

Our Future Water Supply

The Willamette Water Supply System Commission (WWSS Commission) is an Oregon intergovernmental entity formed by Tualatin Valley Water District (TVWD), the City of Hillsboro, and the City of Beaverton. The WWSS Commission was formed to build the Willamette Water Supply System (WWSS) in response to planned growth in their service areas. TVWD has been designated the Managing Agency for the WWSS Commission, and TVWD operates the Willamette Water Supply Program (WWSP) to plan, design, and construct the WWSS. The WWSS will provide an additional resilient water supply for Washington County. When complete, the WWSS will be one of Oregon's most seismically-resilient water systems—built to better withstand natural disasters, protect public health, and speed regional economic recovery through restoring critical services more quickly. The new system will be completed by 2026.

Willamette Water Supply

Monthly Progress Report

Our Reliable Water

Month End October 2020

WIFIA Loans - Reduced Interest Rate

The Tualatin Valley Water District (TVWD) and the City of Hillsboro (Hillsboro) identified a unique cost-saving opportunity in 2018 to finance a portion of the Willamette Water Supply System (WWSS) through the US Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA). These federal loans have benefits over traditional borrowing methods (e.g., bonds) such as flexible terms that include lower interest rates and fees, a 35-year payback period, a longer interest-only period, and funds available for managing changes.

WWSS leadership submitted a letter of interest on July 30, 2018. The EPA announced on November 1, 2018 that the WWSS was selected for up to \$617 million in federal WIFIA financing:

<https://www.epa.gov/wifia/wifia-selected-projects>.

In September 2020, the TVWD and Hillsboro renegotiated their WIFIA loans to take advantage of historically low interest rates. The TVWD lowered its loan interest rate from 2.39 percent to 1.35 percent, which will reduce TVWD's debt service payments by more than \$122 million over the life of the loan. Hillsboro lowered its loan interest rate from 1.98 percent to 1.36 percent, resulting in a \$50 million reduction in debt service payments over the life of the loan. These additional debt service payment savings, added with the already substantial savings from the loan terms offered by WIFIA financing, will result in lower than originally expected water rates.



Blue Ribbon Panel

Last month, a Blue Ribbon Panel was convened to review the WWSS's Water Supply Integration project. The panel consisted of six nationally recognized water subject matter experts plus a facilitator, all uniquely qualified to provide critical feedback on the WWSS's water integration planning efforts to date. Their guidance will help move planning work forward to successfully and safely integrate the new WWSS-produced water into TVWD, Hillsboro, and City of Beaverton distribution systems. The purposes of the Blue Ribbon Panel sessions were to:

- Gather feedback on integration work to date and validation of water supply integration factors being studied for WWSS.
- Verify that testing plans are comprehensive and thorough.
- Document the team is taking the right steps to protect public health.

The Blue Ribbon Panelists were briefed on each water system's characteristics and reviewed and weighed in on testing plans. Future sessions will be held to discuss and evaluate the WWSS integration plan.

Procurement & Business Opportunities

The WWSP staff are preparing for several upcoming professional services and construction contractor procurements. Listed below are active procurements and upcoming events and procurements. Procurement opportunities are also published at <http://www.ourreliablewater.org/business-opportunities>.

Active Procurements

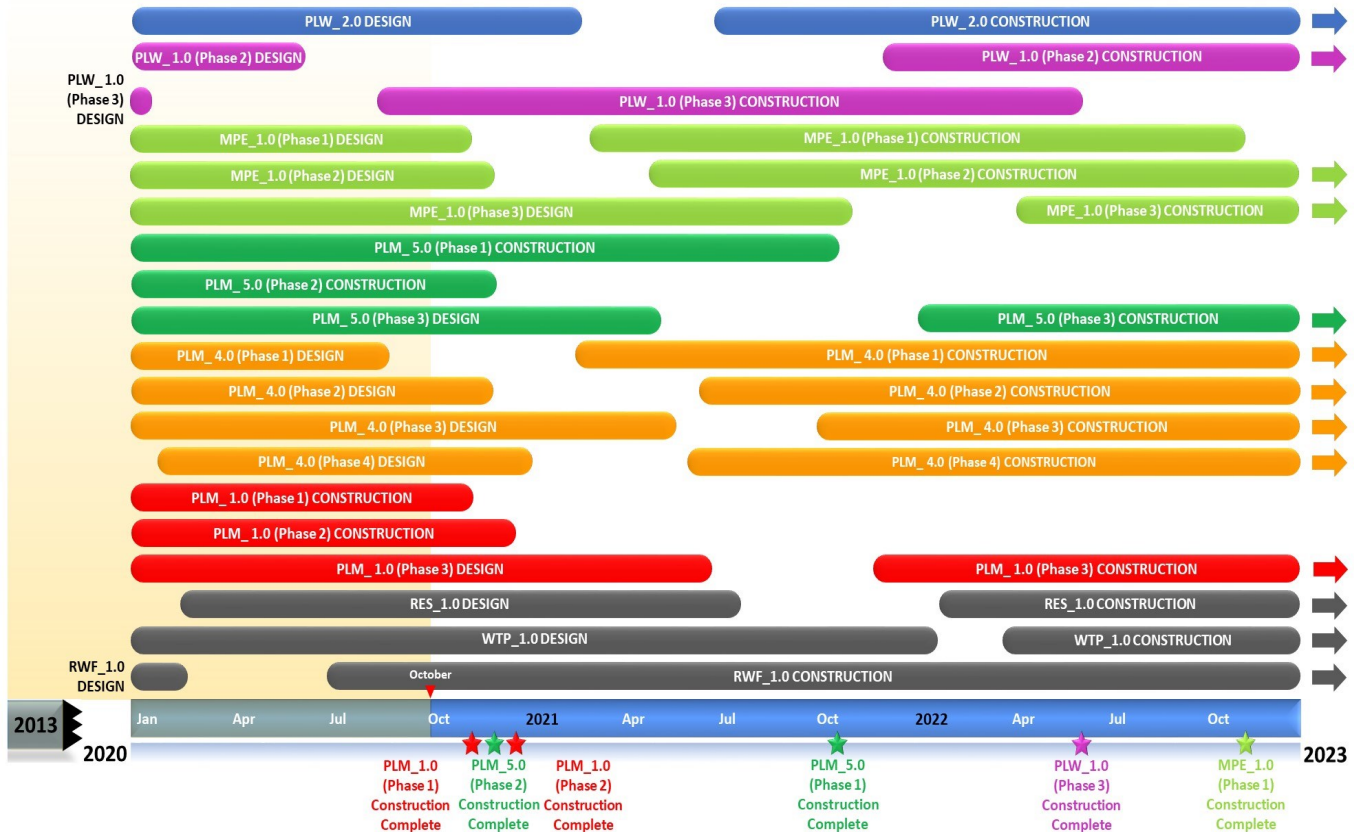
- South Beaverton Area Water Storage Tanks (RES_1.0)/Scholls Area Pipeline (PLM_5.3) Construction Manager/General Contractor (CM/GC) Request for Proposal (RFP) (Quarter 3, 2020)

Upcoming Procurements

- Tualatin-Sherwood Area Pipeline (PLM_4.1) Construction Invitation to Bid (ITB) by Washington County (Quarter 4, 2020)
- Metzger Pipeline East (MPE_1.1) Construction ITB by City of Beaverton (Quarter 4, 2020)
- Metzger Pipeline East (MPE_1.2) Best Value Notice for Construction Contract (Quarter 4, 2020)

Schedule Summary

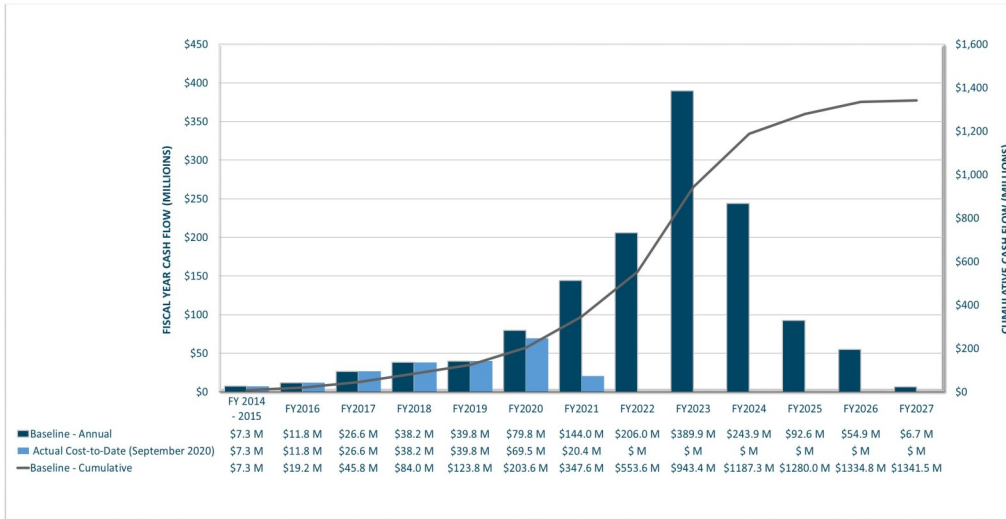
WWSP design and planning began in 2013; the Willamette Water Supply System is expected to be in service by July 2026. Below are the major milestones and activities forecasted from 2020 to 2023*. The WWSP team is committed to on-time delivery. See page 4 for descriptions of the projects referenced below.



*The actual order and duration of projects continues to be refined and is subject to change.

Forecast Cost Summary

The graph below illustrates the projected WWSP cash flow by fiscal year (FY July 1 to June 30)*. The cumulative cash flow establishes the budgeted \$1.3 billion, which accounts for actual and current projected costs, including projected escalation in the cost of labor, materials, and equipment required to build WWSP projects.



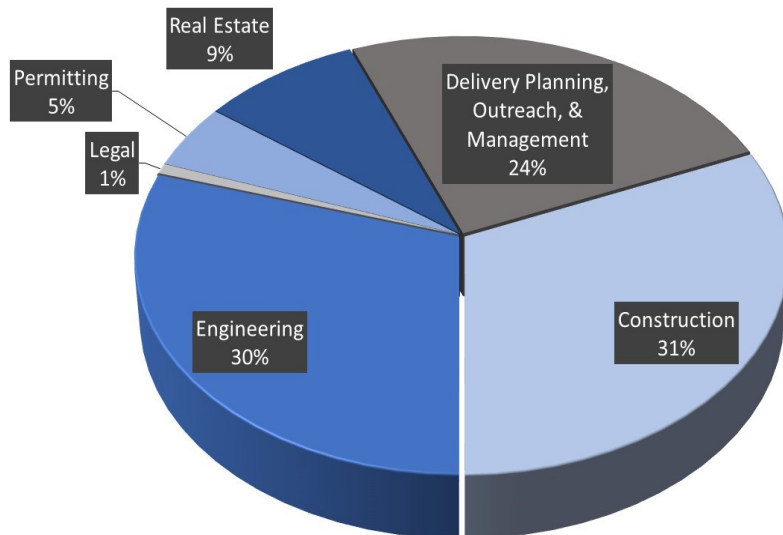
Costs to date for FY 2021 are \$20 million. Cumulative costs are projected to be \$337 million through the end of FY 2021.

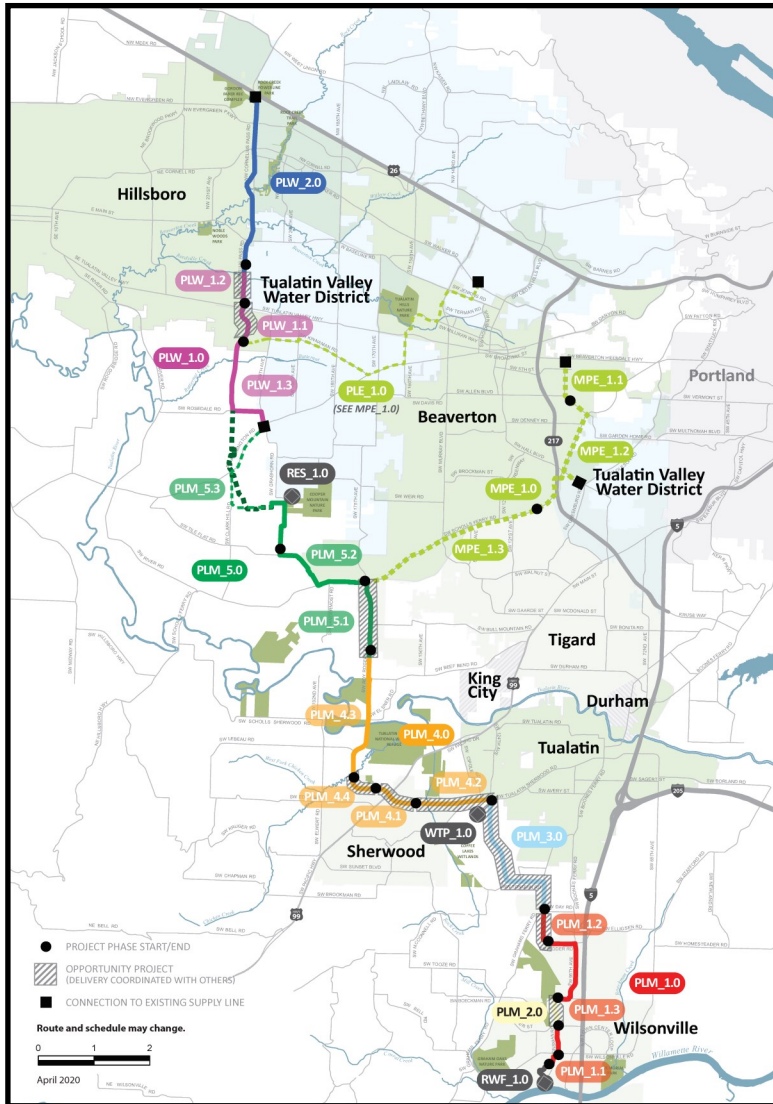
**Data continues to be refined and is subject to change.*

Cumulative Cost Summary

WWSP cumulative costs are tracked and updated monthly. The chart below summarizes the distribution of cumulative costs through September 2020.

Cumulative Water Supply Program costs to date are approximately \$214 million, with the majority spent on planning, engineering, construction, and real estate activities.





WTP_1.0 Willamette Water Supply System Water Treatment Plant (Water Treatment Plant (WTP))

Description: 60-million gallon per day water treatment plant (WTP_1.0), including a finished water pump station (FPS_1.0) and a control system (DCS_1.0) located near Sherwood.

Status: Design Phase (WTP/FPS Construction Start: 03/2022) Design Phase (DCS Construction Start: 03/2022)

RWF_1.0 Raw Water Facilities Expansion (Raw Water Facilities (RWF) Expansion)

Description: Expansion of the existing raw water pump station and intake at the Willamette River (WRWTP) in Wilsonville to 60 million gallons per day of initial capacity for the Willamette Water Supply System.

Status: Design Phase (Construction Start: 06/2020)

The mid-Willamette River at Wilsonville is the supply source for the WWSS. The system consists of modifying the existing river intake and expanding pumping capacity, building more than 30 miles of drinking water pipeline, reservoir storage facilities on Cooper Mountain, and a new WTP in Sherwood.

For more information about the WWSP, visit www.ourreliablewater.org or call 503.941.4570.

PLW_2.0 Cornelius Pass Pipeline Project (Frances Road to Highway 26)

Description: 3.3-mile water pipeline along Cornelius Pass Rd. from Frances St. to Hwy 26; connects to existing supply lines for City of Hillsboro and TVWD.

Status: Design Phase (Construction Start: 06/2021)

PLW_1.0 South Hillsboro Area Pipeline Project (Farmington Road to Frances Street)

Description: 4-mile water pipeline from SW Farmington Rd. at SW 209th Ave. to Cornelius Pass Rd. at Frances St.

Status: Construction Phase (Phase 1: Complete; Phase 2 Start: 11/2021; Phase 3 Complete: 05/2022)

MPE_1.0 Metzger Pipeline East Project (Roy Rogers Road to Beaverton Hillsdale Hwy)

Description: 7.3-mile water pipeline to be built in lieu of PLE_1.0 along SW Scholls Ferry Rd. between SW Roy Rogers Rd. and Allen Blvd.; connects to Metzger service area at SW Oleson Rd. and TVWD's system.

Status: Design Phase (Construction Start Phase 1: 02/2021; Phase 2: 04/2021; Phase 3: 03/2022)

RES_1.0 South Beaverton Area Water Storage Tanks (Storage Tanks)

Description: Two 15-million gallon storage tanks located on Cooper Mountain.

Status: Design Phase (Construction Start: 01/2022)

PLM_5.0 Scholls Area Pipeline Project (North of Beef Bend Road to Farmington Road)

Description: 7-mile water pipeline from SW Roy Rogers Rd. 0.5-mile north of SW Beef Bend Rd. to SW Farmington Rd. at SW 209th Ave.

Status: Construction Phase (Phase 1 Complete: 10/2021; Phase 2 Complete: 11/2020; Phase 3 Start: 01/2022)

PLM_4.0 Tualatin-Sherwood Area Pipeline Project (SW 124th Avenue to north of Beef Bend Road)

Description: 5.2-mile water pipeline from 124th Ave. at SW Tualatin Sherwood Rd. along SW Roy Rogers Rd. to 0.5 miles north of SW Beef Bend Rd.

Status: Design Phase (Phase 1 Construction Start: 02/2021; Phase 2 Start: 06/2021; Phase 3 Start: 9/2021; Phase 4 Start: 05/2021)

PLM_3.0 124th Avenue Partnership Project (SW 124th Avenue Extension)

Description: 2.7-mile water pipeline from Grahams Ferry Rd. at Day Rd. to 124th Ave. at SW Tualatin Sherwood Rd.

Status: Complete

PLM_2.0 Kinsman Road Partnership Project (Kinsman Road Extension)

Description: 0.6-mile water pipeline along Kinsman Rd. between Barber St. and Boeckman Rd.

Status: Complete

PLM_1.0 Wilsonville Area Pipeline Project (WRWTP to Day Road)

Description: 3.3-mile water pipeline from WRWTP to the intersection of SW Garden Acres Rd. at Day Rd.

Status: Construction Phase (Phase 1 Complete: 10/2020; Phase 2 Complete: 12/2020; Phase 3 Start: 11/2021)