)
Net Cash Provided By Capital and Related Financing Activities	<u>1,705,796</u>	<u>2,801,181</u>
Net Increase in Cash and Cash Equivalents	1,714,969	2,844,135
Cash and Cash Equivalents, beginning of year	<u>2,844,135</u>	<u>-</u>
Cash and Cash Equivalents, end of year	<u>\$ 4,559,104</u>	<u>\$ 2,844,135</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 335,810	\$ (360,050)
Adjustments to reconcile operating loss to net cash from operating activities:		
Amortization	(336,010)	360,050
Changes in operating accounts:		
Accounts receivable	(5,666)	22,052
Prepaid expenses	23,816	20,902
Accounts payable and accrued liabilities	(8,777)	-
Net Cash Provided By Operating Activities	<u>\$ 9,173</u>	<u>\$ 42,954</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Organization**

Willamette Water Supply System Commission (Commission), was organized in July 2019 under Oregon Revised Statutes (ORS), chapter 190 and was established by an agreement of the Tualatin Valley Water District (District) and cities of Beaverton and Hillsboro. The Commission is managed by the District, and is governed by a three-member board, with one member appointed by each party. The purpose of the Commission is to provide the water supply system infrastructure beginning at the Willamette Intake Facilities (WIF) System separation point and continuing to the points of delivery (turnouts).

The District holds a majority equity interest in the Commission; therefore, the Commission is considered a component unit of the District. The Commission is reported as a custodial (fiduciary) fund of the District in its Annual Comprehensive Financial Report.

Expenses are allocated using two formulas: one for administrative costs and the other for operating costs. Administrative costs are allocated to the parties based on two weighted factors, 25% based on equal shares and 75% based on ownership. The weighted allocations factors by party are:

Weighted Allocation Shares for Administrative Costs					
Party	Equal Share		Ownership		Total
	Unweighted	Weighted	Unweighted	Weighted	Weighted
TVWD	33.3%	8.3%	58.9%	44.2%	52.5%
Hillsboro	33.3%	8.3%	36.1%	27.1%	35.4%
Beaverton	33.3%	8.3%	5.0%	3.7%	12.1%
Total	100.0%	25.0%	100.0%	75.0%	100.0%
Weight		25.0%		75.0%	

Operations, maintenance, and repair expenses that are a result of use of the facilities are allocated based on each party's proportionate use of the WWSS. Operations, maintenance, and repair expenses unrelated to usage are allocated based on each party's proportionate ownership of the WWSS. During this preoperational period, the Commission treats all costs as administrative, (excluding for amortization and interest expenses on the leases, which are allocated based on each party's proportionate capacity rights in the facilities associated with the lease).

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

Basis of Presentation and Accounting

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

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

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

Use of Estimates

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

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Total net position was not affected by these reclassifications.

Cash and Cash Equivalents

Cash and investments of the Commission are part of a common cash and investment pool maintained for all funds managed by the District. The Commission considers these items to be demand deposit accounts, where funds may be deposited or withdrawn without prior notice or penalty.

Accounts Receivable

Accounts receivable are recorded as earned and no allowance for doubtful accounts is required as all receivables are due from the joint venturers.

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

Capital Assets

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

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

Leased Assets

Leased assets are reported at the initial measurement of the lease liability adjusted by initial direct costs and payments made to the lessor at the commencement of the lease, less any lease incentives. Leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

The Commission defines a lease asset as those leases with an asset value greater than one percent of the Commission's total capital assets and an estimated useful life of more than one year.

Net Position

The Commission's net position consists of the net earnings from operating revenues and expenses and contributions of capital. Net position is classified in the following two components: net investment in capital assets, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and capital-related liabilities. Unrestricted net position consists of all other net positions not included in other categories.

Lease Liabilities

Lease liabilities are initially measured at the present value of payments expected to be made during the lease term, including fixed and variable payments, residual guarantees, termination penalties, lease incentives and any other payments reasonably certain to be made in accordance with the lease agreement.

The Commission defines a lease liability as those leases with a liability value greater than five percent of the Commission's total liabilities and an estimated useful life of more than one year.

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

Budgets

The Commission is organized under ORS, Chapter 190 as an Intergovernmental Agreement (IGA). The IGA that forms the Commission requires the Board to adopt an annual work plan and budget. The Commission is accounted for as a fund within the structure of the District, where the budget is prepared and legally adopted for the Commission as part of the total budget for the District. The budget is prepared on a biennial basis as a separate fund on the modified accrual basis of accounting and complies with Oregon Local Budget Law. The level of budgetary control is established at the object classifications (personnel services, materials and services, capital outlay, operating transfers, and contingency).

2. CAPITAL ASSETS

The Commission has invested approximately \$369.8 million and \$263.8 million in construction in progress as of June 30, 2022, and June 30, 2021, respectively, as well as \$0.4 million of easements as of June 30, 2022, and June 30, 2021.

	Balance June 30, 2021	Additions	Transfers	Disposals	Balance June 30, 2022
Capital Assets, nondepreciable:					
Construction in progress	\$ 263,791,297	\$ 105,960,962	\$ -	\$ -	\$ 369,752,259
Easements	439,645	-	-	-	439,645
Total Capital Asset, nondepreciable	<u>264,230,942</u>	<u>105,960,962</u>	<u>-</u>	<u>-</u>	<u>370,191,904</u>

	Balance June 30, 2020	Additions	Transfers	Disposals	Balance June 30, 2021
Capital Assets, nondepreciable:					
Construction in progress	\$ 165,927,556	\$ 97,863,741	\$ -	\$ -	\$ 263,791,297
Easements	439,645	-	-	-	439,645
Total Capital Assets nondepreciable	<u>166,367,201</u>	<u>97,863,741</u>	<u>-</u>	<u>-</u>	<u>264,230,942</u>

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

3. LEASED ASSETS

Leased assets consisted of the following at June 30, 2022, and June 30, 2021:

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Leased assets				
Land and easements	\$ 12,290,852	\$ -	\$ -	\$ 12,290,852
Buildings	1,772,820	-	-	1,772,820
Total leased assets	14,063,672	-	-	14,063,672
Less accumulated amortization for				
Land and easements	(256,059)	(128,030)	-	(384,089)
Buildings	(464,039)	(232,020)	-	(696,059)
Total accumulated amortization	(720,098)	(360,050)	-	(1,080,148)
Total leased assets being amortized, net	<u>\$ 13,343,574</u>	<u>\$ (360,050)</u>	<u>\$ -</u>	<u>\$ 12,983,524</u>

Leased assets consisted of the following at June 30, 2021, and June 30, 2020:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Leased assets				
Land and easements	\$ 12,290,852	\$ -	\$ -	\$ 12,290,852
Buildings	1,772,820	-	-	1,772,820
Total leased assets	14,063,672	-	-	14,063,672
Less accumulated amortization for				
Land and easements	(128,029)	(128,030)	-	(256,059)
Buildings	(232,019)	(232,020)	-	(464,039)
Total accumulated amortization	(360,048)	(360,050)	-	(720,098)
Total leased assets being amortized, net	<u>\$ 13,703,624</u>	<u>\$ (360,050)</u>	<u>\$ -</u>	<u>\$ 13,343,574</u>

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

4. LEASE LIABILITIES

The District and the City of Hillsboro entered into a lease for office space which was subsequently assigned to the Commission upon the Commission's formation. Base rent increases by 3% per annum. The lease terminates in 2027. Commission also pays variable costs based on operating expenses which are not included in the measurement of the lease liability. In fiscal years 2022 and 2021, variable payments totaled \$5,185 and \$5,151, respectively.

The District and the City of Hillsboro entered into a lease with the City of Wilsonville for subsurface land for the placement of a raw water pipeline in FY 2017. This lease was assigned to the Commission upon the Commission's formation. The lease terminates in 2115. Annual lease installments are payable through FY 2025 with a balloon payment in 2026. As the annual payments are less than the interest on the lease obligation, the liability will increase until FY 2026 when the balloon payment is made.

Principal and interest to maturity for the Commission's share of leases are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ (40,295)	\$ 496,201	\$ 455,906
2024	(35,573)	499,949	464,376
2025	(30,579)	503,678	473,099
2026	(25,298)	507,383	482,085
2027	15,147,234	503,441	15,650,675
Total minimum lease payments	<u>\$ 15,015,489</u>	<u>\$ 2,510,652</u>	<u>\$ 17,526,141</u>

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

5. NET POSITION BY PARTNER

Changes in net position by partner for the years ending June 30, 2022, and June 30, 2021, is as follow:

Net Position	City of Beaverton	City of Hillsboro	Tualatin Valley Water District	Total
Loss before contributions	\$ (28,223)	\$ (309,630)	\$ (458,268)	\$ (796,121)
Contributions	<u>9,508,277</u>	<u>70,584,317</u>	<u>90,102,571</u>	<u>170,195,165</u>
Balance June 30, 2020	9,480,054	70,274,687	89,644,303	169,399,044
Loss before contributions	(42,350)	(306,298)	(500,057)	(848,705)
Contributions	<u>5,097,251</u>	<u>33,670,508</u>	<u>55,285,681</u>	<u>94,053,440</u>
Balance June 30, 2021	<u>\$ 14,534,955</u>	<u>\$ 103,638,897</u>	<u>\$ 144,429,927</u>	<u>\$ 262,603,779</u>
Loss before contributions	(19,209)	(32,841)	(104,375)	(156,425)
Contributions	<u>5,876,368</u>	<u>41,709,995</u>	<u>58,126,222</u>	<u>105,712,585</u>
Balance June 30, 2022	<u>\$ 20,392,114</u>	<u>\$ 145,316,051</u>	<u>\$ 202,451,774</u>	<u>\$ 368,159,939</u>

The \$464,043 loss before contributions adjustment is due to the office space lease being moved to work in process under capital assets.

Net investment in capital assets as of June 30, consists of the following:

	2022	2021
Capital assets, net	\$ 370,191,904	\$ 264,230,942
Leased assets, net	12,983,524	13,343,574
Less: lease liabilities	(15,015,489)	(14,970,737)
Less: retainage payable	(4,559,104)	(2,844,135)
Less: capital related accounts payable	<u>(26,541,686)</u>	<u>(17,192,543)</u>
Net investment in capital assets	<u>\$ 337,059,149</u>	<u>\$ 242,567,101</u>

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION
Beaverton, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

6. OTHER INFORMATION

Risk Management

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

Related-party Transactions

The Commission paid \$2.4 million and \$2.6 million in management fees for operations and construction in process for services provided by the District for years ended June 30, 2022, and June 30, 2021, respectively. Administrative services revenue and contributions from partners were as follows for the years ended June 30:

	Administrative Service Revenue & Contributions	
	2022	2021
City of Beaverton	\$ 5,946,838	\$ 5,148,764
City of Hillsboro	41,939,430	33,908,349
Tualatin Valley Water District	58,474,136	55,660,549
Total from Venturers	<u>\$ 106,360,404</u>	<u>\$ 94,717,662</u>

Commitments

The Commission has entered into various contracts related to the construction of the Willamette Water Supply System (WWSS). Total outstanding commitments on contracts with greater than \$1.0 million outstanding is approximately \$622.9 million, (\$34.5 million is for ancillary projects for the District) and \$176 million, (\$67 million is for ancillary projects for city of Beaverton and the District) as of June 30, 2021, respectively.

SUPPLEMENTAL INFORMATION

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2022

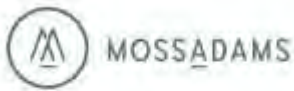
	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Administrative Services	\$ 1,391,666	\$ 1,391,666	\$ 647,819	\$ (743,847)
Other Revenue	-	-	200	200
Capital Contributions	176,355,996	176,355,996	105,712,585	(70,643,411)
Total Revenues	177,747,662	177,747,662	106,360,604	(71,387,058)
EXPENDITURES				
Materials and Services	1,265,666	1,265,666	648,019	617,647
Capital Outlay	176,355,996	176,355,996	105,712,585	70,643,411
Contingency	126,000	126,000	-	126,000
Total Expenditures	177,747,662	177,747,662	106,360,604	71,387,058
Excess (Deficiency) of revenues over expenditures, and net change in fund balance	-	-	-	-
Beginning Fund Balance	-	-	169,399,044	169,399,044
Ending Fund Balance	\$ -	\$ -	\$ 169,399,044	\$ 169,399,044
Reconciliation to Change in Net Position:				
Change in Fund Balance			\$ -	
Capital Outlay			105,712,585	
Depreciation			336,010	
Interest expense			(492,435)	
Change in Net Position			\$ 105,556,160	

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

Beaverton, Oregon

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Administrative Services	\$ 888,555	\$ 888,555	\$ 664,222	\$ (224,333)
Capital Contributions	125,763,556	125,763,556	94,053,440	(31,710,116)
Total Revenues	126,652,111	126,652,111	94,717,662	(31,934,449)
EXPENDITURES				
Materials and Services	808,555	808,555	664,222	144,333
Capital Outlay	125,763,556	125,763,556	94,053,440	31,710,116
Contingency	80,000	80,000	-	80,000
Total Expenditures	126,652,111	126,652,111	94,717,662	31,934,449
Excess (Deficiency) of revenues over expenditures, and net change in fund balance	-	-	-	-
Beginning Fund Balance	-	-	169,399,044	169,399,044
Ending Fund Balance	\$ -	\$ -	\$ 169,399,044	\$ 169,399,044
Reconciliation to Change in Net Position:				
Change in Fund Balance			\$ -	
Capital Outlay			94,053,440	
Depreciation			(360,050)	
Interest expense			(488,655)	
Change in Net Position			\$ 93,204,735	



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

The Board of Commissioners
Willamette Water Supply System Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Willamette Water Supply System Commission (the "Commission") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Willamette Water Supply System Commission's basic financial statements, and have issued our report thereon dated December 2, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Willamette Water Supply Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Willamette Water Supply System Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Willamette Water Supply System Commission's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
December 2, 2022



Report of Independent Auditors Required by Oregon State Regulations

Board of Commissioners
Willamette Water Supply System Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the Willamette Water Supply System Commission (the "Commission") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Willamette Water Supply System Commission's basic financial statements, and have issued our report thereon dated December 2, 2022.

Compliance

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to, the following:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the Commission was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.


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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Commissioners and management of Willamette Water Supply Commission and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Julie Desimone, Partner,
for Moss Adams LLP
Portland, Oregon
December 2, 2022

About the Willamette Water Supply System

The Tualatin Valley Water District and the Cities of Hillsboro and Beaverton are developing the Willamette river at Wilsonville as an additional water supply source.



TUALATIN VALLEY
WATER DISTRICT



The WWSS Commission is a partnership formed under ORS Chapter 190 of the following parties:
Tualatin Valley Water District and the Cities of Hillsboro and Beaverton.
For more information, visit www.tvwd.org/wwss.

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners
From: David Kraska, PE, General Manager
Date: February 2, 2023
Subject: Election of Officers for 2023

Requested Board Action:

The WWSS Commission to elect a Chair and Vice-Chair for the 2023 calendar year.

Key Concepts:

- Currently WWSS officers include David Judah, Chair and James Duggan, Vice Chair.
- The Commission needs to nominate and elect officers for the 2023 calendar year.
- Last year, the WWSS Commission Board agreed to informally standardize on two-year terms for improved consistency during this dynamic time on the WWSS Commission.

Background:

The Willamette Water Supply System Intergovernmental Agreement, effective July 1, 2019, includes:

“5.3 Officers. The Board shall annually elect from its Members a chair (“Chair”) and a vice chair (“Vice Chair”), who shall be officers of the Board. The elections shall occur at the first meeting of the Board in each calendar year, unless otherwise agreed by the Board. The Chair shall serve as the presiding officer. In the absence of the Chair, the Vice Chair shall serve as presiding officer. Officers shall serve at the pleasure of the Board and may be replaced by the Board at any time. Officers will serve until a successor is appointed by the Board.”

For improved consistency and stability during this dynamic time of major infrastructure investment in the WWSS, the WWSS Commission Board agreed at the January 2022 meeting to standardize on two-year terms for officers. Commissioners Judah and Duggan have been in their respective officer positions for the last two years. Accordingly, if the Board wishes to rotate officer positions, a Commissioner could nominate either Vice Chair Duggan or Commissioner Tivnon to the Chair position, and either Chair Judah or Commissioner Tivnon to the Vice Chair position for the next two years.

Budget Impact:

None.

Staff Contact Information:

David Kraska, P.E., WWSS General Manager; 503-941-4561; david.kraska@tvwd.org

Attachments:

None.

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners

From: Dave Kraska, P.E., WWSS Commission General Manager

Date: February 2, 2023

Subject: Fiscal Year 2023-24 Annual Work Plan and Budget and WWSP Capital Improvement Plan (Baseline 8.1)

Requested Board Action:

Consider adopting the Annual Work Plan and Budget for the Willamette Water Supply System (WWSS) for fiscal year 2023-24, and approving the Willamette Water Supply Program (WWSP) Capital Improvement Plan (Baseline 8.1).

Key Concepts:

- In accordance with Sections 5.4.6 and 8.1 of the WWSS Intergovernmental Agreement (IGA), the WWSS Commission Board shall adopt a budget and work plan for the Commission's operations and capital improvements each fiscal year.
- The Annual Work Plan attached to this staff report provides the scope of work to be performed by the Managing Agency for the fiscal year 2023-24 (FY24).
- Section 8.3 of the WWSS IGA requires the Managing Agency (MA), TVWD, to maintain a capital improvement plan (CIP) for the current and subsequent four fiscal years.
- The WWSP prepares a baseline budget and schedule each year that establishes the budget and schedule to execute the delivery of WWSP, which includes the capital outlay for WWSS. Currently, this baseline budget and schedule serves as the CIP for the WWSS.
- The total estimated cost of WWSP in Baseline 8.1 of \$1.6 billion is the same as Baseline 7.0
- The FY2024 budget includes appropriations of \$1,400,870 for operations and administration, \$420,951,940 for capital outlay (from the proposed Baseline 8.1), and \$140,000 for general operating contingency.
- The Finance and Management Committees recommend the WWSS Commission Board adopt the FY2024 Annual Work Plan and Budget and approve Baseline 8.1.

Background:

This report summarizes:

- The WWSP's Baseline 8.1 establishes both the projected capital outlay for FY24 and the Capital Improvement Program. The annual WWSP baseline budget and schedule update process forecasts WWSP costs through the life of the program and establishes the capital outlay portion of the WWSS Budget for the upcoming fiscal year.
- The WWSS FY24 Annual Work Plan and Budget update process develops the WWSS Annual Work Plan's scope of work, staffing plans and underlying assumptions and the budget associated with accomplishing the Program tasks.

WWSP staff provided the early release Baseline 8.0 information and data on December 16, 2022, via email, to the Management, Finance, and Operations committees members. A revised baseline version 8.1 was subsequently sent out to the committees on January 10, 2023 that incorporated minor changes in the real estate and public outreach budgets.

The official Baseline 8.1 was presented to the Management Committee on January 19, 2023. Committee members agreed to recommend adoption of the FY 24 Annual Work Plan and Budget, and Baseline 8.1 by the WWSS Board.

The Annual Work Plan includes the following main tasks:

1. General Administration
2. Capital Projects Management
3. Annual Work Plan and Budget Development
4. Finance Administration
5. Operations Committee Administration
6. Management Committee Administration
7. Administer WWSS Board of Commissioners Meetings
8. Contingency

The proposed FY24 budget for the WWSS is:

Personnel Services (WWSS)	\$0
Materials & Services (WWSS)	\$1,400,870
Capital Outlay (WWSP)	\$420,951,940
General Operating Contingency (WWSS)	\$140,000
Total Appropriations	\$422,492,810

The details in the materials and services category includes:

Administrative Expense	\$508,575
Professional Services	\$755,000
Insurance	\$35,325
Business Expense	\$5,070
Property Maintenance	\$37,500
Audit	\$16,100
Utilities	\$7,300
Locates	\$36,000
Total Materials & Services	\$1,400,870

The WWSS IGA provides the methodology for allocating the materials and services line items to the parties. Specifically, the IGA provides two allocation techniques: one for administration costs, the other for other operating costs. During this preoperational period, the WWSS Finance Committee has recommended that all materials and services costs be treated as Administration, until the operational plans have been completed, and costs can be segmented as either administrative or operational.

The IGA allocates Administration costs to the parties based on two weighted factors. The first weighted factor is equal shares. That is, each of the three parties is allocated one-third of the costs recovered based on equal shares. The second factor is based on percentage ownership. For Administration costs, the two factors are weighted 25% based on equal shares and 75% based on ownership. The weighted allocations factors by party are:

Party	Weighted Allocation %	Weighted Allocation \$
Beaverton	12.07%	\$169,085
Hillsboro	35.40%	\$495,908
Tualatin Valley Water District	52.53%	\$735,877

The costs for capital outlay are allocated based on the ownership shares of each party in the project being built, per WWSS IGA Exhibit 1.

Recommended Approval:

WWSP recommends Board adoption of the FY24 Annual Work Plan and Budget, and approval of Baseline 8.1.

Budget Impact:

The resolution establishes the FY24 WWSS Annual Work Plan and Budget. The impact of adopting the resolution is to establish appropriations for the WWSS of \$1,400,870 for materials and services, \$420,951,940 for capital outlay for the WWSP, and \$140,000 for general operating contingency for the WWSS for 2023-24 fiscal year. In addition, it establishes the Capital Improvement Program through Baseline 8.1 of \$1,615,348,274.

Staff Contact Information:

David Kraska, P.E., Willamette Water Supply Program Director; 503-941-4561; david.kraska@tvwd.org

Attachments:

- Proposed Resolution
- Exhibit 1: Annual Work Plan for FY24
- Exhibit 2: Budget for FY24
- Exhibit 3: Baseline 8.1

Willamette Water Supply System Commission

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RESOLUTION NO. WWSS-01-23

A RESOLUTION ADOPTING THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION ANNUAL WORK PLAN AND BUDGET FOR THE 2023-24 FISCAL YEAR AND APPROVING THE CAPITAL IMPROVEMENT PLAN BASELINE BUDGET 8.1

WHEREAS, pursuant to Article 5.4.4 of the Willamette Water Supply System (WWSS) Intergovernmental Agreement (IGA), the Board of Commissioners (Board) shall annually adopt a budget (Budget); and

WHEREAS, pursuant to Article 5.4.6 of the WWSS IGA, the Board shall annually adopt a work plan (Annual Work Plan) in association with the annual Budget; and

WHEREAS, pursuant to Article 5.4.7 of the WWSS IGA, the Board shall annually approve the capital improvement plan (Baseline 8.1) in association with the annual Budget; and

WHEREAS, pursuant to Article 6.6.1 of the WWSS IGA, the Managing Agency prepared a proposed Annual Work Plan and corresponding proposed annual Budget; and

WHEREAS, pursuant to Article 8.1 of the WWSS IGA, the Board shall strive to adopt the Budget by resolution in April of each year; and

WHEREAS, pursuant to Article 8.3 of the WWSS IGA, the Managing Agency prepared capital improvement plan budget projections for at least the subsequent four Fiscal Years following the current fiscal year which is attached hereto as Baseline Budget 8.1; and being so advised

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WILLAMETTE WATER SUPPLY COMMISSION THAT:

Section 1: The Board of the Willamette Water Supply System Commission hereby adopts the Annual Work Plan for the 2023-24 fiscal year, attached hereto as Exhibit 1 and incorporated by reference.

Section 2: The Board of the Willamette Water Supply Commission hereby adopts the Budget for the 2023-24 fiscal year, attached hereto as Exhibit 2, and incorporated by reference.

Section 3: The Board of the Willamette Water Supply Commission hereby approves the capital outlay plan set forth in Baseline 8.1, attached hereto as Exhibit 3, and incorporated by reference.

Section 4: That the Budget will be allocated to the individual WWSS Parties according to the requirements of the WWSS IGA.

Section 5: The Managing Agency will invoice the allocated amounts set forth herein from the individual WWSS Parties in accordance with the WWSS IGA.

Willamette Water Supply
Our Reliable Water

Approved and adopted at a regular meeting held on the 2rd day of February 2023.

_____, Chair

_____, Vice Chair

Proposed

Exhibit 1

WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET
February 2, 2023

INTRODUCTION

The Willamette Water Supply System (WWSS) includes all water supply system infrastructure facilities beginning at the Willamette Intake Facilities (WIF) System Separation Point and continuing to the Points of Delivery (turnouts). The WWSS comprises the raw water pump station, raw water pipeline, water treatment plant, finished water pipelines, finished water storage, and related facilities that serve potable water to TVWD, Hillsboro, Beaverton, and potentially other municipal water providers. The WWSS is currently owned by three parties: the cities of Beaverton and Hillsboro and the Tualatin Valley Water District (TVWD). The WWSS Intergovernmental Agreement (IGA) establishes the general operating procedures for the WWSS Commission, including designating TVWD as its managing agency (MA).

This document represents the scope of work (SOW) and budget for the MA for the 2023-24 fiscal year (FY 24). The primary objectives of this effort include:

- Prepare an annual work plan and corresponding budget for FY 25.
- Perform the duties described herein and other duties as directed by the Board.
- Provide leadership, administration and staffing in support of the Board and committees such as the Management Committee, Operations Committee, and Finance Committee; administration of the Board meetings; and required public meeting notices and duties.
- Maintain records in accordance with public records laws.
- Complete finance procedures for the WWSS Commission.
- Provide capital project management through WWSP for delivery of the WWSS by 2026, including the annual Capital Improvements Plan (Baseline 8.1).
- Review and refine chapters of the draft Operations Plan, in coordination with the Parties.
- Procure and manage appropriate insurance coverages and fidelity coverages, in accordance with the insurance requirements.
- Approve, execute, and administer contracts, subject to the contracting rules and direction of the Board within the set limits.
- Acquire real property by negotiation, lease, sale, or condemnation.
- Acquire IGAs and permits.
- Provide public communications and outreach, including response to public information, media or records requests and public affairs support.
- Identify, track, and report on key performance indicators and level of service goals.

SCOPE OF WORK**1. General Administration**

The MA is responsible for managing the business affairs of the Commission. The MA shall perform the general administrative activities as described below:

- a. Administration of Infrastructure Operations and Maintenance

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET****February 2, 2023**

- i. Plans Development - The WWSS IGA identifies six WWSS plans to be drafted by the MA: 1) Capital Improvements Plan, 2) Master Plan, 3) Operations Plan, 4) Emergency Response Plan, 5) Curtailment Plan, and 6) Overuse Plans. To date, the MA has updated the Baseline each year and that serves as the Capital Improvements Plan for the following year. The MA has also led the initial outline development of the Operations Plan including drafting chapters. All other plans will be drafted in future years.
- ii. For FY24, the MA will continue drafting the Operations Plan in coordination with the Parties.
- b. Records Management – Maintain a location for all relevant WWSS-related records on the TVWD information technology (IT) infrastructure. Follow Oregon statutes regarding records maintenance, management, and disposal.
- c. Asset Management – Asset management procedures for the WWSS are included in the Operations plan and are under development. The MA will also provide system locating services and records management for completed projects as needed.
- d. Warranty Management – Follow established warranty management procedures for the WWSS and provide such services as needed.
- e. Property Management – Draft property management procedures for the WWSS and provide required services for currently owned properties.
- f. Contracts – Draft and execute new contracts, manage existing contracts, and close completed contracts subject to the contracting rules and direction of the Board within the limits set forth on IGA Exhibit 5.
- g. Real Property Acquisition – The MA is responsible for securing the needed real property to facilitate system construction and maintenance. Secure real property in support of project construction.
- h. IGAs, Permits, and Other Assets – The MA is responsible for negotiating the IGAs and obtaining the permits to facilitate system construction for FY 24.
- i. Responding to Requests – When requests for WWSS-related information are made by the public or the media, coordinate a response with the other WWSS Parties as appropriate. Requests for public records will be responded to in keeping with TVWD’s established public information request policy. The MA will notify the WWSS Operations Committee members when a public information request is received and when it is fulfilled.
- j. Communications and Public Outreach
 - i. Responding to Requests – When requests for WWSS-related information are made by the public or the media, coordinate a response with the other WWSS Parties as appropriate.
 - ii. Public Affairs – The MA will provide intergovernmental coordination services through a private consultant.
- k. Legislative Updates
 - i. Provide quarterly updates on legislative activities relevant to water within the Willamette basin to the Management Committee.
- l. Legal Services
 - i. Provide legal services as required in the performance of MA duties for the WWSS Commission including supporting the preparation and execution of IGAs and project agreements as well as support for real

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET
February 2, 2023**

estate transactions.

m. General

- i. Maintain a current contact list of the WWSS Board and alternates, the Operations Committee, the Finance Committee, and the Management Committee.

2. Capital Projects Management

The MA is responsible for managing the capital improvement projects for the WWSS undertaken by the WWSS Commission. The WWSS has agreed to perform Ancillary Projects to allow use of MA resources to oversee and manage design and construction of a project that delivers water from a direct connection between the WWSS and that Party's water system.

- a. Capital and Ancillary Projects for FY 24 as presented in Exhibit 3 – Baseline 8.1.

3. Annual Work Plan and Budget Development

The MA is responsible for preparing and managing the Annual Work Plan and corresponding annual budget.

- a. Coordinate with the Operations and Finance committees to prepare the draft Annual Work Plan and Budget for FY 25.
- b. Prepare Management Committee Review Draft and present at a regularly scheduled meeting.
- c. Prepare Final FY 25 Annual Work Plan and Budget for Presentation to WWSS Board.

4. Finance Committee Administration

The Finance Committee provides recommendations to the Management Committee on the proposed annual budget, capital improvement plan including resource availability and timing, and other financial policies. The MA, which is responsible for financial planning and management for the WWSS Commission, will conduct the following tasks:

- a. Coordinate with the Finance Committee in hiring consultants to develop financial procedures to replace the interim procedures and obtain WWSS Board approval.
- b. Prepare an annual budget preparation calendar.
- c. Prepare monthly invoices.
- d. Prepare quarterly financial reports. Financial reports will be provided to the WWSS Board as part of the Board packet in the month following the reports' issuance.
- e. Provide routine accounting and financial management including payment of accounts payable for expenses incurred on behalf of the WWSS Commission.
- f. Prepare and submit monthly or weekly remittance advices for payment of capital costs associated with constructing the WWSS.
- g. Prepare and invoice dues for each WWSS Party monthly.
- h. Provide insurance, pursuant to IGA Article 28.3 and referenced in Exhibit 11, for the WWSS.
- i. Administer Committee Meetings
 - i. When the Finance Committee meets independently of the other committees, the MA shall be responsible for administering the Finance Committee meetings, including:

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET
February 2, 2023**

- Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
 - Coordinate meeting logistics including meeting room set up, breakdown, and clean up.
 - Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
 - Prepare brief meeting notes capturing decisions and action items.
- j. Annual Audit – The MA will facilitate an independent financial review of the WWSS Commission’s activities up to the time of the audit. Facilitation of this audit is assumed to entail the following:
- i. Contract with TVWD’s auditor for purposes of conducting the independent financial review.
 - ii. Oversee execution of the review, including providing access to accounting records and WWSS Commission-related transactions and reports.
 - iii. Distribute and facilitate communication of the financial review findings.
 - iv. Prepare and submit required regulatory findings, if any, with the State of Oregon.

5. Operations Committee Administration

The Operations Committee considers issues as directed by the Management Committee as stipulated in the WWSS IGA and supports development of the Operations Plan and other associated plans. The MA shall be responsible for administering the Operations Committee meetings.

- a. Administer Committee Meetings – Conduct monthly meetings with Operations Committee. The MA will provide the following support for these meetings, all of which are assumed to occur at the TVWD Board Room, or via Microsoft Teams:
- i. Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
 - ii. Coordinate meeting logistics including meeting room set up, breakdown, and clean up.
 - iii. Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
 - iv. Prepare brief meeting notes capturing decisions and action items.

6. Management Committee Administration

The Management Committee provides input and recommendations to the MA on policies, planning, operations, capital projects, contract awards, etc. with the goal of achieving consensus recommendations within the Management Committee. The Management Committee members will also serve as the liaison to each of their governing bodies and shall be charged with authority to act on behalf of the governing body as stipulated within the WWSS IGA. The MA shall be responsible for administering the Management Committee meetings.

- a. Administer Committee Meetings – Every other month, conduct twice monthly meetings of the Management Committee. The MA will provide the following support for these meetings, all of which are assumed to occur at either the TVWD Board Room, or at a conference room at the Willamette Water Supply Program office, or via Microsoft Teams:
- i. Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
 - ii. Coordinate meeting logistics including meeting room set up, breakdown, and clean up.

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET
February 2, 2023**

- iii. Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
- iv. Prepare brief meeting notes capturing decisions and action items.

7. Administer WWSS Board of Commissioners Meetings

The Board shall manage the business and affairs of the Commission for the mutual benefit of all Parties. The powers and duties of the Board are as described in the WWSS IGA. The MA shall be responsible for conducting the Board meetings as described herein:

- a. Administration of Commission Meetings
 - i. Schedule monthly WWSS Board meetings starting in July 2022 and for each month until June 2023. All meetings are assumed to be held at the TVWD Board Room, or via Microsoft Teams.
 - ii. Draft agendas for each meeting in coordination with the Management Committee and the WWSS Commission Board Chair.
 - iii. Post public notice of meetings and agendas on the Commission web page and make a public notice available to each party for posting at the party's offices.
 - iv. Email calendar invites for all FY 24 meetings in July 2023 and email reminders of upcoming meetings one week prior to the meeting.
 - v. Prepare and electronically distribute meeting agenda packets to the Board and Finance Committee one week prior to meetings.
 - vi. Host up to twelve Board meetings and up to four special Board meetings, including coordinating meeting room set up, breakdown, and clean up.
 - vii. Arrange for a boxed meal to be provided during in-person meetings.
 - viii. Draft speaking points for Board Chair.
 - ix. Make an audio recording of all Board meetings.
 - x. Prepare and distribute draft meeting minutes as part of the Board meeting packets.
 - xi. Post meeting minutes to the WWSS Commission web page.

8. Contingency

This task provides an allowance of approximately 10 percent of the total annual Operating Expenses budget to provide funds for WWSS Commission related work that is not identified at the time when the Annual Work Plan and Budget were prepared. In such situations, the MA will present a request to the MC to use contingency funds, including the purpose and amount of funds requested. Following approval by the MC, approval will also be obtained from the Board.

STAFFING PLAN

The proposed staffing plan for the FY 24 services is reflected in the proposed budget. This staffing plan includes five

Exhibit 1

WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET
February 2, 2023

categories of labor from both TVWD and City of Hillsboro (COH) staff. Specific staffing categories and representative staff positions include:

- **General Manager:** this category is limited to the Willamette Water Supply Program Director.
- **Department Manager:** this category may include TVWD's Chief Financial Officer, General Counsel, Chief Engineer, JWC and/or WWSS Water Treatment Plant Manager, WWSP Assistant Program Director, and WWSP Permitting and Outreach Manager.
- **Professional:** this category may include senior professional staff such as TVWD's Financial Operations Manager, Senior Engineer, Risk Management Coordinator, Senior Management Analyst, Water Resources Manager, WWSS Water Treatment Coordinator, WWSP Communications Supervisor, and WWSP Financial Manager.
- **Technician:** this category may include a wide variety of technical and para-professional staff including TVWD Communications Coordinators, District Recorder, Engineering Associates, Management Analyst, Water Quality Specialists, and Accountants.
- **Administrative Support:** this category may include the Executive Assistant and Administrative Assistant positions.

Not all staffing categories or positions are used for all tasks or assignments. Instead, specific staff will be engaged as needed based on the demands of the given task and the expertise of available staff. As such, staff resources represent a deep pool from which the Commission can efficiently draw upon. The diverse range of knowledge, skills and abilities represented by these five categories is intended to allow assignments to be completed at the lowest cost and provide the highest value for the WWSS Commission.

ASSUMPTIONS

Additional services by the MA and special projects beyond the above scope and proposed budget will be specifically directed, authorized, and funded by the WWSS Commission Board.

The proposed scope of services and budget are limited to services provided in FY 24 and do not establish a cap, or precedent for services and funding requirements for future years.

Future funding requirements will be based on Board-approved work plans and scopes of work.

All meetings may be held online as deemed appropriate by the MA. If in-person meetings are convened, including but not limited to Commission Board meetings, Management Committee meetings, Finance Committee meetings, and Operations Committee meetings, they will be held at TVWD's office or the WWSP Program Management Office, both in Beaverton.

Committee meetings shall be considered technical meetings and Commission Board meetings shall be considered public meetings.

For Commission meetings, TVWD will provide logistical support, as needed, such as meeting room set-up, audio visual equipment, and meeting room clean-up. A boxed meal shall be provided for each of the four attendees per agency, and for up to four other attendees from the MA when meeting in-person.

The level of effort (e.g., staff hours) will generally be consistent with the proposed MA budget for FY 23. The MA shall manage the use of budgeted labor hours and expenses as the MA deems necessary to fulfill the scope of work. The

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY24 SCOPE OF WORK AND BUDGET****February 2, 2023**

MA will control the scope of work in coordination with the Finance and Operations Committees. Any significant anticipated changes to the scope of work will first be vetted by the MA with the Finance and Operations committees. In the event the level of effort significantly exceeds the anticipated budget, the MA will coordinate with the Management Committee to identify appropriate response strategies, including supplemental budget requests, or use of contingency funds (Task 8) for consideration by the Board and MA staff.

BUDGET

The following proposed budget is based on the assumed scope of services and staffing plan as outlined above. Hours in the proposed budget include only those hours that are anticipated to be in addition to TVWD's participation in the Commission as a Party. Labor rates, by category, are based on direct salary plus burden, direct overhead, and indirect overhead.

Willamette Water Supply System Commission

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Exhibit 2

WILLAMETTE WATER SUPPLY SYSTEM

HISTORICAL DATA			PERSONNEL SERVICES	2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	PROPOSED FY24	% CHANGE FROM FY23
\$0	\$0	\$0	FUND TOTAL-WWSS GENERAL SERVICES	\$0	N/A
\$0	\$0	\$0	TOTAL PERSONNEL SERVICES	\$0	N/A

HISTORICAL DATA			MATERIALS & SERVICES	2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	PROPOSED FY24	% CHANGE FROM FY23
\$664,222	\$648,019	\$997,410	FUND TOTAL-WWSS GENERAL SERVICES	\$1,400,870	40.5%
\$664,222	\$648,019	\$997,410	TOTAL MATERIALS & SERVICES	\$1,400,870	40.5%

HISTORICAL DATA			CAPITAL OUTLAY	2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	PROPOSED FY24	% CHANGE FROM FY23
\$95,507,608	\$107,958,351	\$372,643,578	FUND TOTAL-WWSS GENERAL SERVICES	\$420,951,940	13.0%
\$95,507,608	\$107,958,351	\$372,643,578	TOTAL CAPITAL OUTLAY	\$420,951,940	13.0%

HISTORICAL DATA			TRANSFERS & CONTINGENCY	2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	PROPOSED FY24	% CHANGE FROM FY23
\$0	\$0	\$100,000	GENERAL OPERATING CONTINGENCY	\$140,000	40.0%
\$0	\$0	\$100,000	TOTAL TRANSFERS AND CONTINGENCY	\$140,000	40.0%

HISTORICAL DATA			TOTAL APPROPRIATIONS	2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	PROPOSED FY24	% CHANGE FROM FY23
\$96,171,830	\$108,606,370	\$373,740,988	TOTAL FUND EXPENDITURES	\$422,492,810	13.0%

Exhibit 2

WILLAMETTE WATER SUPPLY SYSTEM

HISTORICAL DATA			WWSS MATERIALS & SERVICES GENERAL SERVICES DIVISION		2023-24 BUDGET	
ACTUAL FY21	ACTUAL FY22	BUDGET FY23	DETAILED DESCRIPTION	GL #	PROPOSED FY24	% CHANGE FROM FY23
\$0	\$0	\$404,450	ADMINISTRATIVE EXPENSE	45-60-01-7000	\$508,575	25.7%
\$0	\$0	\$675,690	PROFESSIONAL SERVICES	45-60-01-7310	\$755,000	11.7%
\$0	\$0	\$30,300	INSURANCE	45-60-01-7320	\$35,325	16.6%
\$0	\$0	\$5,250	BUSINESS EXPENSE	45-60-01-7330	\$5,070	-3.4%
\$0	\$0	\$40,000	PROPERTY MAINTENANCE	45-60-01-7400	\$37,500	-6.3%
\$0	\$0	\$10,670	AUDIT	45-60-01-7490	\$16,100	50.9%
\$0	\$0	\$0	UTILITIES	45-60-01-7560	\$7,300	N/A
\$0	\$0	\$31,050	LOCATES	45-60-01-7680	\$36,000	15.9%
\$0	\$0	\$1,197,410	FUND TOTALS		\$1,400,870	17.0%

**Exhibit 3
WWSP Program Forecast Report
For WWSP Use Only**

Baseline 8.1 Official Release

WWSP Projects	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	Forecast Total (Estimate at Complete)
WTP 1.0 Willamette Water Treatment Plant	-	-	-	150,758	4,970,114	6,525,163	7,023,108	16,940,598	96,331,917	182,361,516	152,675,859	29,839,248	-	496,818,280
RWF 1.0 Raw Water Facility	-	-	96,405	1,895,608	3,907,422	3,341,184	32,927,180	18,260,562	29,262,519	51,383,849	3,384,558	-	-	144,459,287
PLM 1.0 WTP to Day Road	-	-	90,115	1,886,085	1,876,292	5,459,633	9,533,201	2,386,372	19,006,915	26,514,269	4,516,711	-	-	71,269,593
PLM 2.0 Kinsman Road	348,109	313,030	3,900,969	546,918	99,692	110	-	-	-	-	-	-	-	5,208,827
PLM 3.0 SW 124th Avenue Extension	(1,219)	3,446,072	1,258,176	7,273,216	2,235,519	410,611	-	-	-	-	-	-	-	14,622,375
PLM 4.0 124th to Beef Bend Road	-	23,749	2,247,185	1,336,570	767,319	998,123	3,049,373	8,117,309	67,014,460	43,536,319	16,299,132	2,113,941	-	145,503,479
PLM 5.0 Beef Bend to Farmington	-	-	1,434,218	2,965,639	4,867,050	26,478,339	13,285,660	1,690,397	2,534,497	1,922,347	1,222,978	1,050	-	56,402,174
PLM_5.3 Construction	-	-	-	-	-	-	237,274	11,324,799	34,575,036	19,187,011	6,784,951	1,356,530	-	73,465,601
RES 1.0 Storage Reservoirs	-	-	-	79,137	19,137	1,114,081	3,460,595	6,023,672	35,861,637	33,858,912	5,606,710	-	-	86,023,880
PLW 1.0 Farmington to Frances	-	115,033	4,967,474	3,233,188	4,334,174	2,107,036	16,044,032	15,877,984	15,314,736	1,534,247	-	-	-	63,527,903
PLW 2.0 Frances to Hwy 26	-	-	-	-	18,292	2,525,553	2,392,605	633,709	4,688,471	14,279,279	938,131	-	-	25,476,039
CoH_1.0 City of Hillsboro	-	-	-	-	-	31,943	40,521	348	-	-	-	-	-	72,812
MPE 1.0 Metzger Pipeline East	-	-	-	973,238	959,750	2,410,868	3,358,457	20,826,000	59,010,006	40,982,950	5,086,388	-	-	133,607,657
COB_1.0 City of Beaverton	-	-	-	-	-	580,171	972,411	3,889,185	11,405,094	1,356,560	-	-	-	18,203,421
DCS 1.0 Distribution Control System	-	-	-	-	402,468	245,786	449,542	192,360	190,527	1,369,539	1,808,396	508,214	-	5,166,832
PgM Program Management	1,711,891	1,745,508	2,219,773	2,340,167	2,577,475	2,638,444	2,811,222	2,516,704	3,570,390	3,223,492	3,223,492	3,223,492	1,605,375	33,407,424
PC Controls	244,912	533,744	1,262,585	1,180,855	1,220,562	1,474,137	1,661,430	1,611,705	2,828,070	1,708,100	1,708,100	1,708,100	850,674	17,992,975
PA Procurement	2,889	205,504	379,213	306,029	302,321	314,860	233,430	262,597	228,200	54,727	54,727	54,727	27,255	2,426,479
PE Permitting	80,256	700,521	1,507,663	1,318,672	1,779,418	3,179,875	2,918,230	2,357,914	4,215,791	1,690,645	1,690,645	1,690,645	841,981	23,972,257
MI Mitigation	-	-	-	206,150	-	630,672	30,301	171,179	123,089	2,138,451	506,847	524,506	4,147	4,335,342
DM Design Management	189,926	1,129,744	2,087,030	2,384,971	2,927,030	3,003,043	2,981,084	1,585,910	1,635,150	2,168,076	2,168,076	2,168,076	1,079,753	25,507,869
CM Construction Management	3,068	266,858	760,428	771,904	826,993	1,275,583	1,703,502	2,251,332	2,929,760	3,041,978	3,041,978	3,041,978	1,514,977	21,430,338
RE Real Estate	62,549	253,119	2,928,854	8,281,118	4,003,550	2,737,599	(128,926)	5,257,142	6,172,240	4,197,650	258,920	15,448,360	859,308	50,331,483
PR Public Outreach	619,381	434,866	913,297	851,876	874,597	805,401	878,264	1,041,550	1,619,580	1,118,107	1,118,107	1,118,107	556,844	11,949,979
LG Legal	203,299	74,257	58,683	218,071	494,980	440,365	372,999	454,344	545,999	420,436	420,436	420,436	209,387	4,333,694
IT Information Technology	23,087	25,607	24,143	17,219	12,307	4,358	4,101	915	21,290	22,404	22,404	22,404	11,158	211,396
NCE Non Capital Expenditures	376,722	6,047,377	437,534	39,539	(33,241)	1,331	-	-	-	-	-	-	-	6,869,263
SI System Integration	-	-	14,630	4,940	330,817	717,029	764,793	819,893	1,650,450	1,379,992	1,493,351	3,112,741	3,649,038	13,937,675
MR Management Reserve	-	-	-	-	-	-	-	-	-	24,210,233	22,815,849	9,094,182	2,693,676	58,813,940
Total	3,864,872	15,314,990	26,588,376	38,261,867	39,774,037	69,451,297	107,004,388	124,494,479	400,735,824	463,661,088	236,846,745	75,446,738	13,903,574	1,615,348,274

Willamette Water Supply System Commission

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Willamette Water Supply

Our Reliable Water

4.B. Adopt Fiscal Year 2023-2024 Annual Work Plan and Budget and Approve WWSP Capital Improvement Plan (Baseline 8.1) – *Justin Carlton*

February 2, 2023

1

Outline

- Preview of requested Board action
- Baseline background
- WWSP contingency and management reserve
- Proposed Baseline 8.1
- Proposed FY 2024 WWSS Annual Work Plan and Budget
- Closing considerations and commitments
- Requested Board action

2

Preview of Requested Board Action

Consider adopting Resolution No. WWSS 01-23 adopting the Willamette Water Supply System (WWSS) Annual Work Plan and Budget for the fiscal year 2023-24 and approving the Willamette Water Supply Program (WWSP) Capital Improvement Plan (Baseline 8.1).

3

BASELINE BACKGROUND

4

What is the Baseline?



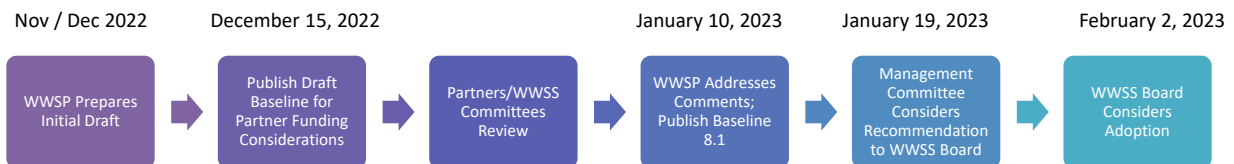
Why adopt a Baseline and when?

- Board to adopt a capital improvement plan (IGA Section 5 & 8)
- Component of WWSS Financial Procedures (IGA Exhibit 6)
- Part of WWSS governance (WWSS MAM)
- Updated annually and modified if needed

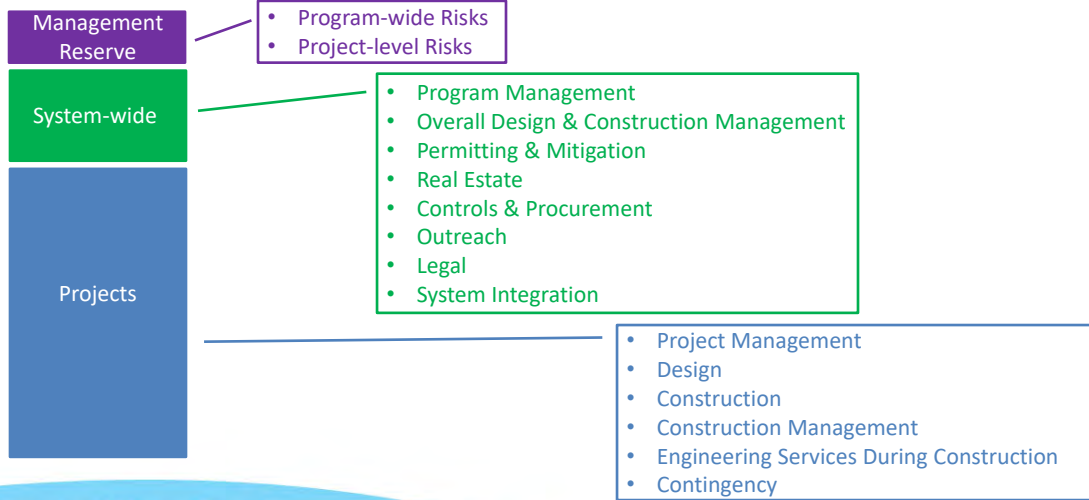
How is it used?

- Planning and managing work
- Establishing fiscal year budgets
- Detecting potential changes or variances
- Input to risk analysis and management
- Reporting to Board, Partners, WIFIA, and public
- Input to financial forecasting by Partners

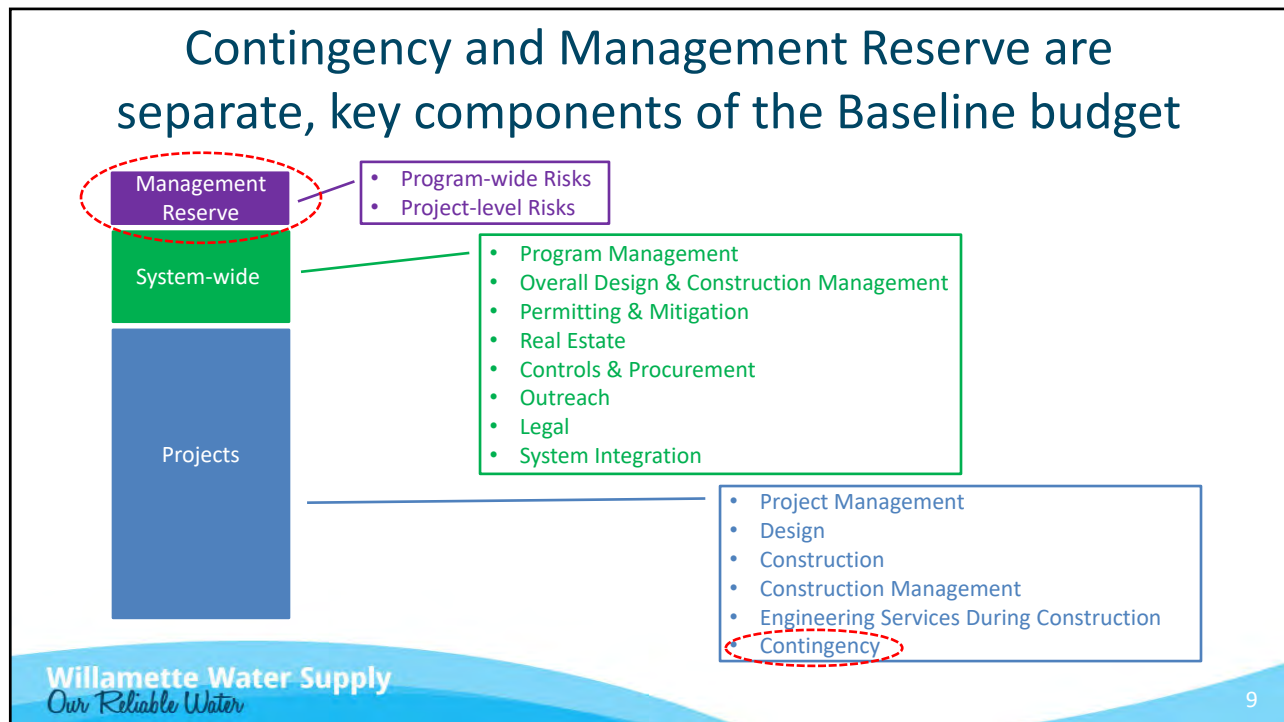
Approach to annual Baseline preparation and review



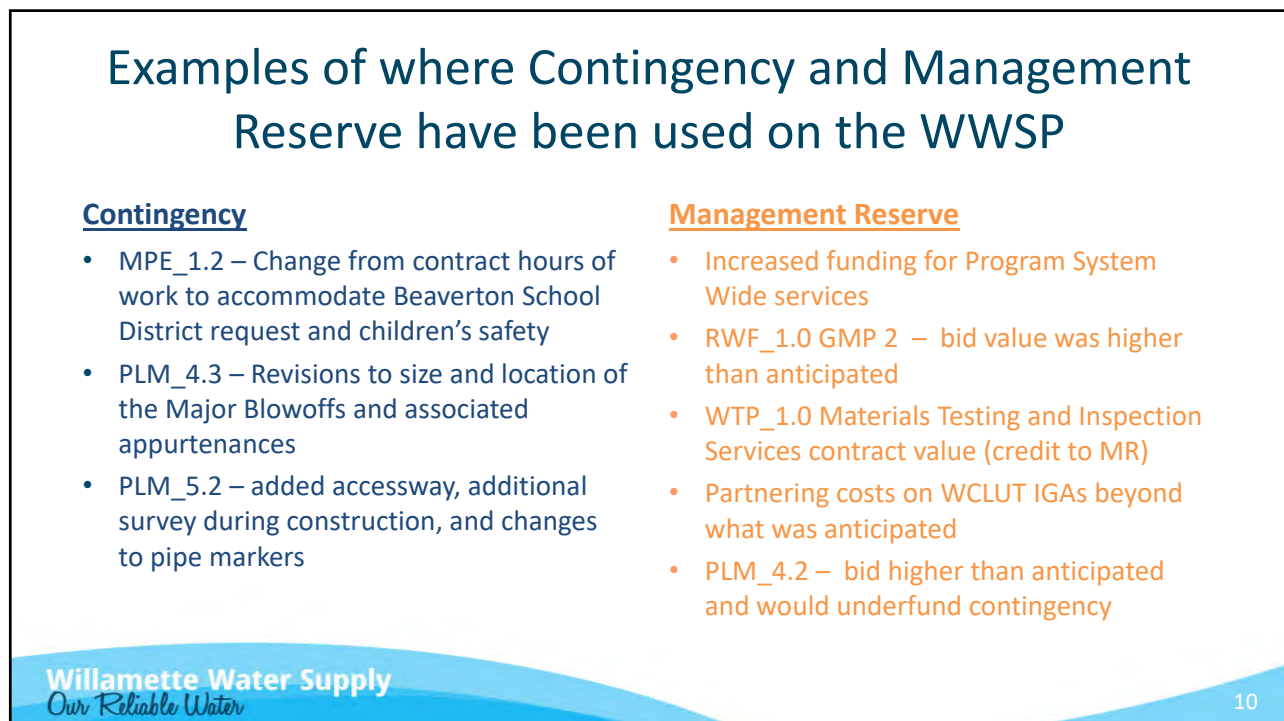
The Baseline cost estimate has 3 main components



WWSP PROJECT CONTINGENCY AND MANAGEMENT RESERVE



9



10

Contingency value held in Baseline 8.1

Project Type	Construction Budget Excluding Contingency (\$M)	Contingency Budget (\$M)	Contingency % of Construction
Pipelines	\$640.9	\$17.8	3%
Facilities ¹	\$467.4	\$31.3	7%
Combined Total	\$1,108.3	\$49.1	4%

¹Construction budget includes Owner and CM/GC Contingency

11

Components of Management Reserve in Baseline 8.1



This is a \$20.1-million decrease compared to Baseline 7.0.



\$15.7 million in project draws accrued since publishing Baseline 7.0 for bids coming in over the held budgets.

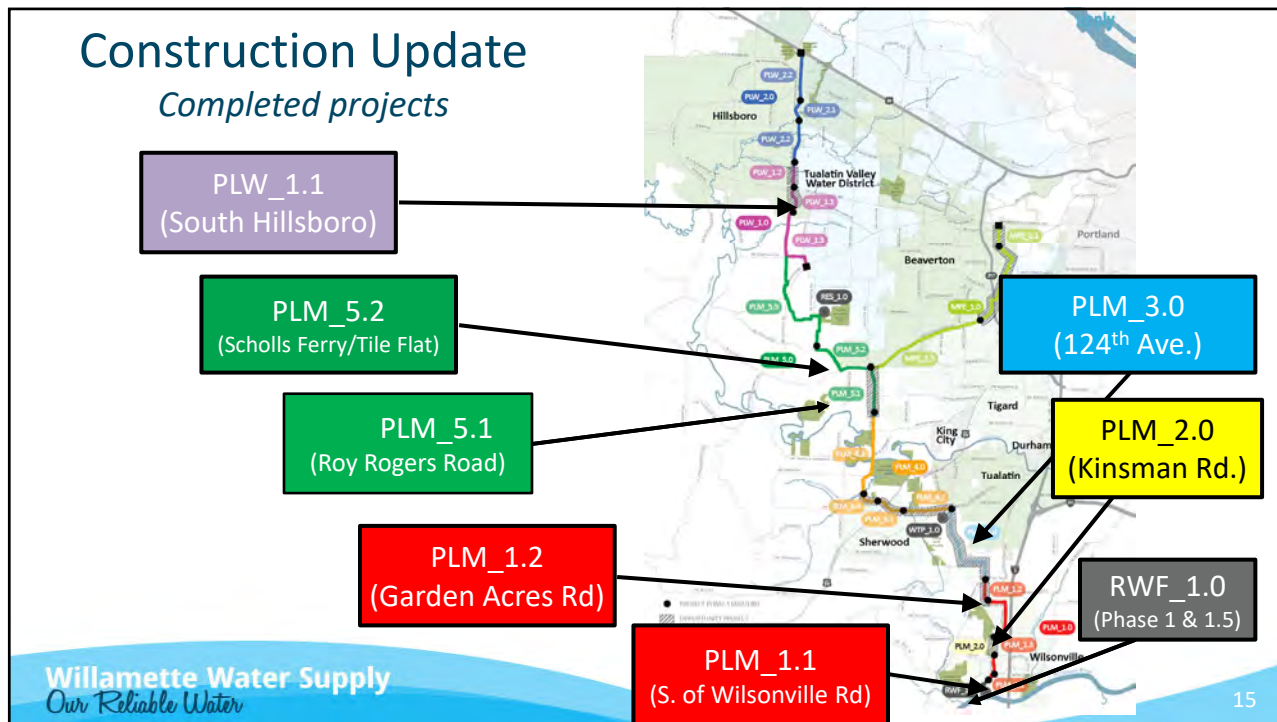


The assumptions in the Management Reserve risk analysis have been updated to reflect the current construction market conditions.

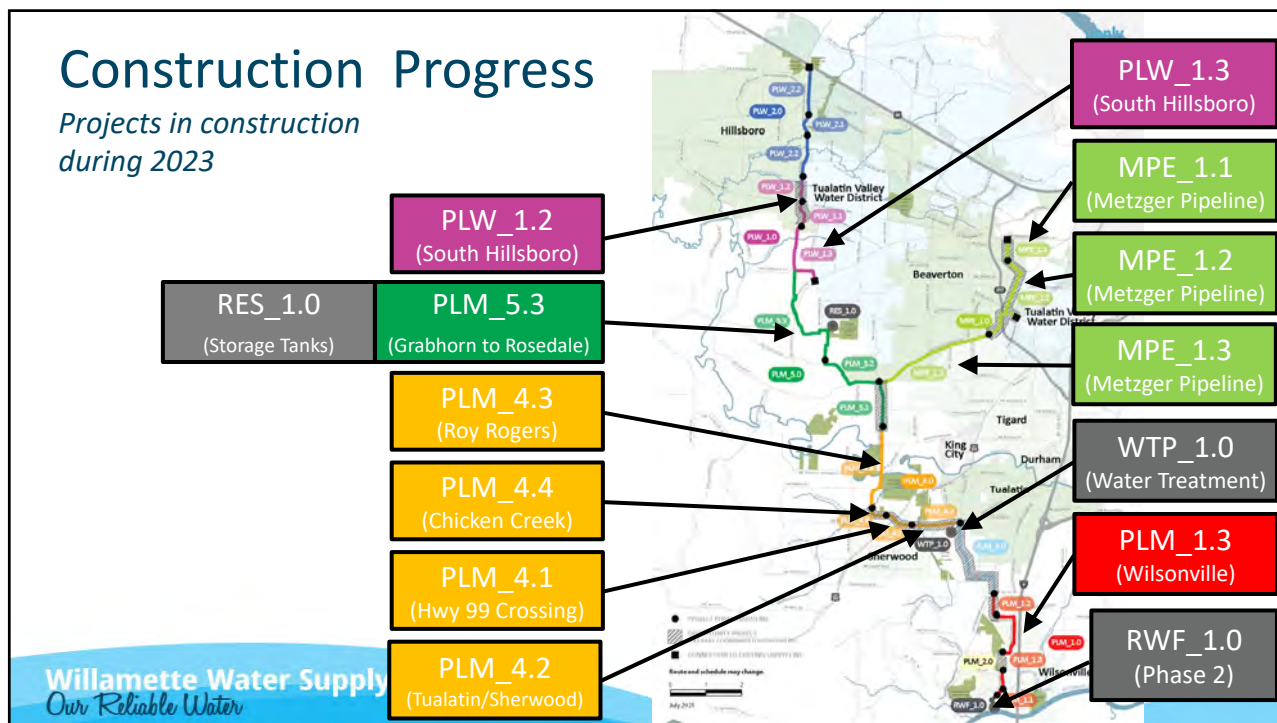


Recommendation to retain the Management Reserve amount of \$58.8 million

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Baseline 7.0 to Baseline 8.1 Budget Comparison

Categories	Baseline 7.0	Draft Baseline 8.1	Change (\$)	Change (%)
WWSP Projects	1177.5	1187.9	10.4	1%
Ancillary Projects	152.7	151.9	-.8	-1%
System Wide (excludes MR & Real Estate)	157.7	166.4	8.7	5%
WWSS Real Estate	48.5	50.3	1.8	4%
WWSS Management Reserve	78.9	58.8	-20.1	-25%
Total Estimated Cost	1615.3	1615.3	.0	0%

\$ in millions

Totals may not sum due to rounding

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Baseline 8.1 Estimated Partner Cost Summary

Agency	Baseline 7.0	Baseline 8.1 Official Release	Change (\$)	Change (%)
Beaverton	99.9	99.2	-.5	-0.5%
Hillsboro	531.5	530.3	-1.2	-0.2%
TVWD	973.4	971.9	-1.5	-0.2%
WIF Partners	10.6	13.9	3.3	31.1%
Total	1615.3	1615.3	.0	0.0%

\$ in millions

Totals may not sum due to rounding

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FY 2024 WWSS Budget

AWP Budget Element	FY 2024	What it Covers
Materials and Services	\$1,400,870	WWSS Commission operating expenses including Board and committee meetings, locates, finance administration, plans development, property management
Capital Outlay	\$420,951,940	WWSP progress including systemwide Program and Construction Management, design, construction, real estate, permitting and MR
Transfers and Contingency	\$140,000	Allowance for unforeseen WWSS Commission expenses
Total FY 2024 Budget	\$422,492,810	--

Exhibit 2 for Resolution WWSS-01-23

WILLAMETTE WATER SUPPLY SYSTEM

HISTORICAL DATA			PERSONNEL SERVICES		2023-24 BUDGET	
ACTUAL	ACTUAL	BUDGET	DETAILED DESCRIPTION	PROPOSED	% CHANGE	% CHANGE
FY23	FY22	FY23		FY24	FY23	FY24
\$0	\$0	\$0	FUND TOTAL WWSS PERSONNEL SERVICES	\$0		N/A
\$0	\$0	\$0	TOTAL PERSONNEL SERVICES	\$0		N/A

HISTORICAL DATA			MATERIALS & SERVICES		2023-24 BUDGET	
ACTUAL	ACTUAL	BUDGET	DETAILED DESCRIPTION	PROPOSED	% CHANGE	% CHANGE
FY23	FY22	FY23		FY24	FY23	FY24
\$646,222	\$448,019	\$897,433	FUND TOTAL WWSS GENERAL SERVICES	\$1,400,870	60.0%	60.0%
\$646,222	\$448,019	\$897,433	TOTAL MATERIALS & SERVICES	\$1,400,870	60.0%	60.0%

HISTORICAL DATA			CAPITAL OUTLAY		2023-24 BUDGET	
ACTUAL	ACTUAL	BUDGET	DETAILED DESCRIPTION	PROPOSED	% CHANGE	% CHANGE
FY23	FY22	FY23		FY24	FY23	FY24
\$15,907,688	\$107,008,931	\$373,641,579	FUND TOTAL WWSS CAPITAL OUTLAY	\$420,951,940	13.0%	13.0%
\$15,907,688	\$107,008,931	\$373,641,579	TOTAL CAPITAL OUTLAY	\$420,951,940	13.0%	13.0%

HISTORICAL DATA			TRANSFERS & CONTINGENCY		2023-24 BUDGET	
ACTUAL	ACTUAL	BUDGET	DETAILED DESCRIPTION	PROPOSED	% CHANGE	% CHANGE
FY23	FY22	FY23		FY24	FY23	FY24
\$0	\$0	\$100,000	GENERAL OPERATING CONTINGENCY	\$140,000	40.0%	40.0%
\$0	\$0	\$100,000	TOTAL TRANSFERS AND CONTINGENCY	\$140,000	40.0%	40.0%

HISTORICAL DATA			TOTAL APPROPRIATIONS		2023-24 BUDGET	
ACTUAL	ACTUAL	BUDGET	DETAILED DESCRIPTION	PROPOSED	% CHANGE	% CHANGE
FY23	FY22	FY23		FY24	FY23	FY24
\$16,553,910	\$107,456,950	\$373,741,579	FUND TOTAL WWSS EXPENDITURES	\$422,492,810	13.0%	13.0%
\$16,553,910	\$107,456,950	\$373,741,579	TOTAL FUND EXPENDITURES	\$422,492,810	13.0%	13.0%

CLOSING

QUESTIONS?

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4.A. Requested Board Action

Consider adopting Resolution No. WWSS 01-23 adopting the Willamette Water Supply System (WWSS) Annual Work Plan and Budget for the fiscal year 2023-24 and approving the Willamette Water Supply Program (WWSP) Capital Improvement Plan (Baseline 8.1).

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STAFF REPORT

To: WWSS Board of Commissioners
From: Justin Carlton, Financial Operations Manager
Date: February 2, 2023
Subject: Congressional Directed Spending Grant Technical Correction

Requested Board Action:

Consider adopting a resolution, requesting the Environmental Protection Agency (EPA) to implement a technical correction of a \$1 million grant award to update the grant recipient from “City of Hillsboro” (COH) to “Willamette Water Supply System Commission” (WWSS). The COH Utilities Commission has approved a similar Resolution, and the EPA will need to accept the Resolution to effect the change in recipient name.

Key Concepts:

- The City of Hillsboro on behalf of the WWSS Commission, applied for and was awarded a \$1 million Congressionally Directed Spending grant administered by the EPA.
- The EPA provided guidance that the grant recipient must be the agency for which the assets (disinfection equipment) are owned.
- As such, a technical correction is required to reassign the grant from the City of Hillsboro to the WWSS Commission.
- The EPA requires that both the City of Hillsboro and the WWSS Commission adopt resolutions indicating the reassignment of the grant from Hillsboro to the WWSS in order to issue the technical correction.

Background:

Last year, COH staff applied for a Congressionally Directed Spending grant. Below is an excerpt from the grant letter of interest (LOI) submitted to the Oregon Safe Drinking Water Revolving Loan Fund that describes the request:

The WWSS is developing a new regional water supply system. It will expand the water supply capacity to serve the long-term needs of TVWD, COB, and COH. It will also serve the immediate needs for a reliable, diverse water supply that is resilient against natural threats from earthquakes and climate change and will use state-of-the-art treatment processes to protect public health against threats from emerging water quality issues. The WWSS is planned as a three-phase project. Phase 1 is currently under way and will provide 60 MGD of drinking water to the partners. Phases 2 and 3 grow the capacity of the project via expansions to the pump stations and treatment plant. Phase 1 of the WWSS withdraws raw water from an existing intake on the Willamette River, treats it, and conveys it 31.5 miles north to the partner service areas. Phase 1 constitutes the scope of this LOI and is scheduled to be substantially complete and placed in service by July 2026.

The projects that make up the WWSS fit into five main components:

- 1) Upgrade existing intake
- 2) Construct 6.2 miles of raw water pipeline

Congressional Directed Spending Grant Technical Correction

February 2, 2023

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- 3) Build new 60-MGD WTP facility that uses a state-of-the-art process (ballasted flocculation; intermediate ozone; deep bed, dual media filtration; and ultraviolet [UV] and chlorine disinfection) to ensure high water quality and protect against emerging contaminants (e.g., algae bloom toxins, synthetic organic compounds)
- 4) Construct 25.3 miles of finished water pipeline
- 5) Build terminal storage to hold 15 million gallons (MG)

This LOI specifically requested \$1 million in grant funds for the ultraviolet (UV) disinfection equipment element of the new 60 MGD WTP facility. COH prepared the LOI on behalf of the WWSS partners.

The next chart lists the approximate distribution of the grant funds to the partner agencies. Each partner will need to provide 25% match, which will be accomplished from WWSS investments.

Partner	Percent	Grant Share
Beaverton	8.33%	\$83,300
Hillsboro	25.00%	\$250,000
TVWD	66.67%	\$667,000
Total	100.00%	\$1,000,000

This was the first year that this type of grant was made available, so staff worked with the Oregon Congressional Delegation on this request. Based on advice at the time, the grant application was submitted in COH's name on behalf of the WWSS Commission. The EPA informed staff that a \$1 million grant has been awarded.

Because this is a new grant program, the EPA recently released the details on the grant program rules. We have learned that the grant must be in the name of the owner of the assets to be purchased by the grant. Since the grant is purchasing assets for the WWSS, we cannot move forward with the current recipient designation.

EPA also recently released rules for requesting a technical correction, including a change in the name of the recipient. The grant award currently lists the recipient as, "City of Hillsboro for Water Supply System Construction". The Resolution would change the recipient to "Willamette Water Supply System Commission." The WWSS Resolution would also approve the name change and would document the WWSS Commission Board's acceptance of the grant award. Once both entities have approved their respective Resolutions, staff will submit a request for a technical correction to the EPA.

Next steps would be:

- WWSS Commission Board approves a Resolution.
- Staff requests and EPA approves the technical correction.
- Staff prepares the grant information in Grants.gov under the WWSS's account.
- EPA approves the Grants.gov entry and awards the grant funds.
- Typical EPA grant rules will require submission of grant reports, budget reports, and a grant closeout report once the funds are expended.

Budget Impact:

Approval of this action item will not impact the budget.

Congressional Directed Spending Grant Technical Correction

February 2, 2023

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Staff Contact Information:

Justin Carlton, Financial Operations Manager; justin.carlton@tvwd.org

Attachments:

- Proposed resolution

Willamette Water Supply System Commission

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RESOLUTION NO. WWSS-02-23

A RESOLUTION APPROVING CHANGE IN THE NAME OF THE RECIPIENT FOR A FEDERALLY FUNDED GRANT FROM THE CITY OF HILLSBORO TO THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION.

WHEREAS, the City of Hillsboro ("City") applied for a Congressionally Directed Spending grant on behalf of the Willamette Water Supply System Commission ("WWSS") for construction costs related to water treatment plant disinfection systems; and

WHEREAS, the City was awarded a grant in the amount of one million dollars (\$1,000,000.00) for this purpose; and

WHEREAS, new grant guidelines adopted by the United States Environmental Protection Agency ("EPA") require the grant award to be made in the name of the owner of the asset being funded by the grant, which in this case will be the WWSS rather than the City; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION THAT:

Section 1: The Willamette Water Supply System Commission hereby approves changing the name of the grant recipient from the City of Hillsboro to the Willamette Water Supply System Commission and further directs and authorizes the City of Hillsboro staff to request from the EPA a technical correction to the grant recipient's name once this resolution accepting the grant is approved by the Willamette Water Supply System Commission Board.

Approved and adopted at a regular meeting held on the 2nd day of February 2023.

_____, Chair

_____, Vice Chair

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners
From: Joelle Bennett, P.E., WWSP Assistant Program Director
Date: February 2, 2023
Subject: Anticipated Business Agenda Items for the April 2023 Meeting of the WWSS Board of Commissioners

Key Concepts:

The next Willamette Water Supply System (WWSS) Commission Board meeting agenda is anticipated to include a staff recommendation for the following business agenda item:

1. Natural Hazard Mitigation Plan

Background:

There is one anticipated business agenda item for the April 6, 2023, meeting of the WWSS Board of Commissioners. Due to the dynamic nature of the WWSS work, request for approval of some items may be delayed or new items may emerge on the business agenda for the next meeting. WWSS staff strive to provide preliminary information one meeting prior to requesting action and a full staff report describing the recommended action during the appropriate month.

1. Natural Hazard Mitigation Plan

Washington County's Emergency Management division develops and leads updates to the county-wide, multi-agency Natural Hazards Mitigation Plan (NHMP). During the current update cycle, WWSS staff have participated in the development of documentation incorporating the WWSS into the NHMP. The WWSS portion is included in the TVWD portion, or "annex," in the overall plan. With the board-approved annex in the county's NHMP, WWSS is eligible to apply for federal funding to assist with implementation of the hazard mitigation actions included in the plan. For WWSS, those include seismic sensor enhancements, expanded back-up power capacity, and additional spare parts with a storage facility. Also included in the WWSS annex are specific regional transportation system improvements that would improve WWSS and regional recovery after a natural disaster.

At the April WWSS Board meeting, WWSS staff plan to present the proposed annex document with a recommendation to the Board for approval.

Budget Impact:

Anticipated costs for the actions described in this staff report are reflected in the WWSP FY2023 budget and the overall program baseline budget.

Anticipated Business Agenda Items for the April 2023 Meeting of the WWSS Board of Commissioners

February 2, 2023

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Staff Contact Information:

Dave Kraska, P.E., WWSS General Manager, 503-941-4561, david.kraska@tvwd.org

Joelle Bennett, P.E., WWSP Assistant Director, 503-941-4577, joelle.bennett@tvwd.org

Attachments:

- Approvals and Procurement Forecast (December 2022 – March 2023)



Approvals and Procurement Forecast: December 2022 through March 2023

This report provides a four-month projection of (1) forthcoming actions under the WWSS Management Authority Matrix and (2) ongoing and forthcoming procurements.

a = Actual date
 e = Email approval
 FC = Finance Committee
 LCRB = Local Contract Review Board
 MC = Management Committee
 N/A = Not applicable
 OC = Operations Committee

Rec. = Recommendation
 t = Tentative date
 TBD = To be determined; sufficient information not available to project a date
 Note: Dates in red text indicate meetings needed outside the normal meeting schedule

Type	Description	Projected Action	Body/Position (projected action date)		
			Program Director	WWSS Committees	WWSS Board
Program Baseline or Related Plans (above Program Director's Authority)	1. WWSP 2023 Rebaseline Schedule and Budget and WWSS Fiscal Year 2023-2024 Work Plan and Budget	Approve	N/A	1/19/2023 t	2/2/2023 t
		Execute	N/A	N/A	N/A
	2. Natural Hazard Mitigation Plan	Approve	N/A	3/23/2023 t	4/6/2023 t
		Execute	4/7/2023 t	N/A	N/A
Real Estate	3. None	Approve	N/A	N/A	N/A
IGAs, MOUs, Permit Commitments, & Similar Agreements	4. DCS_1.0 Sherwood Broadband Services IGA	Approve	N/A	MC: 3/18/2021 a	4/1/2021 a
		Execute	1/31/2023 t	N/A	N/A
	5. PLM_1.3 BPA Engineering and Construction Agreement	Approve	N/A	9/22/2022 a	10/6/2022 a
		Execute	1/3/2023 a	N/A	N/A
Contracts (above Program Director's Authority)	6. WTP_1.0 Materials Testing & Special Inspection <ul style="list-style-type: none"> • Goal: Quality Control WTP_1.0 • Value: \$1.2M • Contractor: Carlson Testing, Inc. 	Approve	N/A	MC: 11/17/2022 a	12/1/2022 a
		Execute	12/1/2022 a	N/A	N/A
		Approve	N/A	N/A	N/A
Contract Amendments and Change Orders (above Program Director's Authority)	7. None	Approve	N/A	N/A	N/A
		Execute	N/A	N/A	N/A
Local Contract Review Board (LCRB) Actions	8. None	Approve	N/A	N/A	N/A
Other	9. Congressional Directed Spending Grant Technical Correction	Approve	N/A	1/19/2023 t	2/2/2023 t
		Execute	2/9/2023 t	N/A	N/A

Willamette Water Supply System Commission

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**Willamette Water Supply System Commission
Board Meeting**

February 2, 2023
