

**Willamette Intake Facilities Commission
Board Meeting Minutes
October 29, 2018**

REGULAR SESSION – 6:00 PM

CALL TO ORDER AND ROLL CALL

Commissioners present:

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

Committee Members present:

TVWD:	Mark Knudson, Management Committee Paul Matthews, Finance Committee
Beaverton:	David Donaldson, Management Committee
Hillsboro:	Kevin Hanway, Management Committee Lee Lindsey, Finance Committee Niki Iverson, Management Committee (Alternate)
Sherwood:	Craig Sheldon, Management Committee
Tigard:	Brian Rager, Management Committee

Managing Agency Staff present:

Dave Kraska, WIF Commission General Manager
Clark Balfour, TVWD General Counsel
Justin Carlton, Willamette Water Supply Program (WWSP) Finance and Administrative Supervisor
Mike Jacobs, TVWD Risk Management Coordinator/WWSP Safety & Security Supervisor
Collin Fleming, TVWD Facilities Supervisor
Faye Branton, WIF Commission Recorder

Other Attendees:

Joel Cary, TVWD Water Resources Division Manager
Joelle Bennett, WWSP Assistant Director

Chairman Godsey opened the meeting at 6:00pm, followed by attendee introductions.

1. GENERAL MANAGER'S REPORT

Mr. Kraska presented the General Manager's report, including Safety Minute on eye health and safety, followed by updates regarding the Raw Water Facilities project and coordination with Kinder Morgan.

In answer to Commissioners' questions, staff replied that all components of Kinder Morgan's proposal for improving emergency response for protection of the river water quality and the quality of the water entering the WIF will be evaluated in detail. The separation between the Willamette Water Supply System intake facility and the Kinder Morgan pipeline is approximately 2,000 feet.

2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

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

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

4. BUSINESS AGENDA

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

Mr. Balfour presented background and amendment alternatives for consideration related to a concern raised at the last Board meeting regarding Article C.2 of the WIF Board of Commissioners Rules of Conduct, which were approved at the July 20, 2018 Board meeting. Article C.2 currently reads "Special meetings may be called by the Chair or any two Board members."

Mr. Balfour clarified quorum and unanimous vote requirements and asked if the Board wished to amend the rule regarding special meetings or leave it as currently written.

Commissioners agreed on the need to clarify the rule regarding special meetings and agreed on the wording of suggested alternative number two, striking the words "issuance of debt".

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

Motion was made by San Soucie, seconded by Doane, to modify Article C.2 of the Rules of Conduct as stipulated in the staff report as alternative number two, striking the words "issuance of debt".

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

- B. Consider adopting Resolution No. WIF-05-18, a resolution adopting the Raw Water Facility Project Plan.

Mr. Carlton presented background and budget impact information regarding the Raw Water Facility Project Plan and asked the Board to consider adopting Resolution No. WIF-05-18.

Motion was made by San Soucie, seconded by Garland, to adopt Resolution No. WIF-05-18.

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

- C. Consider adopting Resolution No. WIF-06-18, a resolution amending and adopting a supplemental budget for the 2018-19 fiscal year regarding capital outlay for the Willamette Intake Facilities Commission.

Mr. Carlton presented the background and budget impact regarding the proposed Fiscal Year 2018-19 capital outlay for the Willamette Intake Facilities Commission, including a table reflecting each partner's share.

Motion was made by Doane, seconded by Knapp, to adopt Resolution No. WIF-06-18.

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

- D. Consider approving WIF Insurance Renewal Recommendation.

Mr. Jacobs presented staff's recommendation that the Board grant authority to the WIF General Manager to approve the 2019 property and liability insurance renewal with Special Districts Insurance Services (SDIS).

In answer to Commissioners' questions, staff replied that the WIF Commission does not currently own automobiles, therefore owned automobile coverage is excluded. This coverage can be placed when it becomes a need. The policy term is per calendar year.

Motion was made by Garland, seconded by San Soucie, to grant authority to the WIF General Manager to approve the 2019 property and liability insurance renewal with SDIS.

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

5. INFORMATION ITEMS

A. WIF Plans Development Strategy

Mr. Kraska presented the development strategy for the three plans required by the Willamette Intake Facilities Commission Intergovernmental Agreement (IGA), which are the Operations Plan, the Curtailment Plan, and the Emergency Response Plan. (See attached presentation.)

In answer to Commissioner's question, staff replied that we are in the beginning stage of the concept regarding which plan(s) will house the delegation of responsibilities for response to challenges, such as harmful algal blooms. Staff listed a number of questions to be evaluated during the development of this concept.

Commissioner Knapp encouraged staff to clearly define the line of authority and lead protocol for emergency response scenarios, leaving no doubt regarding who is responsible for each step.

Commissioner San Soucie expressed the desire for gathering and managing data appropriately for the benefit of operational understanding.

B. Report on the Financial Affairs of the Willamette Intake Facilities Commission

Mr. Matthews presented an overview of the audited WIF Commission Basic Financial Statements for the three months period ended June 30, 2018, and the unaudited Quarterly Financial Report for the period ended September 30, 2018. Partners will be invoiced on a quarterly basis. (See attached presentation.)

In answer to Commissioners' questions, staff replied that during this quarter TVWD covered staff expense, because the WIF Commission did not yet have an adopted budget. An example of Business Expense is meals for Board meetings.

- C. The next Board meeting is scheduled on January 28, 2019, at Tualatin Valley Water District – Board Room.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

- A. None scheduled.

ADJOURNMENT

There being no further questions or business, Chairman Godsey adjourned the meeting at 6:53 p.m.

John Godsey, Chair

Sean Garland, Vice Chair

Willamette Water Supply
Our Reliable Water

Willamette Intake Facilities Plans Development Strategy

October 29, 2018

Outline

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

Willamette Water Supply
Our Reliable Water

BACKGROUND ON THE WIF PLANS

Willamette Intake Facilities IGA requires development of three plans

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

Willamette Intake Facilities IGA requires development of three plans

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

Willamette Intake Facilities IGA requires development of three plans

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

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

Task 1 – General Administration

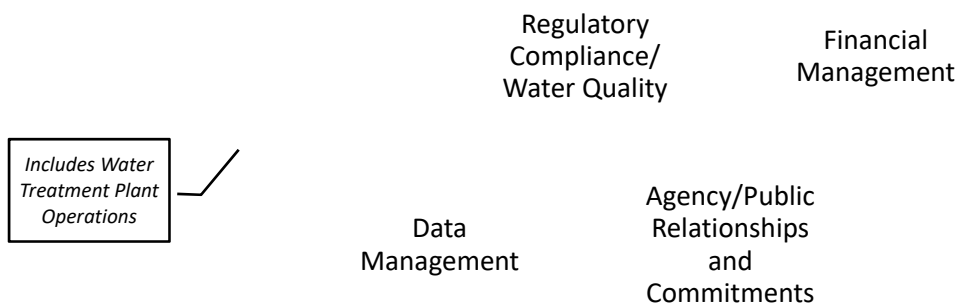
- A. Administration of Infrastructure and Maintenance
 - Draft a strategy for preparing three plans:
 - Operations Plan
 - Curtailment Plan
 - Emergency Response Plan
 - Include general scope and schedule for plans development
 - Wilsonville remains responsible for operations until 2026
- Budget: 16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

OVERALL PLANS DEVELOPMENT STRATEGY

Planning for WWSS Operations

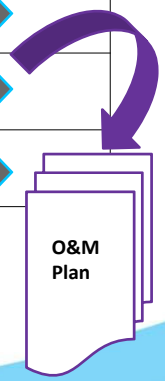
- Defining a comprehensive scope for WWSS operations
 - Integration into partner distribution systems
 - Long-term operations
- Initial WWSS operations planning workshops
 - Over 300 topics and issues identified

Five Primary Themes and Numerous Subthemes



Process for Developing WWSS O&M Plan

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



END

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

Willamette Intake Facilities Commission
October 29, 2018

Paul L. Matthews
Chief Financial Officer



Tonight's Information

FY2018 Audited Basic Financial Statements

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

FY2019 Unaudited Financial Performance

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

FY2018 Audited Basic Financial Statements

Enterprise Fund Reporting

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

Report of Independent Auditors

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

Management’s Discussion and Analysis

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

**Willamette
Intake Facilities
Commission**

**Basic Financial
Statements**

Three month period ended June 30, 2018

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

Statement of Net Position

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

Statement of Revenues, Expenses and Changes in Net Position

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

FY2018 Audited Basic Financial Statements

Findings and Conclusions

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

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

Willamette Intake Facilities Commission
October 29, 2018

Paul L. Matthews
Chief Financial Officer



First Quarter Performance

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

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

Issues for Coming Year

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

Questions and Answers

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

Paul L. Matthews
Chief Financial Officer

Tualatin Valley Water District


Delivering the Best Water  Service  Value