

Joint Water Commission



General Manager

Kevin Hanway
150 E. Main Street
Hillsboro, OR 97123
503-615-6585

Board of Commissioners

City of Hillsboro

John Godsey
John Rosenberger
David Judah

City of Forest Grove

Rod Fuiten
Carl Heisler
Victoria Lowe

City of Beaverton

Denny Doyle
Marc San Soucie
Mark Fagin

Tualatin Valley Water District

Dick Schmidt
Marilyn McWilliams
Mark Knudson

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

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

January 9, 2015
12:30 p.m.
Regular Meeting

Assistive Listening Devices (ALD) and sign language interpreters are available, at no cost, and can be scheduled for this meeting. Please provide at least 72 hours notice prior to the meeting. To obtain these services, call (503) 681-6100 or TTY (503) 681-6284.

ALL TESTIMONY IS ELECTRONICALLY RECORDED.

The Commission lunches at 12:00 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, October 10, 2014.
- B. Approve Executive Committee minutes from October 23, 2014.
- C. Approve Executive Committee minutes from November 14, 2014.

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

- A. None scheduled.

3. **UNFINISHED BUSINESS**

- A. None scheduled.

4. **NEW BUSINESS**

- A. Election of Officers
- B. Designation of Managing Agency



- C. Consider authorizing Executive Committee to meet and consider award of contract for Water Treatment Plant Roof Repair. *Staff Report – Erika Murphy*

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

- A. Presentation and Review of Audit Report. *Staff Report – Mellisa Franklin*
- B. Presentation of Financial Report. *Staff Report – Mellisa Franklin*
- C. Stored Water Status. *Staff Report – Kristel Fesler*
- D. ESA Biological Opinion for Tualatin Project. *Staff Report – Niki Iverson*
- E. Project Updates
 - 1. CarteGraph Status Update. *Staff Report – Sophia Hobet and Chris Wilson*
 - 2. Standby Power Update. *Staff Report – Erika Murphy*
 - 3. Reed’s Crossing. *Staff Report – Nesh Mucibabic*
- F. General Manager’s Report. *Staff Report – Kevin Hanway*

6. ADVICE/INFORMATION ITEMS

- A. The next JWC and BRJOC meetings are scheduled on Friday, April 10, 2015 at the Civic Center in Room 113B. The BRJOC meeting will be held at 12:30 p.m. with the JWC meeting following.

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 10, 2014
12:30 p.m.
Regular Meeting

Commissioners Present:

Hillsboro: John Godsey, John Rosenberger and Dave Judah
Forest Grove: Victoria Lowe
Beaverton: Mark Fagin
Tualatin Valley Water District: Marilyn McWilliams, Dick Schmidt and Mark Knudson

Staff Present:

Hillsboro: Rob Dixon, Kevin Hanway, Niki Iverson, Tyler Wubbena, Sophia Hobet, Erika Murphy, Nesh Mucibabic, Kristel Fesler, Mellisa Franklin, Tacy Steele and Tonya Bilderbeck
Beaverton: David Winship
Forest Grove: Rob Foster, Derek Robbins Rich Blackmunand and Marie Kangabe

Others Present:

Clark Balfour – Attorney
Wayne Gresh – Carollo Engineers
Nancy Kraushaar – City of Wilsonville
Mike Kohloff – Wilsonville Attorney
Jim Doane – Citizen

The Commission lunches at 12:00 p.m. Call to order at 12:48 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 11, 2014.

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

2. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

3. UNFINISHED BUSINESS

A. None scheduled.

4. NEW BUSINESS

- A. Consider authorizing Executive Committee to meet and consider award of contract for construction of South Transmission Line modifications. *Staff Report – Nesh Mucibabic*
- B. Consider approval of contract for procurement of materials for the South Transmission Line modifications project. *Staff Report – Nesh Mucibabic*

Hanway advised staff is requesting approval in one motion from commission to convene the Executive Committee to consider award of contracts for Agenda Items 4A and 4B.

Mucibabic reported a section of the existing South Transmission Line (STL) will be replaced with new 42” steel pipe, and an existing FM vault will be removed and relocated. He said the pipeline belongs to Hillsboro, TVWD and Beaverton; the project required coordination between the JWC partners, Washington County and the South Hillsboro Developer.

Mucibabic reviewed the design for the STL improvement and said the estimated design cost is \$150,000, with construction costs estimated at \$500,000. Mucibabic said these two project components are being included in a single JWC project for cost efficiencies, to assure the level of coordination that will be critical to successful completion of these improvements, and to minimize the period when the STL will be shut down.

Motion by Godsey, seconded by Lowe, to approve the Executive Committee to meet to consider approval of contract for construction of South Transmission Line modifications and to consider approval of contract for procurement of materials for the South Transmission Line modifications project, as presented. Motion carried unanimously with Commissioners Godsey, Judah, Rosenberger Lowe, Fagin, McWilliams, Schmidt and Knudson all voting in favor.

- C. Consider award of contract for construction of Standby Power Generation Facility and assignment of generator procurement contract. *Staff Report – Erika Murphy*

Murphy reported seven bids were received, with 2KG Contractors submitting the lowest bid in the amount of \$5,710,194. Murphy said a notice of intent to award was sent to all bidders.

Staff requests the commission award the construction contract to 2KG Contractors, Inc. for the JWC Standby Power Generation facility for a contract price of \$5,710,194.00, subject to

expiration of the protest period without a protest and authorize the General Manager to sign the contract; and authorize the General Manager to assign the generator procurement contract to 2KG Contractors, Inc.

Motion by Knudson, seconded by Fagin, to approve award of contract for construction of Standby Power Generation Facility and assignment of generator procurement contract and authorizes the General Manager to sign the contract and assign the generator procurement contract to 2KG Contractors, Inc., as presented. Motion carried unanimously with Commissioners Godsey, Judah, Rosenberger Lowe, Fagin, McWilliams, Schmidt and Knudson all voting in favor.

- D. Consider approval of contract modification with Carollo Engineers for addition of construction services on Standby Power Generation Facility. *Staff Report – Tyler Wubbena*

Wubbena said this has been an ongoing project for the last four years. He said the commission received an UASI grant administered by the City of Portland. Carollo Engineers was selected and contracted through the City of Portland. The original contract excluded construction and generator costs as it was unclear what was needed at the time, and the JWC Board preferred to contract directly for those services rather than through the City of Portland.

Wubbena said the project is complex, with \$449,000 projected for construction services; 7.8% of overall project costs.

Gresh will correct the discrepancy on the contract that states between 75 and 90 submittals.

Motion by Schmidt, seconded by Godsey, to approve the contract modification with Carollo Engineers for addition of construction service Standby Power Generation Facility, as presented. Motion carried unanimously with Commissioners Godsey, Judah, Rosenberger Lowe, Fagin, McWilliams, Schmidt and Knudson all voting in favor.

- E. Consider approval of dispatchable power generation agreement with PGE. *Staff Report – Tyler Wubbena*

Wubbena recapped the dispatchable power generation project and stated staff is confident the project is beneficial for the commission and PGE.

Lowe requested cost estimates to be sent to partners.

Knudson asked if legal had reviewed contract thoroughly. Wubbena indicated Tommy Brooks had reviewed the contract and had several reiterations to resolve minor issues. The contract was approved to form with a signature line for attorneys.

Lowe requested clarification on long term responsibility in the event of failure, and asked if responsibility would fall on the construction company. Wubbena responded the contractor is 100% responsible for installation to specifications, PGE is responsible to bring it online and ensure it is working.

Motion by Lowe, seconded by Fagin, to approve the dispatchable power generation agreement with PGE, as presented. Motion carried unanimously with Commissioners Godsey, Judah, Rosenberger Lowe, Fagin, McWilliams, Schmidt and Knudson all voting in favor.

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

- A. Report on Scoggins Creek Fire emergency response. *Staff Report – Tacy Steele and Sophia Hobet*

Hobet recapped the events of the Scoggins Fire. She reported the initial response was led by local fire departments. The Governor declared a Conservation Act; Oregon State Fire Marshall and Oregon Department of Forestry took incident command of the Scoggins Creek fire on Saturday morning and the fire was declared contained by Tuesday. Approximately 140,000 gallons of water was scooped from Hagg Lake to fight the fire.

Hobet stated ash fall out is a short term water quality concern for JWC, and potential erosion and nutrient wash out a long term concern. JWC staff is coordinating a plan for water quality monitoring.

- B. Report on Hagg Lake recreation planning and management planning activities. *Staff Report – Kristel Fesler*

Fesler reviewed the recreation plan at Hagg Lake. She stated Parks is still working on a feasibility study for expanding recreational opportunities at Hagg Lake.

Fesler highlighted key focus points as entrance fees, road and culvert Improvements, year round access, overnight camping and public safety. The commission discussed concerns related to the proposal. Fesler stated staff would remain very engaged in the process to address those concerns.

- C. Stored Water Status. *Staff Report – Kristel Fesler*

Fesler reported Scoggins is approximately 40% full as of September 30.

- D. General Manager's Report. *Staff Report – Kevin Hanway*

Hanway reported plant production peaked at 58 mgd. He said the WTP has peak capacity of 75mgd, with a three day average of 56.5 mgd.

Hanway said the biologic opinion for Tualatin project is in review. It does not appear that the screens will need to be replaced. Staff will present the results at the January meeting.

6. ADVICE/INFORMATION ITEMS

- A. The next JWC and BRJOC meetings are scheduled on Friday, January 9, 2015, 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 2:09 p.m.

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

ATTEST: _____
Secretary

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

**EXECUTIVE COMMITTEE
MINUTES**

City of Hillsboro

October 23, 2014

Civic Center

9:30 a.m.

Water Department

Special Meeting

Commissioners Present:

Hillsboro:	John Godsey
Forest Grove:	Victoria Lowe
Beaverton:	Denny Doyle
Tualatin Valley Water District:	Marilyn McWilliams

Others Present: Kevin Hanway, David Winship, Tyler Wubbena and Tonya Bilderbeck

Call to order at 9:30 a.m.

CALL TO ORDER

Introductions.

1. NEW BUSINESS

- A. Consider awarding the contract for procurement of 36-inch and 42-inch steel pipes and fittings for the South Transmission Line modification projects. *Staff Report – Tyler Wubbena*

Hanway reviewed the staff report and stated the bids came in better than staff expected.

Wubbena said the pipe is all manufactured to order with custom fittings. Staff contacted suppliers, and advertised the bid. NW Pipe was the only bid coming in at \$325,319.94, based on unit costs comparable to previous projects. Hanway said extra pipe is purchased on an opportunity basis at that unit cost.

Lowe inquired if there was a surplus in stock. Wubbena said there is approximately 80 feet of 42” pipe, which is not enough for the project.

Motion by Doyle, seconded by Lowe, to award the contract for procurement of 36-inch and 42-inch steel pipes and fittings for the South Transmission Line modification projects to Northwest Pipe for

\$325,319.94, and authorize the General Manager to sign the contract. Motion carried unanimously with Commissioners Godsey, Lowe, Doyle and McWilliams all voting in favor.

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

ATTEST: _____
Secretary

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

**EXECUTIVE COMMITTEE
MINUTES**

City of Hillsboro
Civic Center
Conference Call

November 14, 2014
9:30 a.m.
Special Meeting

Commissioners Present:

Hillsboro: John Rosenberger
Forest Grove: Victoria Lowe
Beaverton: Denny Doyle
Tualatin Valley Water District: Marilyn McWilliams

Others Present: Kevin Hanway, David Winship, Tyler Wubbena and Tonya Bilderbeck

Call to order at 9:32 a.m.

CALL TO ORDER

1. NEW BUSINESS

- A. Consider awarding the contract for construction services for the South Transmission Line modification projects. *Staff Report – Tyler Wubbena*

Wubbena reviewed the staff report and said six responsive bids were received. He said all bidders had a good understanding of the project and project site. Emery & Sons was the low bidder with a bid of \$494,500.00. Staff recommends the commission award the contract to Emery & Sons and authorize the General Manager to sign the contract.

Hanway reported the protest period ends at 10:00 a.m. today.

Motion by Doyle, seconded by Rosenberger, to award the contract for construction services for the South Transmission Line modifications to Emery & Sons for the amount of \$494,500.00, and authorize the General Manager to sign the contract. Motion carried unanimously with Commissioners Rosenberger, Lowe, Doyle and McWilliams all voting in favor.

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

ATTEST: _____
Secretary



STAFF REPORT

To: Joint Water Commission

From: Erika Murphy, P.E., Project Manager

Date: December 29, 2014

Re: Agenda Item 4C – Consider authorizing the JWC Executive Committee to award the contract for roof replacement at the JWC Water Treatment Plant.

Staff Recommendation

Staff recommends that the Commission authorize the Executive Committee to award contract for:

- Removal and Replacement of roof on the Sludge/Operations Building and Pump Station 1 at the JWC Water Treatment Plant.

Background

Note: Bids for the general contractor work will not be submitted until after the quarterly Commission meeting. The information provided in this staff report is intended to provide the Commission with an overview of the requests for action on those bids that will be presented to the Executive Committee, if the staff recommendation is approved.

The roofs on both the Sludge/Operations Building and Pump Station 1 were originally built in 1974 and have had several repairs made over the years. In order to ensure that the roof lasts for 20+ more years, it must be removed to the sub-roof structure and re-built.

The existing built-up roof contains asbestos material and must be properly removed and disposed of during demolition. The new roof will be a polyvinyl chloride (PVC) roof with insulation, which will meet the most current energy codes and minimize fumes and disruption to the JWC staff working full-time in the Sludge/Operations building during construction.

Estimated Costs

The Project includes the removal and replacement of flat roofs on the Sludge/Operations Building and Pump Station 1. We anticipate the contract amount to be \$180,000-\$200,000.

Current Project Status

This project was advertised in late summer 2014. The JWC received no response from bidders. Plan holders were contacted to determine why bids were not submitted. Two contractors explained that their schedule was full for the year. Another contractor explained that he was not authorized to install the type of roof that we specified. The current bid advertisement period allows for contractors to schedule the roofing work early in the year. We anticipate project completion prior to the end of the 2014/2015 fiscal year.

Standard contract language regarding liability was included in the bid advertisement. No comments or concerns have been received from any potential bidders about excessive liability.

JWC is currently soliciting bids on the project; those bids are due on January 21.

If the Staff Recommendation is approved by the Commission, a meeting of the Executive Committee will be scheduled after the bids have been received. Based on the bids that are received, Staff will present a full staff report to the Executive Committee at that time for its consideration.



DATE: January 9, 2015

TO: Board of Commissioners, Hillsboro – Forest Grove – Beaverton – Tualatin Valley Water District Joint Water Commission

FROM: Jon Grover, Accounting Manager

SUBJECT: Agenda Item 5A - Financial Statements for the year ended June 30, 2014, and Required Communications under SAS 114

Presented for your review are the financial statements for the Joint Water Commission for the year ended June 30, 2014, and required communications (prescribed by auditing standards) from the auditors. The audit was performed by Talbot, Korvola and Warwick, LLP. The financial statements received an unqualified or “clean” opinion with no reportable findings. There are no surprises in the communication piece from the auditors.

An area of interest in the financial statements is the Commission’s working capital. Comparing total current assets to total current liabilities, negative working capital is approximately \$170,000. As partners in the Commission, we have collectively decided to rely on City of Hillsboro to effectively loan us the difference at the rate of the City’s interest earned. During FY 2014, the annualized rate net of fees was approximately 0.65%.

Net position decreased primarily due to depreciation on capital assets. As partners, we have elected collectively to not fund depreciation. Therefore without adequate capital contributions to offset depreciation, joint venture capital will decrease annually. To see the change in net position by partner, refer to page 16 of the financial statements.

The financial statements are additionally available for interested parties online at:

<http://www.hillsboro-oregon.gov/index.aspx?page=1100>

Please feel free to contact me at 503-681-5361 or jon.grover@hillsboro-oregon.gov should you have any questions or would like more hard copies of the financial statements.



Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

ACHIEVE MORE

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Lake Oswego, Oregon 97035-4293

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www.tkw.com

Board of Commissioners
Hillsboro-Forest Grove-Beaverton-
Tualatin Valley Water District
Joint Water Commission
Hillsboro, Oregon

Attention: Board Chair

This letter is to inform the Board of Commissioners of the Hillsboro-Forest Grove-Beaverton-Tualatin Valley Water District Joint Water Commission, Hillsboro, Oregon, (the Commission) about significant matters related to the conduct of our audit for the year ended June 30, 2014 so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

The Respective Responsibilities of the Auditor and Management

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our arrangement letter April 22, 2014. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated April 22, 2014 regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Commission. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year:

Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

The Commission implemented GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The Commission also Implemented GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record this accounting estimate. The following describes the significant accounting estimate reflected in the Commission's June 30, 2014 basic financial statements.

- Depreciation of capital assets, as described in Note 1 of the Notes to Basic Financial Statements, is computed using the straight-line method based on the estimated useful lives of the individual assets.

Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Recently Issued Accounting Standards

- **GASB Statement No. 69, Government Combinations and Disposals of Government Operations**
This Statement will be effective for the Commission beginning with its fiscal year ending June 30, 2015. Earlier application is encouraged. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Board of Commissioners
Hillsboro-Forest Grove-Beaverton-
Tualatin Valley Water District
Joint Water Commission
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Management Representations

Attached is a copy of the management representation letter.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Commission.

This report is intended solely for the information and use of management and the Board of Commissioners and is not intended to be, and should not be, used by anyone other than these specified parties.

Talbot, Kowala & Warwick LLP

Lake Oswego, Oregon
November 6, 2014



November 6, 2014

Talbot, Korvola & Warwick, LLP
4800 Meadows Rd., Suite 200
Lake Oswego, OR 97035

This representation letter is provided in connection with your audit of the basic financial statements of Hillsboro-Forest Grove-Beaverton-Tualatin Valley Water District Joint Water Commission, Hillsboro, Oregon, (the Commission) as of and for the year ended June 30, 2014 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of November 6, 2014:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 22, 2014, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete, sale and purchase transactions, long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

Finance Department

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

12. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the Commission from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of allegations of fraud or suspected fraud, affecting the Commission's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the Commission's financial statements received in communications from employees, former employees, analysts, regulators, or others.
17. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

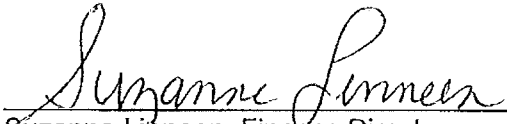
18. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
19. We have disclosed to you the identity of the Commission's related parties and all the related-party relationships and transactions of which we are aware.
20. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Commission's ability to record, process, summarize, and report financial data.
21. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

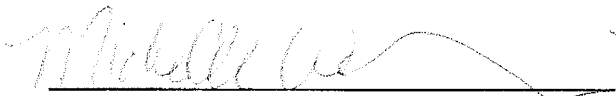
Supplementary Information

22. With respect to supplementary information presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
23. With respect to Management's Discussion and Analysis presented as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
24. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Talbot, Korvola & Warwick, LLP
November 6, 2014
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Hillsboro-Forest Grove-Beaverton-Tualatin Valley Water District
Joint Water Commission


Suzanne Linneen, Finance Director


Michelle Wareing, Assistant Finance Director

JWC QUARTERLY REPORT

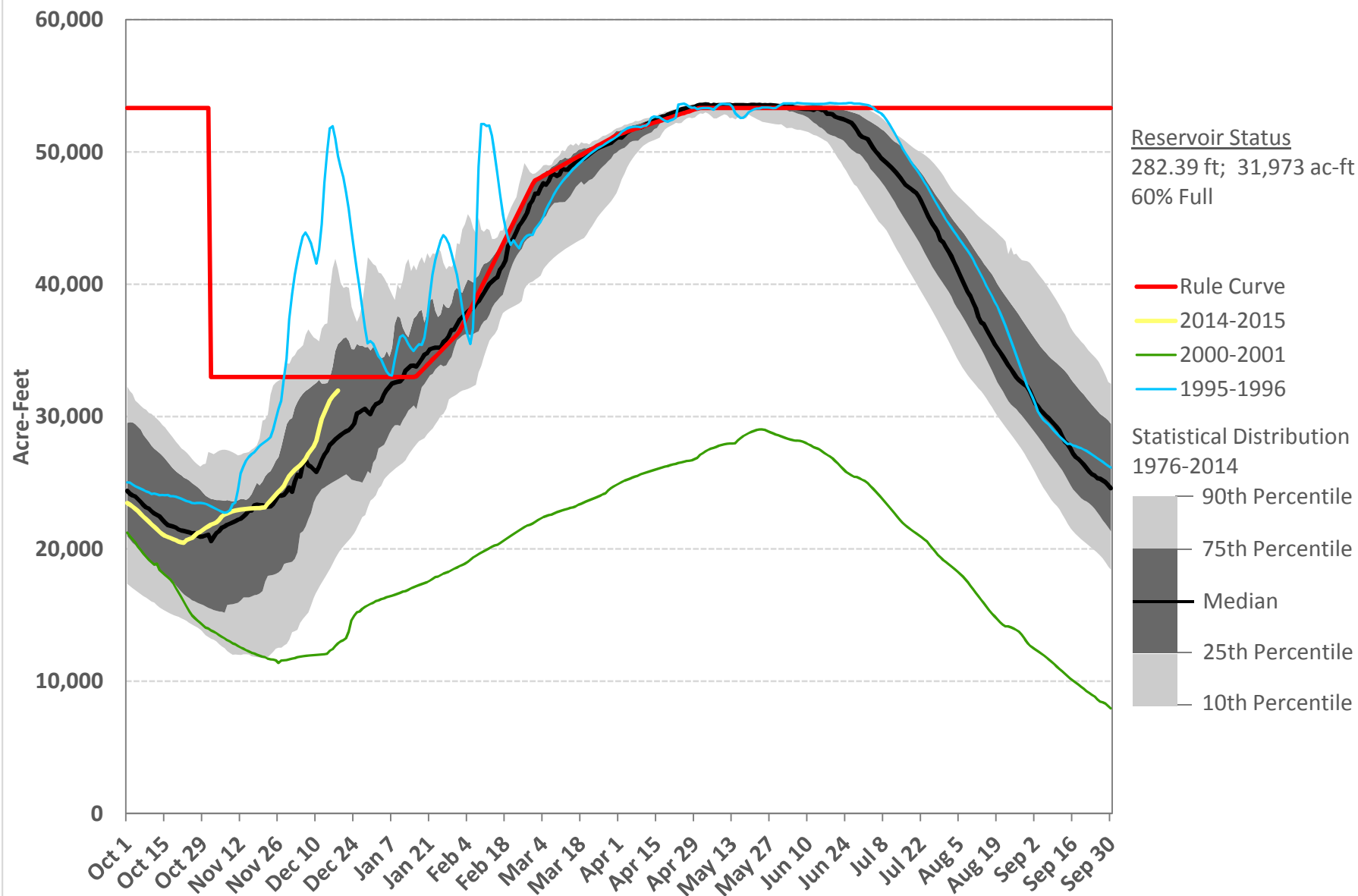
Date a/o 12/31/2013

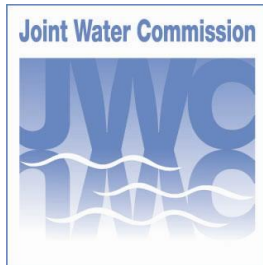
JWC RESOURCES	BUDGET 14/15	YTD 14/15	ENCUMBRANCE	YTD TOTAL	AVAIL REMAIN 14/15	% USED
BEGINNING WORKING CAPITAL	-	-	-	-	-	
WATER SALES						
HILLSBORO - WATER PURCH	3,336,773	1,123,963	-	1,123,963	2,212,810	34%
FOREST GROVE - WATER PURCH	224,340	107,129	-	107,129	117,211	48%
BEAVERTON - WATER PURCH	1,432,970	325,709	-	325,709	1,107,261	23%
TVWD - WATER PURCH	1,432,970	450,668	-	450,668	982,302	31%
NORTH PLAINS - WATER PURCH	115,000	47,883	-	47,883	67,117	42%
NORTH PLAINS SDC	10,000	22,479	-	22,479	(12,479)	225%
TOTAL WATER SALES:	6,552,053	2,077,830	-	2,077,830	4,474,223	32%
CONTRIBUTIONS IN AID						
HILLSBORO - CAPITAL OUTLAY	5,297,800	58,504	-	58,504	5,239,296	1%
FOREST GROVE - CAPITAL OUTLAY	550,512	(1,085)	-	(1,085)	551,597	0%
BEAVERTON - CAPITAL OUTLAY	1,440,900	8,795	-	8,795	1,432,105	1%
TVWD - CAPITAL OUTLAY	1,450,788	18,543	-	18,543	1,432,246	1%
CWS - CAPITAL OUTLAY	-	-	-	-	-	0%
TOTAL CONTRIBUTIONS IN AID:	8,740,000	84,756	-	84,756	8,655,244	1%
OTHER						
GRANTS AND DONATIONS	-	-	-	-	-	0%
WESTERN LUTHERAN SCHOOL	-	365	-	365	(365)	0%
INTEREST EARNED	-	3,430	-	3,430	(3,430)	0%
MISCELLANEOUS INCOME	-	186	-	186	(186)	0%
LEASE REVENUE	-	-	-	-	-	0%
TOTAL OTHER:	-	3,982	-	3,982	(3,982)	0%
CONTINGENCY						
HILLSBORO-CONTINGENCY	225,000	-	-	-	225,000	0%
FOREST GROVE - CONTINGENCY	66,650	-	-	-	66,650	0%
BEAVERTON - CONTINGENCY	125,000	-	-	-	125,000	0%
TVWD - CONTINGENCY	83,350	-	-	-	83,350	0%
TOTAL CONTINGENCY:	500,000	-	-	-	500,000	0%
TOTAL RESOURCES:	15,792,053	2,166,568	-	2,166,568	13,625,485	14%
JWC REQUIREMENTS						
PERSONAL SERVICES	2,382,857	1,126,285	-	1,126,285	1,256,572	47%
MATERIALS AND SERVICES	3,355,100	1,683,164	559,898	2,243,062	1,112,038	67%
CAPITAL OUTLAY	8,905,000	1,340,664	5,846,092	7,186,756	1,718,244	81%
SPECIAL PAYMENTS	649,096	244,980	-	244,980	404,116	38%
CONTINGENCY	500,000	-	-	-	500,000	0%
TOTAL REQUIREMENTS:	15,792,053	4,395,093	6,405,990	10,801,083	4,990,970	68%
TOTAL RESOURCES AND REQUIREMENTS						
	BUDGET 14/15	YTD 14/15	ENCUMBRANCE	YTD TOTAL	AVAIL REMAIN 14/15	% USED
TOTAL RESOURCES	15,792,053	2,166,568	-	2,166,568	13,625,485	14%
TOTAL REQUIREMENTS	15,792,053	4,395,093	6,405,990	10,801,083	4,990,970	68%
NET INCOME (LOSS)	-	(2,228,525)	(6,405,990)	(8,634,515)	8,634,515	
BEGINNING WORKING CAPITAL	-	-	-	-	-	
ENDING WORKING CAPITAL	-	(2,228,525)	(6,405,990)	(8,634,515)	-	
Notes:						
(a) Not all month-end positings have been completed						
(b) JWC A/R about 45 days out						
(c) December billings will be prepared/posted by January 25th, 2015						

JWC Project and Infrastructure Budget

Creation Date	Project #	CONSTRUCTION Short Description	Total Budget	Used	Encumb	AVAIL	% AVAIL
				YTD 14/15	YTD 14/15	BUD BAL	
4/13/2009	10414-CO	ON-SITE POWER GENERATION	\$ 6,000,000	\$ 1,175,493	\$ 5,235,217	\$ (410,709)	-7%
2/2/2012	10684-CO	JWC WTP ELECTRICAL PANEL UPGRADES	\$ -	\$ 125	\$ -	\$ (125)	0%
7/1/2013	10828-CO	RE-ROOF OPERATIONS BUILDING	\$ 200,000	\$ 7,240	\$ 3,637	\$ 189,124	95%
7/1/2013	10829-CO	PUMP RECONDITIONING AND STUDY	\$ 300,000	\$ 3,001	\$ 31,384	\$ 265,616	89%
2/1/2014	10910	12TH AVE TRANSMISSION LEAK	\$ -	\$ 33,750	\$ -	\$ (33,750)	0%
7/1/2014	10913	JWC SEISMIC PLANNING	\$ 150,000	\$ 101	\$ -	\$ 149,899	100%
7/1/2014	10914	JWC STL REEDVILLE CROSSING	\$ 100,000	\$ 118,951	\$ 514,641	\$ (533,592)	-534%
7/1/2014	10945	JWC STP CIP UPDATE	\$ -	\$ 80,869	\$ -	\$ (80,869)	0%
7/1/2014	10956	JWC NORTH PLAINS LARGE METER REPLACEMENT	\$ -	\$ 4,424	\$ -	\$ (4,424)	0%
		<i>JWC Emergency Equipment Replacement</i>	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	100%
<i>CO = Carry Over from prior year(s)</i>							
			Budget less used and encumbrances:	\$ 8,750,000	\$ 1,423,952	\$ 5,784,878	\$ 1,541,170
<i>Note: Used YTD 14/15 totals include CIP Personnel Services expenditures.</i>							
AUTOMOTIVE & EQUIPMENT			\$ 155,000	\$ 29,434	\$ -	\$ 125,566	81%
TOTAL CAPITAL OUTLAY			\$ 8,905,000	\$ 1,453,387	\$ 5,784,878	\$ 1,666,736	

Scoggins Reservoir Storage Water Years 1976-2015 (as of Dec. 18, 2014)





STAFF REPORT

To: Joint Water Commission

From: Niki Iverson, Water Resources Manager

Date: December 29, 2014

Re: Agenda Item 5D – ESA Biological Opinion for the Tualatin Project

Background

The Tualatin Project is the name for the complete Bureau of Reclamation's (BOR) water supply system serving several beneficial uses within the basin. Some 17,000 acres of land are furnished irrigation water in Washington County. Several communities and an industrial corporation are furnished untreated water for municipal and industrial use, and for quality control purposes. Fish and wildlife enhancement, recreation, and flood control are also important project functions. The Tualatin Project includes Scoggins Dam, Henry Hagg Lake, Patton Valley Pumping Plant, Spring Hill Pumping Plant, booster pumping plants, and piped lateral distribution systems.

The Endangered Species Act (ESA) directs all Federal agencies to work to conserve endangered and threatened species and to use their authorities to further the purposes of the ESA. Section 7 of the ESA, called "Interagency Cooperation," is the mechanism by which Federal agencies ensure the actions they take, including those they fund or authorize, do not jeopardize the existence of any listed species. Therefore, when a new species is listed as threatened or endangered, federal agencies are required to go through a consultation with National Marine Fisheries Services (NMFS) or US Fish and Wildlife Service (USFWS). Since the listed species in the Tualatin Basin are Upper Willamette River (UWR) Chinook salmon and UWR steelhead, the consultations fall under NMFS's jurisdiction. These species also fall under the Magnuson-Stevens Fishery Conservation and Management Act (MSA) which requires an analysis of the action's (proposed operation and maintenance of the Tualatin Project) likely effects on essential fish habitat.

The results from these reviews are included in the Biological Opinion (BIOP) for the Tualatin Project. In the BIOP, NMFS concluded that the proposed action (Tualatin Project) is not likely to adversely affect UWR Chinook salmon. NMFS also concluded that the proposed action is not likely to jeopardize the continued existence of UWR steelhead or result in the destruction or adverse modification of their designated critical habitats. The BIOP also includes an incidental take statement

that outlines measures to minimize potential incidental take and nondiscretionary terms and conditions required. (The term “take” under ESA means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct.) Also included in the BIOP, are the results of NMFS analysis under MSA Section 305(b) which includes two conservation recommendations to avoid, minimize, or otherwise offset potential adverse effects on essential fish habitat.

One of the primary implications of the BIOP for JWC is that the BOR will not have to replace the fish screens at Spring Hill Pumping Plant. NMFS concluded that the screen mesh size at the intake was sufficient to minimize the potential to entrain all but the smallest size juvenile salmonids. Staff will present more information on the Tualatin Project’s BIOP. The BIOP document was too large to distribute electronically. Several copies will be available at the meeting for Commissioners who are interested. Please contact Tonya Bilderbeck if you would like a copy.



STAFF REPORT

To: Joint Water Commission

From: Nesh Mucibabic, COH Project Manager
Tyler Wubbena, COH Engineering Manager

Date: January 9, 2015

Re: Agenda Item 5E - Project Updates; Item 3 -Reed's Crossing - Staff Report

Background

On October 10, 2014 Joint Water Commission authorized its Executive Committee to meet to consider award of contracts for procurement of materials and construction of JWC South transmission line modifications. The following is a summary of the actions taken.

Only Northwest Pipe Company responded to the Invitation to Bid for the procurement of the steel pipe and fittings. The engineering estimate was \$400,000 and the bid was awarded by the Executive Committee on October 23, to Northwest Pipe Company for a contract amount of \$325,320.

The following bids were received for the construction contract:

Emery & Sons Construction Group	\$494,500
Pacific Excavation	\$514,500
James with Fowler	\$515,200
Moore Excavation	\$558,500
Kerr Contractor	\$649,750
Landis & Landis	\$674,000

The Executive Committee awarded the construction contract on November 14, to Emery & Sons for an amount of \$494,500.

Staff will present the project status including the current schedule and budget summary at the meeting.