

HILLSBORO/FOREST GROVE/BEAVERTON
TUALATIN VALLEY WATER DISTRICT
JOINT WATER COMMISSION (JWC)

MINUTES

City of Hillsboro
Civic Center Room 113B
150 East Main St.

October 11, 2013
12:30 p.m.
Regular Meeting

Commissioners Present:

Hillsboro: John Rosenberger and Dave Judah
Forest Grove: Victoria Lowe and Carl Heisler
Beaverton: Denny Doyle, Marc San Soucie and Mark Fagin
Tualatin Valley Water District: Dick Schmidt and Marilyn McWilliams

Staff Present:

Hillsboro: Kevin Hanway, Peter Martins, Tyler Wubbena, Rob Dixon,
Niki Iverson, Mellisa Franklin and Susan Howard
Beaverton: David Winship
Forest Grove: Michael Sykes and Derek Robbins
TVWD: Mike Britch

Others Present:

Wayne Gresh – Carollo Engineers
Bruce Barney – PGE
Kelly Cox – PGE
Clark Balfour – Attorney

The Commission lunches at 12:00 p.m. Call to order at 12:38 p.m.

CALL TO ORDER

Introductions.

1. **CONSENT AGENDA** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)

- A. Approve regular meeting minutes from Friday, July 12, 2013.

Motion by San Soucie, seconded by Heisler, to approve the Consent Agenda as presented. Motion carried unanimously with Commissioners Rosenberger, Judah, Heisler, Lowe, Doyle, San Soucie Fagin, Schmidt and McWilliams all voting in favor.

2. **COMMUNICATIONS AND NON-AGENDA ITEMS**

A. None scheduled.

3. UNFINISHED BUSINESS

A. None scheduled.

4. NEW BUSINESS

A. Consider approval of wholesale water rate update. *Staff Report – Kevin Hanway*

Hanway stated on a periodic basis a review is conducted to analyze cost of service to wholesale customers to ensure rates charged are in line with service costs. He stated in that regard the City is requesting an approval of the proposed 1.7% increase authorized by Resolution 122-J.

Motion by San Soucie, seconded by McWilliams, to approve the Resolution 122-J increasing the wholesale water rate to \$1.23 per ccf, effective November 1, 2013. Motion carried unanimously with Commissioners Rosenberger, Judah, Heisler, Lowe, Doyle, San Soucie Fagin, Schmidt and McWilliams all voting in favor.

5. DISCUSSION ITEMS (These items may result in action by the Commission.)

A. Presentation by Portland General Electric on Standby Power Generation Project.
Staff Report – Tyler Wubbena

Wubbena stated the JWC approved a construction contract with Carollo Engineers for the continuation of the Standby Power Generation project. He then introduced Bruce Barney with Portland General Electric (PGE) to present background information on Dispatchable Standby Generation (DSG).

Barney stated the DSG program which began in 2000, partnerships with customers who own large generators to help PGE during grid events. This program also helps reduce customer O&M costs and provides capital for the generation plant. He stated goals for the DSG program are to reach 150MW of additional capacity from its current capacity of 96MW.

Barney stated this program benefits its customers by funding operations, maintenance and fuel costs for backup power and power quality monitoring for facility operations. McWilliams inquired what kind of program is in place to ensure crews are available for emergency repairs. Barney responded PGE over maintains the generators to ensure they function properly by running them through an exercise program. The program puts the generators up against the PGE grid for one hour under full load four times per year. McWilliams also inquired about fuel quality and testing. Barney responded PGE samples all fluids and runs the fuel through a filtration process to ensure quality.

Barney stated there are many benefits for customer who participate in the program including greater reliability due to high quality equipment and a relay protection system. There is also power quality monitoring and design assistance. He stated there is reduced operations and maintenance

due to free preventative switchgear and generator maintenance along with engine tune-ups and general repairs. The program also provides emissions permit modifications, renewals and fuel. McWilliams inquired if the grid went down how long before the generator would be back in operation. Barney responded within seconds.

Barney stated currently emissions from the generators are under new rules created by the EPA which states run time for generators is limited to 100 hours per year for emergency operation including 50 hours for required maintenance and 50 hours of optional run time. However, there is unlimited outage operation. Iverson inquired is there protection against surges. Barney responded a very reliability protection relay system is in place which is set very tightly to protect the generator.

Barney reviewed the funding strategy stating the total value to PGE is based on kW of the generator plant which is typically \$290.00 per kW. He then reviewed what the project funding is typically used for.

Hanway inquired at this time does the Commission have any objection to moving forward with the project. The Commission unanimously responded with no objections.

Wayne Gresh with Carollo Engineers reviewed the programs next steps including generator size, bid documents, bid period, evaluation of generator bids, the award of generator selection, complete final design, bid construction work, awarding the construction contract, constructing the facility and the commission facility.

B. Presentation on North Transmission Line emergency repair event response. *Staff Report – Peter Martins*

Martins reviewed the North Transmission Line (NTL) leak indicating the location of water seepage on Evergreen Road. He stated there were many factors in the urgency of the repair, including losing the road, losing a secure airport perimeter, the Air Show and County Fair only days away, loss of water to Hillsboro's industrial core and to TVWD water customers. Due to these factors, it was very important the repair took place immediately. Crews were dispatched, one mile of the NTL was dewatered, the location of the leak was pinpointed and digging began to replace the blow-off assembly. Martins stated notices of possible water pressure loss went out to all area users. Water users served from the NTL were informed of details throughout the entire process. He stated Evergreen Reservoir was continuously filled from the NTL and pumped out at the same time to service water customers. Martins stated the incident began on Wednesday, August 24 and by Saturday, August 27 the leak and road were repaired and open for traffic. There was no loss of service to Hillsboro or TVWD customers and there were no injuries to crew members.

C. Update Report on Willamette Water Supply System Program. *Staff Report – Mike Britch (TVWD) and Kevin Hanway*

Mike Britch with TVWD updated the Commission on the Willamette Water Supply System Program stating the TVWD Board met on April 24 and selected the Willamette River as its preferred long term water supply option. In August an ordinance was adopted which authorizes

the CEO to award contracts and directs staff to move forward with the project. He stated with the knowledge of TVWD's long-term thinking, Washington County approached TVWD to inquire if there was interest in taking advantage of the expansion of SW 124th Avenue as part of the pipeline project. He stated with the agreement to move forward with SW 124th, a contract was signed with HDR to assist in the design of the project. Currently a Preliminary Design is underway. The design will incorporate the entire supply system from the treatment plant in Wilsonville all the way to the North Transmission Line. The design also involves a new terminal storage facility on the south side of Cooper Mountain. He stated part of what the design project needs to accomplish is to go through the hydraulics and sizing of the pipe. Design guidelines will also be developed to ensure all the projects being built will be done consistently.

Britch reviewed TVWD's vision for the Willamette Water Supply stating it adds to its portfolio of supply, bringing the District to four separate water sources. It also provides greater reliability and resiliency. He stated water is the fuel for economic development in Washington County so having a reliable water supply is very important. He stated to enable the project to move forward, a number of agreements will need to fall into place. There will be an intergovernmental agreement between the TVWD and Hillsboro, along with a joinder agreement which will be developed between Beaverton, Tigard and Tualatin to enable them to participate in the preliminary design. Before any money is spent to purchase any real assets Hillsboro and TVWD will be working through the details of long term governmental agreements. Also there are a number of agreements that will be required for the SW 124th project.

D. Stored Water Status. *Staff Report – Niki Iverson*

Iverson reviewed the Barney Reservoir Fill Graph stating the reservoir was deregulated on September 30. Currently the reservoir is approximately 70% full. She also reviewed the Fill Graph for Scoggins Reservoir stating already this year the reservoir is very close to reaching the bottom of the flood curve.

E. General Manager's Report. *Staff Report – Kevin Hanway*

Hanway stated the Tualatin River Basin Supply Project is in the process of closing out. The dam raise will not happen due to Hillsboro and TVWD going to another water source. However Clean Water Services will continue working toward a 10-12 ft. dam raise to supply their need for additional water. Hillsboro, Beaverton and Forest Grove will continue working toward seismic upgrades. Hanway stated he, along with others, will be visiting Washington D.C. in November to encourage a decision regarding seismic upgrade funding.

Hanway stated the other issue is federal changes in the management of O&C land. The House and Senate have been revisiting timber management policies primarily with the purpose of creating revenues for Counties that are reliant on fee payments from timber activities. Hanway submitted a letter to Senator Wyden on behalf of the JWC to remind them that in addition to creating revenue for those Counties, the O&C lands must be managed for multiple purposes including maintaining water quality.

6. ADVICE/INFORMATION ITEMS

- A. The next JWC and BRJOC meetings are scheduled on Friday, January 10, 2014, at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

There being no further business to come before the Commission, the meeting adjourned at 2:33 p.m.

Chairman _____
Hillsboro/Forest Grove/ Beaverton/
TVWD Joint Water Commission

ATTEST: _____
Secretary