

Tualatin Valley Water District



Delivering the Best Water  Service  Value

February 11, 2020

The Honorable Representative Helm
Chair, House Interim Committee on Water
900 Court St. NE
Salem, OR 97301

RE: House Bill 4043

Dear Chair Helm, Vice Chairs, and Members of the Water Committee:

My name is Tom Hickman and I'm the CEO of Tualatin Valley Water District (TVWD). Prior to this role, I also served as the Director of Engineering and Infrastructure Planning, City Engineer, Assistant Public Works Director and Water Utility Manager for the City of Bend for nearly fifteen years. I have been a licensed professional engineer for 20 years, and have been deeply invested in designing, operating, and maintaining water supply and wastewater systems my entire career.

TVWD is the second largest, public water supply agency in the state of Oregon, directly or indirectly providing over 230,000 Washington County residents safe drinking water every day. It is the mission of TVWD's elected Board or Commissioners and staff to provide the communities we serve the best water, service, and value each and every day. To achieve this goal, TVWD owns and operates over 750 miles of pipe, all of which is constructed from a variety of materials best suited to the specific needs for delivering safe drinking water from the source to a customer's tap.

In addition, TVWD and its partners at the Cities of Hillsboro and Beaverton are developing a new source for Washington County: The Mid-Willamette River. This project has been underway for several years and is scheduled for completion in 2026. Over 35 miles of seismically resilient, 66-inch pipe is being designed and constructed across Washington County along with new a new treatment plant, reservoirs, and various other system components. Combined, this supply project is a \$1.3 billion-dollar investment to serve over 400,000 people in the combined communities including some of the state's largest employers – Intel and Nike. This is currently the state's largest infrastructure projects, providing measurable benefits to the regional economy now and for years to come.

I mention all this to highlight the significant resources and expertise needed to accomplish TVWD's mission of providing safe drinking water now and creating a seismically resilient supply for future generations. **As proposed, HB 4043 would significantly alter this process, shifting the burden to local government (and its communities and businesses) to justify their choices and increasing costs further for ratepayers.**

Evaluation of pipe materials appropriate to each project is an important part of any water supply project. While every kind of pipe material has an appropriate application, not all materials are equally appropriate for the specific project. **For this reason, it is critical that local**

government and design engineers are able to specify the kind of pipe most appropriate for each particular project in their community, from the beginning of a project. Keeping the selection of materials in the hands of design engineers and local agencies is necessary to have water pipes and treatment facilities that reliably do the job they are intended to do for the length of time planned by the design professionals.

It is important to understand the pipe material makes up a small percentage of the cost of any project. The much more significant expenses of the projects are related to the construction, installation, oversight, and many other factors that dwarf the final cost of the pipe. I raise this because the supporters of HB 4043 are pointing to cost savings as the rationale for needing this regulation. If cost was the real issue for supporters of HB 4043, we would need to engage in an in-depth discussion about project planning and tools that the industry has at its disposal to achieve further cost savings. **The real issue that the supporters of HB 4043 are trying to achieve is exactly what they have tried but failed to achieve in more than a dozen other states: forcing entities to accept their product.** Design standards help set a foundation where an entity states its preference for materials, be it plastic, steel, ductile iron, or many other options. In those standards we state our preferences for valves, hydrants, meters, and many other elements needed to run a water system. The logic that this will result in lower costs is looking only at what the cost is today. It fails to consider what those of us in the industry consider every day: What will this cost me in the future in managing my inventory, training my staff, or the many things any business does to control their costs?

The amendments to this bill are also unacceptable. The amendments try to put the decision in the hands of the Project Manager. A project manager is a very loose definition; on every project, there are multiple project managers. This sets an agency up for arguments between project managers representing different interests – public or private. The entity that must own and operate the system must be the final decision maker in terms of materials selection.

In addition, materials are also selected based on the expertise of agency staff who operate and maintain these systems. Keeping an inventory of spare parts and materials on-hand for repairs is a crucial part of day-to-day water supply operations, which requires careful planning and budgeting. Furthermore, this process is becoming more critical as agencies like TVWD are preparing seismically resilient systems and operational plans. **The consequences of adopting HB 4043 would create an additional burden to keep more, unnecessary system components and products on-hand due to the inconsistent and potentially inappropriate use of materials not compatible with already built infrastructure.** There are pros and cons for each different type of pipe material. It is critical that not only engineers, but water system operators are also able to select the most appropriate type of pipeline material for each application.

Last and most significantly, this unnecessary legislation will likely lead to a significant increase in bid protests and litigation over pipe selection on public projects. **When considering the specific impacts to TVWD and its partnership projects, this could lead to substantial delays and wasteful use of already limited public resources.**

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We hope it is not overlooked that every single institution opposing HB 4034 our all professionals in the industry with decades of experience and knowledge. Many of us are sought out as innovators in the industry and speak at both national and international conferences on new technologies and approaches to be used in the water industry. To date, not one of the supporters of HB 4034 are responsible for designing, managing, constructing, or are licensed and recognized professionals in the water industry.

For these reasons, TVWD is opposing HB 4034. We encourage the Chair and members of the House Interim Committee on Water to allow local communities to continue to make their own decisions about how best to meet their water supply needs.

Sincerely,

Tom Hickmann, PE
TVWD CEO

