

OAK LODGE WATER SERVICES

BUDGET COMMITTEE

REGULAR MEETING



April 30, 2020

"Enhancing Our Community's Water Environment"



REMOTE MEETING of the BUDGET COMMITTEE

Committee Attendance by Zoom Video/Telephone

Public Attendance by Telephone Only

April 30, 2020 at 6:00 p.m.

1. Call to Order
2. Meeting Facilitation Protocols
3. Presentation of the Capital Improvement Plan

This presentation may have begun or been completed at the previous scheduled meeting.

4. Public Hearing

Members of the public are welcome to provide comment on the proposed budget.

5. Committee Deliberation of Budget
6. Adjourn Regular Meeting



Oak Lodge Water Services District
CAPITAL IMPROVEMENT PLAN
Fiscal Years 2021 - 2026

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Message from the Technical Services Manager

Resource management is such an important function for any service provider and Oak Lodge Water Services District (OLWSD) is no different in this regard. Finding a balance between exemplary customer service and the cost to provide that service is key to the success of public organizations. In order to achieve this balance, one tool we use is a Capital Improvement Plan (CIP) because our service is heavily dependent upon physical infrastructure such as pipes. This document monetarily prepares for the expansion and maintenance of your Wastewater and Water systems as well as the provision of Watershed Protection services.

As fiscal year 2020 draws to a close, the District finds itself in a new era. With the modernization of the Water Reclamation Facility achieved, video inspection of the sanitary mainline collection system completed and completion of a majority of the existing Water Master Plan projects, we must now assess and plan where resources will soon need to be allocated. The next logical step will be to update all of the District's Master Plans. With up-to-date inspections of the collection and distribution systems, this information will feed into models that can help Staff predict failures before they occur. Then by strategically maintaining and/or replacing our systems, we become proactive rather than reactive. This proactive approach will not only save our rate payers money, but will enhance services due to time savings. On a house waiting for a roof failure creates more damage to the house and costs more to repair, the same holds true for the District's investment in your infrastructure.

Looking forward, the next few fiscal years will likely bring the District new permits from the Oregon Department of Environmental Quality (DEQ). An updated National Pollutant Discharge Elimination System (NPDES) permit for the Water Reclamation Facility will mean renewed land application of biosolids and an updated MS4 permit may bring with it new standards for water quality and/or requirements for environmental studies. While these permits generally bring added costs, they also improve the quality of our natural resources and in-turn improve our community's quality of life.

We at the District, hope that this document provides clear, concise and transparent information to you as our rate payer. As a result of reading this document, we hope you gain a better understanding of how the investment of revenue from your rates ensure your Water, Wastewater and surface water systems remain functioning well into the future. If you have any questions about this document, I encourage you to contact me at (503) 353-4202 or jason@olwsd.org.

Sincerely,

Jason Rice, PE

How to Use This Document

This six-year Capital Improvement Plan document provides detailed descriptions about projects organized by fund. Each fund section begins with a summary overview of the function of the fund followed by funding and project information. Summary tables and graphs highlight the capital projects within each fund. Following the summary section are detailed breakdowns of each project, along with project schedules, cost estimates, and operating budget impacts.

Summary information of all capital projects sorted by fund, and funding source are included as appendices to this document.

The project title and description explains the details and need for each project.



Aeration Basin Baffle Wall

The Aeration Basin Baffle Wall Project would conserve electricity and reduce greenhouse gas emissions by enabling plant operators to switch off parts of the aeration basin. The District has normally run all four of its Aeration Basin trains. Hydraulic modeling as part of an Aeration Study in FY 2019 shows that only two trains are needed for this task if the first train is divide it in two by a baffle wall. This project would install that barrier.

Funding Source	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Wastewater Capital Fund	150,000						150,000

Operating Budget Impact

This project will reduce on-going maintenance and cause for b... permit compliance.

The outcome of the project on the operating budget of each fund is described in this area.

This section indicates whether the project is funded or unfunded, the funding source, and the cost for each scheduled project year.

Capital Improvement Plan Overview

The six-year Capital Improvement Plan (CIP) establishes guidance and planning for the District's investments in capital infrastructure. At the foundation of the CIP are the District's Surface Water, Wastewater and Water Master Plan documents. These master plans illustrate the long-term needs and goals of each department as defined by community input, advisory groups, expert consultants, and District Staff., and District Board goals, operational (i.e. service delivery) needs, and regulatory requirements further refine and shape the CIP.

Projects within the CIP are prioritized and matched with projections of future revenues. Inclusion of a project within this document does not necessarily reflect a budgeted spending commitment, but is the anticipated priority at this snapshot in time based on estimated future revenues. Current revenues are not enough to keep up with all the capital needs of the District. Additionally, there are restrictions on many revenue sources in relation to where the funds may be spent.

As compared to Capital Outlay line in the Budget, which may include purchases as low as \$2,500 and have a useful life of at least one year. A capital "project" contained within this document is defined by complexity of the work.

The CIP is intended as a method of communication with citizens, businesses, advisory groups, and the Board of Directors. It gives the public the opportunity to see the District's proposed plans for the future and provide feedback to the Board and Staff.

The goal of this Capital Improvement Plan is to provide the maximum sustainable level of priority capital investments to deliver outcomes that are of the highest importance to our citizens and provide for a healthy, safe, active, efficient, and optimized community with excellent livability

Factors in Evaluating CIP Projects

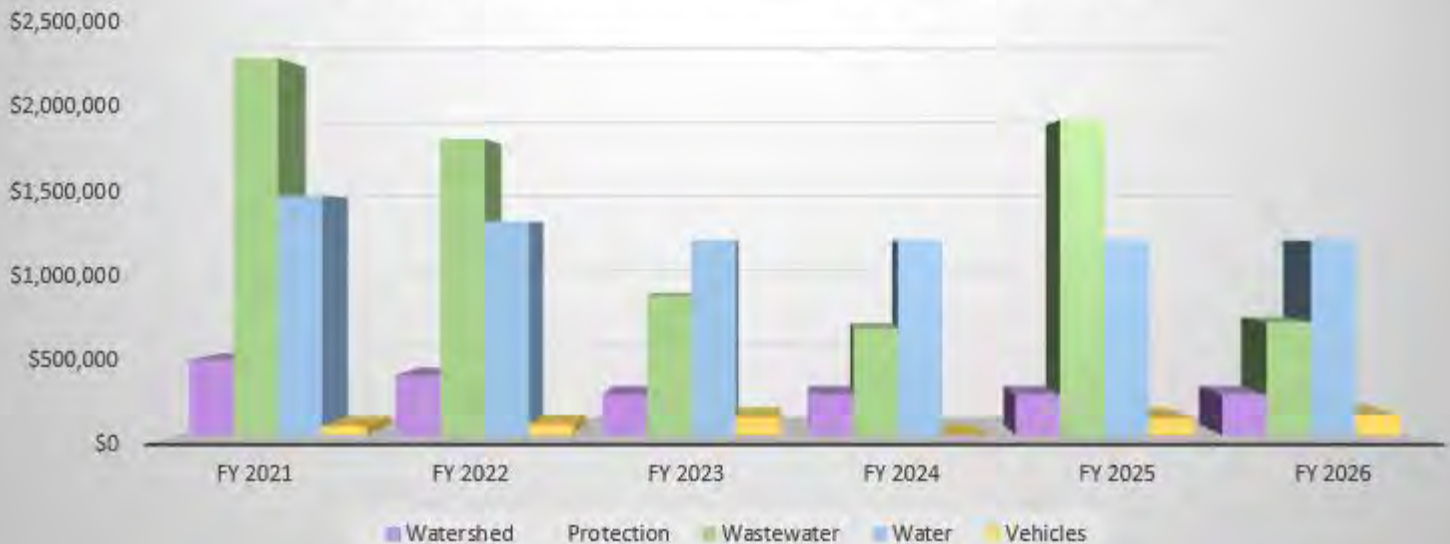
- Master planning documents
- Board goals
- Operational needs
- Regulatory requirements
- Fiscal Impacts
- Health, safety, and environmental effects
- Community economic effects
- Feasibility, including public support and disruption
- Implications of deferring the project
- Coordination and advantages of joint projects

Summary Information

Funding Summary

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Watershed Protection	\$465,000	\$370,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,835,000
Wastewater	\$2,330,000	\$1,830,000	\$860,000	\$660,000	\$1,950,000	\$700,000	\$8,330,000
Water	\$1,480,000	\$1,320,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$7,600,000
Vehicles	\$55,000	\$67,000	\$110,000	\$0	\$105,000	\$127,000	\$464,000
Total Capital Improvement Program	\$4,330,000	\$3,587,000	\$2,420,000	\$2,110,000	\$3,505,000	\$2,277,000	\$18,229,000

Capital Improvement Program Spending



Funding for capital projects comes from four distinct sources

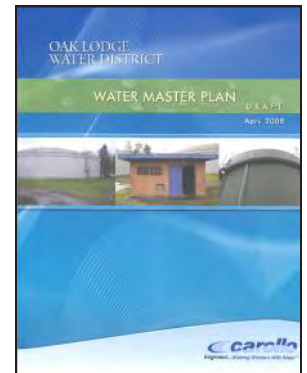
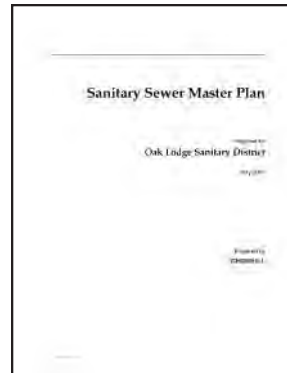
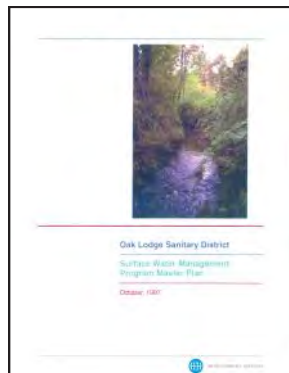
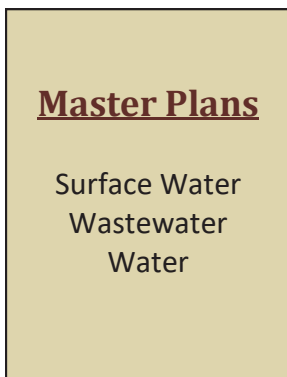
- (1) Utility User Fees
- (2) Bonds
- (3) Grants come from outside agencies such as ODOT, Metro, DEQ, Oregon Parks, and the Oregon Marine Board
- (4) Systems Development Charges (SDCs): from new development



Multi-Document Transparency

The District recognizes that the projects included in the Six-Year Capital Improvement Plan represent a significant amount of public monies and it is the District's intention is to present this information across several documents to ensure that projects are clearly understood and accounted for in financial forecasts, budgets, capital improvement plans and master plans.

Multi-document transparency means that a capital project necessitated by a master plan will be included in the CIP document and then planned for in the forecast document. Funding for the project will then be included in the budget document and the expense will be recorded in quarterly and annual financial reports.



OAK LODGE WATER SERVICES PROPOSED BUDGET FISCAL YEAR 2018-2019									
Watershed Protection Capital Fund Resources: Fund 73									
ACTUAL 15-16	ACTUAL 16-17	BUDGET 17-18	ESTIMATE 17-18	Object Code	Item	PROPOSED 18-19	APPROVED 18-19	ADOPTED 18-19	
-	-	-	-	73-00-3500	Beginning Fund Balance	-	-	-	
-	-	-	-	73-00-4610	Investment revenue	5,000	5,000	5,000	
-	-	-	-	73-00-4920	Proceeds from sale of capital assets	300,000	300,000	300,000	
-	-	-	-	73-29-4913	Transfers from Fund 30	3,600,000	3,600,000	3,600,000	
\$ -	\$ -	\$ -	\$ -		Total Resources	\$ 3,905,000	\$ 3,905,000	\$ 3,905,000	
Watershed Protection Capital Fund Requirements: Fund 73									
ACTUAL 15-16	ACTUAL 16-17	BUDGET 17-18	ESTIMATE 17-18	Object Code	Item	PROPOSED 18-19	APPROVED 18-19	ADOPTED 18-19	
-	-	-	-	73-23-7400	Capital Outlay	10,000	10,000	10,000	
-	-	-	-	73-23-7520	Improvements other than buildings	71,000	71,000	71,000	
-	-	-	-	73-23-7600	Equipment	1,920,000	1,920,000	1,920,000	
\$ -	\$ -	\$ -	\$ -		Capital Improvement Projects				
\$ -	\$ -	\$ -	\$ -		Total Capital Outlay - Watershed Protection	\$ 2,001,000	\$ 2,001,000	\$ 2,001,000	
-	-	-	-	73-29-9000	Transfers and Contingency	500,000	500,000	500,000	
\$ -	\$ -	\$ -	\$ -		Contingency				
\$ -	\$ -	\$ -	\$ -		Total Transfer and Contingency	\$ 500,000	\$ 500,000	\$ 500,000	
\$ -	\$ -	\$ -	\$ -		Total Requirements	\$ 2,501,000	\$ 2,501,000	\$ 2,501,000	
\$ -	\$ -	\$ -	\$ -		Total Resources	\$ 3,905,000	\$ 3,905,000	\$ 3,905,000	
\$ -	\$ -	\$ -	\$ -		Reserve for Fund 30: future capital expenditures	\$ 1,404,000	\$ 1,404,000	\$ 1,404,000	

Financial Reporting

“Capital Outlay” is reported in financial forecasts, budgets, quarterly reports, and annual reports. This line item corresponds with the annual funded totals shown in this Six-Year Capital Improvement Plan (CIP).

The adoption of this CIP document provides the baseline for the capital outlay that will be included in future budget documents for the Budget Committee to review, consider and approve, and for the Board to formally adopt.

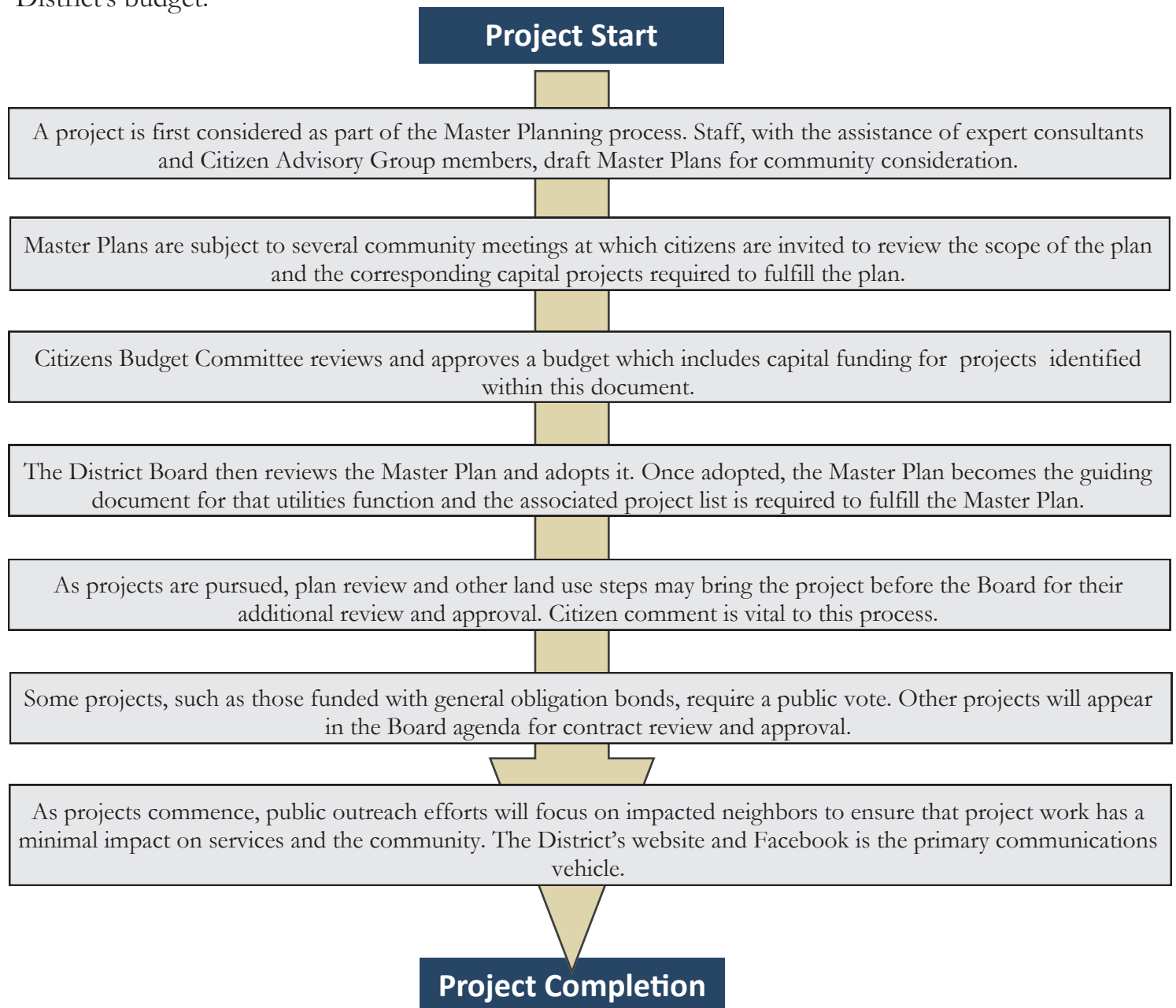
The Process of a CIP Project

Question:

How does a project get placed on the Capital Improvement Plan?

Answer:

Rate Payer involvement is the cornerstone of the Six-Year Capital Improvement Plan. Projects are vetted through a multi-step process (see below) that includes public comment at several stages to ensure that projects meet the community's needs, in addition to expert analyses during plan development. Funding is not available for projects to begin until it is approved and adopted into the District's budget.



Watershed Protection

Overview

The Oak Lodge Water Services District is responsible for water quality improvement projects within the communities of Oak Grove and Jennings Lodge, Oregon. Although not formal cities, this portion of unincorporated Clackamas County is heavily urbanized with residential, commercial, and industrial development. Less than 10 years ago, an analysis of the District revealed that the Total Impervious Area for OLWSD's is 80% -- that's about 2800 acres of surface that does not infiltrate water, all of which contributes to increased water velocity and scour in local streams, and the majority of which contributes pollutants into the surface water system, including streams and rivers.

Oak Lodge Water Services District charges customers a monthly surface water fee, which covers all surface water program operations. Annual revenue changes slightly (based on the number of customers), but is approximately \$1.5M annually.

Projects within the Surface Water Capital Improvement Program include new regional stormwater treatment facilities, retrofits of existing facilities, installation of roadside facilities, such as “rain gardens”, upgrades of existing storm lines and catch basins, and natural resource restoration projects.

This year, a Stormwater Master Plan is being recommended for funding. The purpose of this document is to create a comprehensive plan that accounts for the replacement of existing infrastructure as well as predict through computer modelling where additional infrastructure should be built to account for growth.

Watershed Protection Capital Improvement Projects

Page	Project Name	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals
12	Stormwater Master Plan	215,000						\$ 215,000
12	Localized Enhancement Program	250,000	250,000	250,000	250,000	250,000	250,000	\$ 1,500,000
13	Decant Facility		120,000					\$ 120,000
	Total Watershed Protection Capital Expenses	\$ 465,000	\$ 370,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,835,000



Watershed Protection



Stormwater Master Plan

This project will accomplish two goals of the District. The first, will be to identify the desires of our public as it relates to the level of services this District provides through its Watershed Protection rate. This will be done through multiple public meetings and a strong outreach process.

Once the data is collected and shared with the Board, this project will create a Master Plan for Stormwater that meets those expectations and helps set future rates to do so.

<u>Funding Source</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Total</u>
Surface Water Capital Fund	22,000	215,000					237,000

Operating Budget Impact

This project has the potential to identify costs that may directly impact rates (with Board Approval).



Localized Enhancement Program

This program aims to fix small to medium scale localized issues throughout the District. Projects will include replacement of damaged stormwater pipes owned by the District, create new roadside surface water treatment and address issues brought forth by District customers.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Surface Water Capital Fund	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000

Operating Budget Impact

These projects have the potential to both decrease Staff's time reporting to localized flooding and increase maintenance of District owned facilities.

Capital Projects



WRF Decant Expansion

Decant facilities are used to remove water from excavated material so that hauling and disposal costs can be minimized.

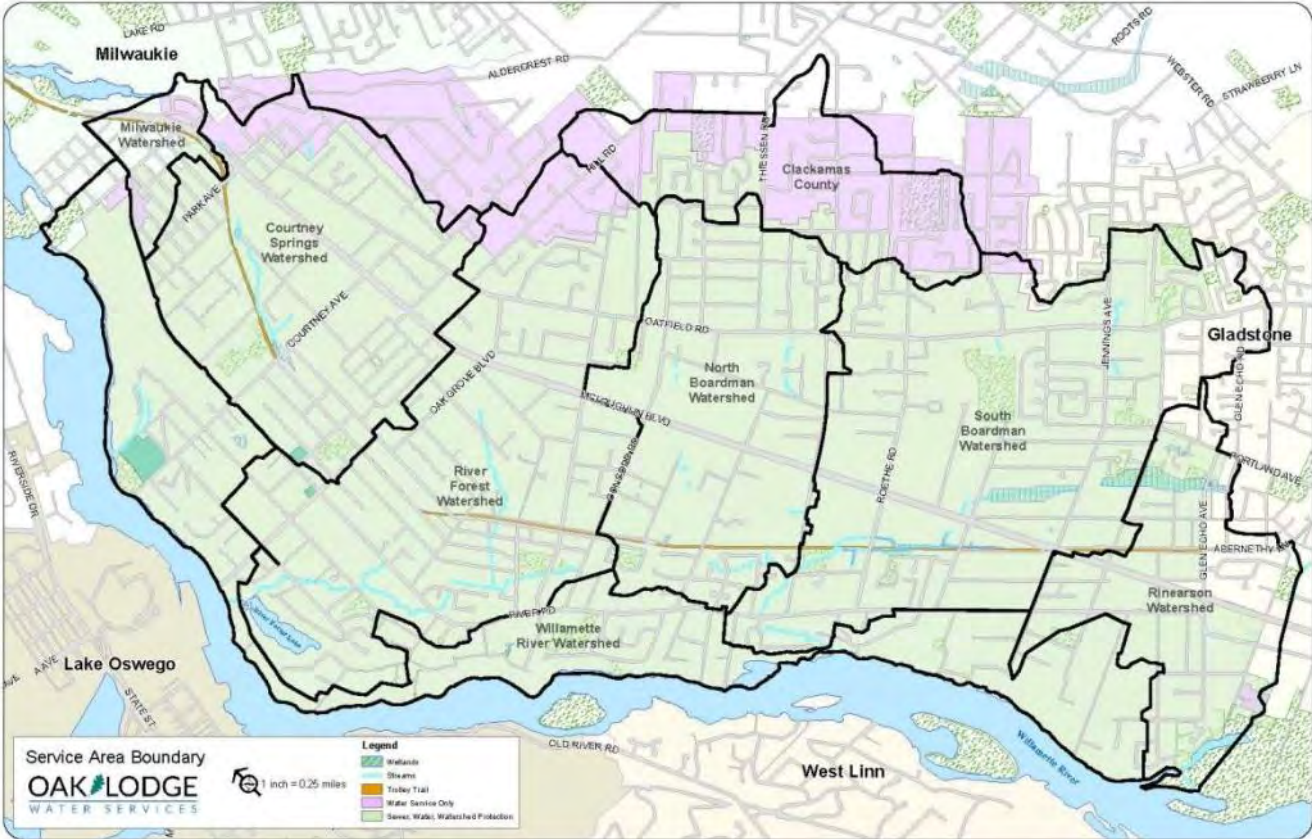
The goal of this project is to provide enough capacity for all three utilities to utilize after removing the decant facility at the Administrative Office (14496 SE River Road).

The payment for this project will be split evenly across all three utilities.

Funding Source	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
Surface Water Capital Fund	10,000			120,000			130,000

Operating Budget Impact

Completion of this project will allow for draining of water from wet soils, thus reducing hauling and disposal costs of soils. It will also allow for temporary storage when hauling isn't available, thus enabling staff to continue working on projects with little delay.



Overview

Oak Lodge Water Services District charges customers a monthly fee for sanitary sewer service. Annual revenue changes slightly based on the number and types of customers, but comes in at approximately \$8.2M annually. Of this revenue, approximately 16% is budgeted to be used on capital improvements. The majority of sanitary sewer revenue is used for payment of the debt service to address the various loans associated with the Treatment Plant Expansion project.

Projects within the Sewer Capital Improvement list include finishing a conversion of the District's last anaerobic digester to meet permit requirements for land application of solids, projects to replace pipe deficiencies and trouble spots in the collection system and Water Reclamation Facility enhancements to the elements of the plant that were not reconstructed with the plant expansion project.



Capital Projects

Wastewater Capital Improvement Projects

Page	Project Name	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals
16	Belt Filter Press #2 Retrofit	340,000						\$ 340,000
16	Solids Piping Project	420,000						\$ 420,000
17	Hillside Sewer line - 2B Trunk Sag Adjustment	400,000						\$ 400,000
17	2A010-343 Line Replacement	60,000						\$ 60,000
18	Sanitary Sewer Master Plan (Plant+Field)	400,000						\$ 400,000
18	Aeration Basin Baffle Wall	150,000						\$ 150,000
19	WTP Blower Rehab	150,000						\$ 150,000
19	Lateral Repair Program	60,000	60,000	60,000	60,000	100,000	100,000	\$ 440,000
20	Pump Station Rebuild Program	350,000	50,000	300,000	50,000	300,000	50,000	\$ 1,100,000
20	Mainline Repair Program		250,000		500,000	500,000	500,000	\$ 1,750,000
21	Decant Facility		120,000					\$ 120,000
21	Secondary Clarifier 1 and 2 Refurbishment		1,000,000					\$ 1,000,000
22	Ultra-Violet Channel Refurbishment		300,000					\$ 300,000
22	Aeration Basin Diffuser Replacement		50,000					\$ 50,000
23	Return Activated Sludge Monitor Control Center Replacement			500,000				\$ 500,000
23	Manhole Repair Program				50,000	50,000	50,000	\$ 150,000
24	Influent Pump Station Reconstruction					1,000,000		\$ 1,000,000
Total Wastewater Capital Expenses		\$ 2,330,000	\$ 1,830,000	\$860,000	\$ 660,000	\$1,950,000	\$ 700,000	\$ 8,330,000



Wastewater



Belt Filter Press #2 Retrofit

This project is intended to facilitate refurbishment and improvements of the 16 year old Solids Handling Facility. Project is expected to include improvements to the control systems, environmental controls (HVAC), and equipment refurbishments and piping replacement.

<u>Funding Source</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>Total</u>
Wastewater Capital Fund	85,000		115,000	340,000			540,000

Operating Budget Impact

None. Completion of this project is expected to maintain existing system performance and increase reliability.



Solids Piping Project

Creates a new and pipeline connection between the two Aerobic Digesters and the two Interchange Bioreactors (IBRs) that together process wasted sludge into biosolids. These tanks were not initially built to operate together, but a minor piping modifications since the construction of the IBRs has connected the four tanks sufficiently to avert an overload of solids in the plant. The Solids Piping Project turns that patch into a fix that brings with it a wide range of benefits.

<u>Funding Source</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>Total</u>
Wastewater Capital Fund	160,000	420,000					580,000

Operating Budget Impact

Reduces electricity and operator time needed to run the currently cumbersome sludge treatment process. Increases the plant's capacity to store wasted sludge. Makes the IBR's maintainable by allowing them to be drained. Enables tanks to operate in isolation and sludge to be thickened and wasted continuously. Adds corrosion protection by better controlling acidity and alkalinity.

POSITIVE SLOPE (CORRECT)



NO SLOPE



NEGATIVE SLOPE (LOW AREA)



Hillside Sewer Line— 2B Trunk Sag Adjustment

This project includes replacing 638 feet of 12-inch diameter pipe that has settled. This settlement causes sediment, grease and fats to accumulate in the line that causes field staff to maintain this line more often than it should be.

Funding Source	FY 2021	FY 2022	FY 2023	FY 2024	FY 20245	FY 2026	Total
Wastewater Capital Fund	400,000						400,000

Operating Budget Impact

Replacement of this section will reduce the operating budget due to less frequent maintenance on this section.



2A010-343 Line Replacement

This project replaces via pipe bursting 160 feet of 8-inch main that has deteriorated. This settlement causes sediment, grease and fats to accumulate in the line that causes field staff to maintain this line more often than it should be.

Funding Source	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Wastewater Capital Fund	60,000						60,000

Operating Budget Impact

Replacement of this section will reduce the operating budget due to less frequent maintenance on this section.



Sanitary Sewer Master Plan

The District’s current Sanitary Master Plan was partially written upon historical knowledge of Staff. By the time this project is let, Staff will have collected and logged condition ratings via TV inspections that will better enable an updated Master Plan to drive focus on replacing our aging infrastructure.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund	400,000						400,000

Operating Budget Impact

This project has the potential to identify costs that may directly impact rates (with Board Approval).



Aeration Basin Baffle Wall

The Aeration Basin Baffle Wall Project would conserve electricity and reduce greenhouse gas emissions by enabling plant operators to switch off parts of the aeration basin. The District has normally run all four of its Aeration Basin trains. Hydraulic modeling as part of an Aeration Study in FY 2019 shows that only two trains are needed for this task if the first train is divide it in two by a baffle wall. This project would install that barrier.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund	150,000						150,000

Operating Budget Impact

This project will reduce on-going maintenance and cause for better permit compliance.

WTP Blower Rehab

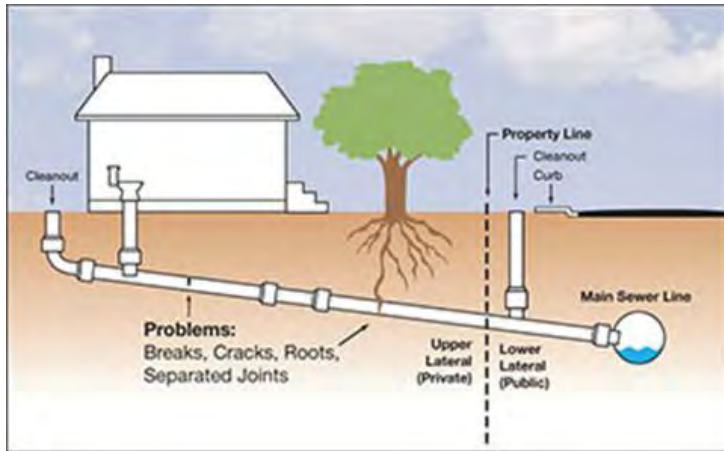


When the Water Reclamation Facility was built, the Interchange Bio-Reactors were designed with independent blowers. During a value engineering phase, one of the four Aeration Blowers was repurposed to supply air to the IBRs. Due to piping limitations, only that blower can be used for aerating the IBRs. Three years later, that blower catastrophically failed. Analysis of the failure indicated the potential for the blower not operating within its design parameters. One of the other Aeration Blowers was moved into that enclosure and the failed blower was replaced.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund	150,000						150,000

Operating Budget Impact

This is an optimization project focused on improving reliability improvements. Additional blowers will end up consuming more power



Lateral Repair Program

The focus of this program is to repair and replace the public portion (the portion in the in the right-of-way) of wastewater laterals. Priority will be given to laterals allowing stormwater inflow and infiltration through breaks and cause the greatest impacts to the operating budget.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund	60,000	60,000	60,000	60,000	100,000	100,000	440,000

Operating Budget Impact

This project will decrease operating expenditures by reducing the total amount of inflow and infiltration into the wastewater system.



Pump Station Rebuild Program

Oak Lodge Water Services has five sanitary sewer pumping stations that convey sewage from low lying areas to areas that can gravity flow to the WRF. Several of these pump stations are critical for meeting the District goal of collecting and treating 100% of our customers' used water. The three most critical stations in descending order are Pump Station #3 located at 2704 SE Park Ave., Pump Station #2, located at 1716 SE Oak Shore Lane, and Pump Station #5 located at 17560 SE Walta Vista Drive.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund	350,000	50,000	300,000	50,000	300,000	50,000	1,100,000

Operating Budget Impact

This project will reduce the amount of emergency repairs and as a result, emergency overflows.



Mainline Repair Program

Projects under this program generally consist of spot repairs where structural or inadequate flow conditions exist. Projects are identified based on routine system monitoring and/or maintenance done by the Field Crews and projects identified in a Sanitary Sewer Master Plan.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund		250,000		500,000	500,000	500,000	1,750,000

Operating Budget Impact

This project will decrease operating expenditures by reducing the total amount of inflow and infiltration into the wastewater system.



WRF Decant Expansion

Decant facilities are used to remove water from excavated material so that hauling and disposal costs can be minimized.

The goal of this project is to provide enough capacity for all three utilities to utilize after removing the decant facility at the Administrative Office (14496 SE River Road).

The payment for this project will be split evenly across all three utilities.

<u>Funding Source</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Total</u>
Wastewater Capital Fund	10,000			120,000			130,000

Operating Budget Impact

Completion of this project will allow for draining of water from wet soils, thus reducing hauling and disposal costs of soils. It will also allow for temporary storage when hauling isn't available, thus enabling staff to continue working on projects with little delay.



Secondary Clarifiers 1 and 2 Refurbishment

Replaces the internal mechanisms of secondary clarifiers 1 and 2, which are reaching the end of their lifespan.

Completely demolishes ageing steel and fiberglass components, and drive mechanism. Replaces these with new stainless steel and aluminum components to protect against corrosion.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund		1,000,000					1,000,000

Operating Budget Impact

Reduces the risk of critical down time by replacing steel components deteriorating from rust. Provides long-term value by reinstalling mechanisms with corrosion-resistant materials. Enhances clarifier performance. Reduces need for mechanical repairs.

Wastewater



Ultra-Violet Channel Refurbishment

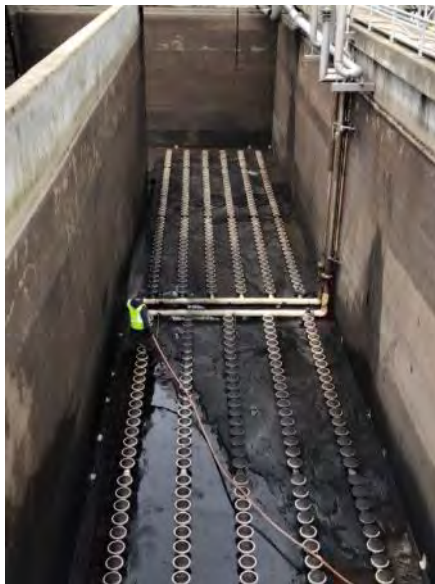
This project is intended to replace complex gate maneuvering and level control with a passive level control system, replace the effluent flow meters, replace the influent gates with simple actuated slide gates, and inspect and modernize the UV bulb control system itself.

The intent of the rebuild is to have a more reliable, redundant UV disinfection system which is vital to permit compliance.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund		300,000					300,000

Operating Budget Impact

This project will reduce on-going maintenance and cause for better permit compliance.



Aeration Basin Diffuser Replacement

“Diffusers” are what air is pushed through in order to aerate the sludge before entering the secondary clarifiers. They have a useful life of 8-10 years and are in need of replacement.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund		300,000					300,000

Operating Budget Impact

This project will reduce on-going maintenance and cause for better permit compliance.



Return Activated Sludge Monitor Control Center Replacement

This motor control center did not get replaced in the plant expansion. It controls the Return Activated Sludge pumps among other equipment in that building. The system is now out-of-date and code. In order to do lock out/tag out you have to open the panel doors and then you are exposed to a live system. The panel replacement would use standard breakers and new instrumentation which will shrink the foot print of the MCC. There will be electrical efficiencies gained with more up to date wiring and controls. The new panel would have to be installed and wired up in parallel before disconnecting the old panel.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund			500,000				500,000

Operating Budget Impact

This project will reduce the overall energy needs at the plant and will cause for monthly power bills to decrease.



Manhole Repair Program

This program was created to ensure the replacement of all manholes within the Wastewater network over a 150-year period. In the case of a manhole having satisfactory structural integrity, manhole rehabilitation (i.e., manhole lining or grouting) will be done in lieu of full manhole replacement. Manholes to be replaced or rehabilitated will be identified by staff on an annual basis.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund				50,000	50,000	50,000	Ongoing

Operating Budget Impact

This project will not increase operating expenditures. These projects will replace or repair manholes one-for-one and will not increase the number of wastewater assets system-wide.

Wastewater



Influent Pump Station Reconstruction

This project completely reconfigures the pump station wet well from a box with corners that trap debris and sediment to one with tapered sides and sloped floors. This shape aids in self cleaning and take full advantage of the non-clog pumps we have installed. This will vastly reduce and hopefully eliminate the cleaning projects that now have to be done each year.

Safety and security enhancements will also be made to the electrical and switch components by enclosing them in lockable structures. The end result is increased reliability, reduced maintenance, and increased safety and security.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund					1,000,000		1,000,000

Operating Budget Impact

Addition of the crane at this location would eliminate crane rentals.





Vehicle

Oak Lodge Water Services District has 35 pieces of rolling stock. 15 primarily used for the water, 16 for sewer and 3 for storm and 1 for Technical Services inspections. This program aims to systematically set aside funds at a predictable rate, that not only gives the Board a snapshot of the current fleet, but it also allows staff to show the Board in a single document the intended replacement schedule of each piece of equipment.

With regular and scheduled replacement of vehicles, the cost for major repairs should be kept to a minimum. In addition, the timing for replacements can occur in a planned, efficient and effective fashion thus evening out costs.

For the first couple of years the District would need to catch up to meet the scheduled replacements because the newly created Capital Fund has no pre-existing reserves built up.

Vehicle Capital Purchases

Page	ID#	Program	Vehicle Description	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals
27	NEW	Wastewater	Plant Operations Motorized Cart	20,000						\$ 20,000
27	58	Water	Field Operations Van	35,000						\$ 35,000
28	2	Wastewater	Plant Operations Truck		32,000					\$ 32,000
28	8	Technical Services	Inspection Truck		35,000					\$ 35,000
29	30	Water	Operations Dump Truck			110,000				\$ 110,000
29	64	Water	Field Operations Truck					35,000		\$ 35,000
30	55	Water	Field Operations Truck					35,000		\$ 35,000
30	68	Water	Field Operations Truck					35,000		\$ 35,000
31	15	Wastewater	Plant Operations Truck						37,000	\$ 37,000
31	16	Wastewater	Plant Operations Truck						90,000	\$ 90,000
Total Vehicle Capital Expenses				\$ 55,000	\$ 67,000	\$ 110,000	\$ -	\$ 105,000	\$ 127,000	\$ 464,000

Capital Replacement



Plant Operations Motorized Cart

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	20,000						20,000

Operating Budget Impact

This purchase will add one more fleet vehicle to the District’s inventory. It will be put on a replacement schedule and budgeted for accordingly.



Replacement of Vehicle #58

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	35,000						35,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.

Vehicle



Replacement of Vehicle #2

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund			32,000				32,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.



Replacement of Vehicle #8

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund			35,000				35,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.

Capital Replacement



Replacement of Vehicle #30

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund			110,000				110,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.



Replacement of Vehicle #64

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund					35,000		35,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.

Vehicle



Replacement of Vehicle #55

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund					35,000		35,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.



Replacement of Vehicle #68

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund					35,000		35,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.

Capital Replacement



Replacement of Vehicle #15

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund						37,000	37,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.



Replacement of Vehicle #16

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Wastewater Capital Fund						90,000	90,000

Operating Budget Impact

Since newer vehicles should have lower maintenance costs and repair frequencies, replacement of this vehicle should not increase the overall operating budget.

Overview

The District’s water distribution system is primarily comprised of 6-inch and 8-inch cast and ductile iron pipe. The District has concentrated on eliminating many sections of 2-inch pipe and looping dead-ends wherever practical. In the past the District had spent on average \$500,000 annually on water capital, however beginning this year this number has been increased to over \$1,000,000 to keep up with water capital needs.

OLWSD has more than sufficient storage with two 5 million gallon reservoirs at the Valley View site and two 2.8 million gallon reservoirs at the View Acres site to supply the system. However, the Valley View Reservoirs are also used as the storage source to serve the Sunrise Water Authority. This update will include an analysis to determine that fire flows for Oak Lodge Water Services District can continue to be met under this operational scenario.

This year, along with the completion of a Master Plan, the Board will help staff prioritize which capital projects to focus on first.

Water Capital Improvement Projects

Page	Project Name	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Totals
33	Water Resiliency Plan	100,000						\$ 100,000
33	Intertie Project Design	100,000						\$ 100,000
34	Partridge Circle Main Replacement	325,000						\$ 325,000
34	Capital Project Place Holder #1	955,000						\$ 955,000
35	Decant Facility		120,000					\$ 120,000
35	Capital Project Place Holder #2		1,200,000					\$ 1,200,000
36	Capital Project Place Holder #3			1,200,000				\$ 1,200,000
36	Capital Project Place Holder #4				1,200,000			\$ 1,200,000
37	Capital Project Place Holder #5					1,200,000		\$ 1,200,000
37	Capital Project Place Holder #6						1,200,000	\$ 1,200,000
Total Water Capital Expenses		\$ 1,480,000	\$ 1,320,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 7,600,000

Water Resiliency Plan

On October 23, 2018, America’s Water Infrastructure Act (AWIA) was passed, tasking the United States Environmental Protection Agency (EPA) with enforcing community water systems serving more than 3,300 people to conduct Risk and Resiliency Assessments and to develop an Emergency Response Plan. The District’s compliance deadline for completing the AWIA Risk and Resilience Assessment is June 30, 2021.



<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	100,000						100,000

Operating Budget Impact

The creation of document itself will not add or subtract to operational budget. However, it will likely identify needs for the District that will be discussed in future budgets.

Intertie Project Design

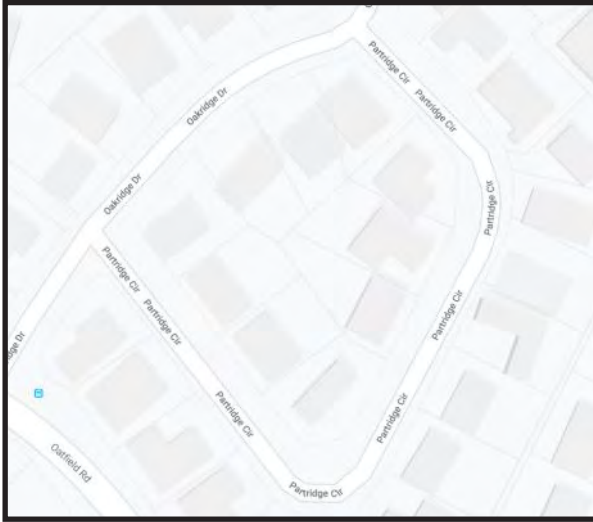
Currently, Oak Lodge Water Services relies solely on the Clackamas River for its water needs. During the Water Master Plan process, Staff discussed with the Board the need to create additional options in the event that the Clackamas River is not available. An example of this could be low summer flows or a toxic algal bloom.



<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	100,000						100,000

Operating Budget Impact

Once constructed, this project will add infrastructure to the Oak Lodge Water Services District inventory and thus increase overall maintenance in the Operating Budget.



Partridge Circle Main Replacement

In the past, field staff had concerns with this main because the earth around the main has continued to move (or slide). But in more recent past, Partridge Circle was found to be prematurely wearing as a result of electrolysis. It was the combination of these two issues that caused staff to change this project to high priority.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	325,000						325,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



Capital Project Placeholder #1

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this “project” is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund	955,000						955,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



WRF Decant Expansion

Decant facilities are used to remove water from excavated material so that hauling and disposal costs can be minimized.

The goal of this project is to provide enough capacity for all three utilities to utilize after removing the decant facility at the Administrative Office (14496 SE River Road).

The payment for this project will be split evenly across all three utilities.

<u>Funding Source</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>Total</u>
Water Capital Fund	10,000			120,000			130,000

Operating Budget Impact

Completion of this project will allow for draining of water from wet soils, thus reducing hauling and disposal costs of soils. It will also allow for temporary storage when hauling isn't available, thus enabling staff to continue working on projects with little delay.



Capital Project Placeholder #2

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this "project" is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund		1,200,000					1,200,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



Capital Project Placeholder #3

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this “project” is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund			1,200,000				1,200,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



Capital Project Placeholder #4

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this “project” is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund				1,200,000			1,200,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



Capital Project Placeholder #5

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this “project” is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund					1,200,000		1,200,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



Capital Project Placeholder #5

Since the Water Master Plan is in the process of being completed and will likely create projects that need to be planned, this “project” is a placeholder to make it clear that there will likely be spending beyond the Master Plan and Water Meter Replacement program within the next 6 years.

<u>Funding Source</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Total</u>
Water Capital Fund						1,200,000	1,200,000

Operating Budget Impact

This project will replace aging infrastructure and will reduce the overall risk of pipe failures.



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Contact Us

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AGENDA ITEM

Title	Public Hearing
Item No.	4
Date	April 30, 2020

Summary

Members of the public are invited to identify agenda items on which they would like to comment or provide testimony. The Budget Committee may elect to limit the total time available for public comment or for any single speaker depending on meeting length.

STAFF REPORT

To Budget Committee
From Sarah Jo Chaplen, General Manager
Title Committee Deliberation of Budget
Item No. 5
Date April 30, 2020

Summary

This time is reserved for final Committee Member deliberation of the Proposed Budget and the annual Budget Committee approval of the Proposed Budget.

Background

The Budget Committee has reviewed the Proposed Budget for fiscal year 2020-2021, listened to staff presentations, asked questions, and held a Public Hearing in preparation for the final approval of the Proposed Budget.

Recommendation

Staff requests that the Budget Committee approve the Proposed Budget.

Alternatives to Recommendation

The Budget Committee is able to approve the Proposed Budget with amendments.

Suggested Budget Committee Motion

"I move to approve the Proposed Budget for fiscal year 2020-2021."

"I move to approve the Proposed Budget for fiscal year 2020-2021 with amendments as follows: _____."