



**Oak Lodge Water District Office
14496 SE River Road
Oak Grove, OR 97267
May 21st, 2019 at 6:00 p.m.**

1. Call to Order and Flag Salute
2. Call for Public Testimony

Members of the public are welcome to testify for a maximum of three minutes on each agenda item.

3. Consent Agenda
 - April 2019 Financial Reports
 - Approval of April 2019 Check Run
 - April 16, 2019 Board Meeting Minutes
 - April 30, 2019 Special Board Meeting Minutes
 - April 18, 2019 Budget Committee Meeting Minutes
 - April 23, 2019 Budget Committee Meeting Minutes
4. Watershed Health Education Program (WHEP) Student presentation from Rex Putnam High School Students.
5. New Auditor Introduction
6. Supplemental Budget FY 2018-2019- Resolution No. 19-02
7. Budget Adoption FY 2019-2020 and Public Hearing- Resolution No.19-03
8. Silverleaf Sewer Repair Contract
9. Backflow Program Update
10. Department Reports
 - Finance

- Field Operations
- Plant Operations
- Technical Services

11. Call for Public Comment

12. Business from the Board

13. Recess to Executive Session

Convene Executive Session under ORS 192.660 2(f) to consider information or records that are exempt by law from public inspection and ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

14. Adjourn Executive Session – Board may take action if necessary

Adjourn



AGENDA ITEM

Agenda Item: Call for Public Testimony
Item No.: 2
Presenters: N/A

Background:

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



CONSENT AGENDA

To: Board of Directors
From: Sarah Jo Chaplen, General Manager
Agenda Item: Consent Agenda
Item No.: 3
Date: May 21, 2019

Background:

The Board of Directors has a standing item on the regular monthly meeting agenda called "Consent Agenda." This subset of the regular agenda provides for the Board to relegate routine business functions not requiring discussion to a consent agenda where all included items can be acted upon by a single act.

The Consent Agenda includes:

1. April 2019 Financial Reports
 - a. Approval of April 2019 Check Run
2. April 16, 2019 Board Meeting Minutes
3. April 18, 2019 Budget Committee Meeting Minutes
4. April 23, 2019 Budget Committee Meeting Minutes
5. April 30, 2019 Special Board Meeting and Executive Session Minutes

Board members may request to remove an item from the Consent Agenda to discuss separately.

Options for Consideration:

1. Approve the consent agenda as listed on the meeting agenda.
2. Request one or more items listed on the consent agenda be pulled from the consent agenda for discussion.

Recommendation:

Approve the items listed under the Consent Agenda.

Sample motion: *"I move to approve the consent agenda."*

Approved _____	Date _____
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MONTHLY FINANCIAL REPORT

To: Board Directors
From: Kelly Stacey, Finance Director
Agenda Item: April 2019 Financial Reports
Item No.: 3a
Date: May 21, 2019

Reports:

- April 2019 Monthly Overview
- April 2019 Monthly Cash and Investment Balances Report
- April 2019 Budget to Actual Report
- April 2019 Budget Account Roll Up Report
- April 2019 Monthly Checks and Electronic Withdrawals Staff Report
- April 2019 Monthly Checks and Electronic Withdrawals System Report

**Oak Lodge Water Services
Monthly Overview
April 2019**

This report summarizes the revenues and expenditures for April 2019. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

The District's liquid cash and investment assets equal \$13,352,689.72 as of the end of April 2019; consisting of \$1,599,579.68 in checking, and \$11,753,110.04 in the State Local Government Investment Pool (LGIP).

The District's checks, electronic withdrawals and bank drafts total \$1,502,224.76 for April 2019.

Below is a table identifying the District's three principal sources of service charges in each fund with a comparison between annual budget estimates and year-to-date service charge fees.

GL Account	Service Charge	Budget Estimate	Period Amount	Year-to-Date Amount	Percentage of Budget
10-00-4211	Water sales	\$ 3,640,000	\$ 278,317	\$ 3,163,610	86.91%
10-00-4212	Water sales-CRW	32,000	-	24,274	75.86%
20-00-4212	Wastewater charges	7,947,500	706,681	6,340,987	79.79%
30-00-4213	Watershed protection	1,456,000	124,426	1,220,712	83.84%
	Subtotal	\$ 13,075,500	\$ 1,109,423	\$ 10,749,583	82.21%

The % of budget is calculated by taking the ending balance and dividing it by the budget. At the end of April, the % of budget spent or billed should be around 83.33%. Note for budget law purposes, Wastewater Plant and Wastewater Collection are added together. Certain line items are spent all at once, such as Worker's Compensation, which we pay one time a year in July.

Low Income Rate Relief Program Overview

The District allows eligible customers to obtain a discounted rate on a portion of their bill. The District budgets resources to fund the revenue losses due to the program at the rate of 0.50% of budgeted service charge revenue. The budgeted amount serves as a cap to the program's cost which can only be exceed with approval from the District's Board of Directors.

Below is a table identifying the number of accounts in the program and an estimated monthly discount and year-to-date value based on a single-family residential account with a standard 20 GPM Water Meter and 6 CCF of water consumption per month.

Number of Accounts	Discount	Budget	Estimated Monthly Discount	Estimated Year-to-Date Discount	Estimated Percentage of Budget
154	Low Income Rate Relief	\$ 80,378	\$ 5,564	\$ 61,438	76.44%

Oak Lodge Water Services District

Account Balances As of:			
April 30, 2019		Interest Rate	
Account			
Wells Fargo Bank Checking-3552	0.00%	\$	1,599,579.68
LGIP 5289 Water General	2.75%	\$	3,605,347.85
LGIP 5790 Watershed Protection General	2.75%	\$	2,047,391.39
LGIP 3968 Sanitary GO Bond Debt Svc	2.75%	\$	529,320.23
LGIP 3869 Sanitary Revenue Bond Debt Svc	2.75%	\$	1,222,006.25
LGIP 5002 Sanitary General	2.75%	\$	4,349,044.32
Total			\$ 13,352,689.72

General Ledger
Budget to Actual



User: kelly
Printed: 5/13/2019 1:20:03 PM
Period 01 - 10
Fiscal Year 2019

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
10	Drinking Water				
	NonDivisional				
	<i>Beginning Fund Balance</i>				
10-00-3500	Fund balance	-2,880,270.00	0.00	-3,632,781.00	126.13
	<i>Beginning Fund Balance</i>	-2,880,270.00	0.00	-3,632,781.00	126.13
	<i>Revenue</i>				
10-00-4211	Water sales	3,640,000.00	275,172.67	3,160,465.71	86.83
10-00-4212	Water sales - CRW	32,000.00	0.00	24,273.95	75.86
10-00-4215	Penalties and late charges	25,000.00	1,750.75	13,171.67	52.69
10-00-4220	System development charges	75,000.00	24,720.00	343,940.00	458.59
10-00-4230	Contract services	32,000.00	0.00	23,948.77	74.84
10-00-4240	Service installations	15,000.00	1,350.00	25,230.00	168.20
10-00-4280	Rents & leases	140,000.00	7,074.36	126,252.52	90.18
10-00-4290	Other charges for services	0.00	0.00	24,521.55	0.00
10-00-4610	Investment revenue	25,000.00	0.00	106.66	0.43
10-00-4630	Miscellaneous revenues	15,000.00	4,099.10	19,013.51	126.76
	<i>Revenue</i>	<i>3,999,000.00</i>	<i>314,166.88</i>	<i>3,760,924.34</i>	<i>94.05</i>
	NonDivisional	6,879,270.00	314,166.88	7,393,705.34	107.48
	Drinking Water				
	<i>Personnel Services</i>				
10-20-5110	Regular employees	980,000.00	67,681.51	717,303.36	73.19
10-20-5120	Temporary/Seasonal employees	30,000.00	0.00	4,659.71	15.53
10-20-5130	Overtime	48,000.00	1,735.38	17,041.13	35.50
10-20-5210	Employee Ins Expense	225,000.00	11,520.52	126,574.38	56.26
10-20-5230	Social Security	80,500.00	5,211.65	54,424.51	67.61
10-20-5240	Retirement	202,000.00	11,759.74	125,800.80	62.28
10-20-5250	Trimet/WBF	9,000.00	538.99	5,654.97	62.83
10-20-5260	Unemployment	12,000.00	3,120.00	3,120.00	26.00
10-20-5270	Workers compensation	13,000.00	0.00	13,373.41	102.87
10-20-5290	Other employee benefits	7,300.00	7.98	87.27	1.20
	<i>Personnel Services</i>	<i>1,606,800.00</i>	<i>101,575.77</i>	<i>1,068,039.54</i>	<i>66.47</i>
	<i>Materials & Services</i>				
10-20-6110	Legal services	130,000.00	1,283.10	74,309.29	57.16
10-20-6120	Accounting & audit services	9,000.00	0.00	3,913.14	43.48
10-20-6155	Contracted Services	160,500.00	8,581.53	81,431.36	50.74
10-20-6180	Dues & subscriptions	25,000.00	319.54	21,636.26	86.55
10-20-6220	Electricity	45,000.00	4,310.27	30,245.21	67.21
10-20-6230	Telephone	21,000.00	1,521.10	12,844.09	61.16
10-20-6240	Natural gas	4,000.00	562.94	2,545.02	63.63
10-20-6290	Other utilities	4,000.00	526.06	3,242.13	81.05
10-20-6310	Janitorial services	8,500.00	542.32	4,996.96	58.79
10-20-6320	Buildings & grounds	10,000.00	121.63	4,798.75	47.99
10-20-6330	Vehicle & equipment maint.	27,000.00	78.16	22,730.65	84.19
10-20-6340	Distribution system maint	250,000.00	15,965.24	143,792.24	57.52
10-20-6350	Computer maintenance	48,500.00	10,210.28	54,471.62	112.31
10-20-6390	Other repairs &	50,000.00	3,564.86	20,938.69	41.88

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	maintenance				
10-20-6410	Mileage	1,500.00	122.57	461.47	30.76
10-20-6420	Staff training	17,500.00	952.96	9,463.55	54.08
10-20-6430	Certifications	1,000.00	0.00	615.00	61.50
10-20-6440	Board travel & training	2,500.00	38.50	146.51	5.86
10-20-6510	Office supplies	15,000.00	805.22	9,067.79	60.45
10-20-6520	Fuel & oils	25,000.00	1,432.68	14,712.34	58.85
10-20-6530	Small tools & equipment	15,000.00	1,773.58	3,599.42	24.00
10-20-6540	Safety supplies	12,000.00	573.14	9,298.52	77.49
10-20-6550	Operational Supplies	1,500.00	664.13	1,971.67	131.44
10-20-6560	Uniforms	4,000.00	0.00	235.91	5.90
10-20-6590	Other supplies	0.00	0.00	0.00	0.00
10-20-6610	Board compensation	700.00	0.00	352.58	50.37
10-20-6710	Purchased water	1,050,000.00	128,294.34	756,851.26	72.08
10-20-6720	Insurance	30,000.00	0.00	32,972.58	109.91
10-20-6730	Communications	9,000.00	-708.56	2,879.82	32.00
10-20-6740	Advertising	1,000.00	0.00	0.00	0.00
10-20-6750	Other purchased services	0.00	0.00	0.00	0.00
10-20-6760	Equipment Rental	5,000.00	0.00	720.41	14.41
10-20-6770	Bank charges	30,000.00	2,137.16	27,619.65	92.07
10-20-6780	Taxes & fees	20,000.00	0.00	7,325.15	36.63
10-20-6900	Miscellaneous expense	1,000.00	0.00	348.93	34.89
	<i>Materials & Services</i>	<i>2,034,200.00</i>	<i>183,672.75</i>	<i>1,360,537.97</i>	<i>66.88</i>
	Drinking Water	3,641,000.00	285,248.52	2,428,577.51	66.70
10	Drinking Water	3,238,270.00	28,918.36	4,965,127.83	153.33
20	Wastewater Reclam. NonDivisional				
	<i>Beginning Fund Balance</i>				
20-00-3500	Fund balance	-5,416,603.00	0.00	-5,393,413.85	99.57
	<i>Beginning Fund Balance</i>	<i>-5,416,603.00</i>	<i>0.00</i>	<i>-5,393,413.85</i>	<i>99.57</i>
	<i>Revenue</i>				
20-00-4212	Wastewater charges	7,947,500.00	706,680.71	6,340,987.30	79.79
20-00-4215	Penalties & late charges	25,000.00	906.56	5,881.27	23.53
20-00-4220	System development charges	100,000.00	0.00	278,910.00	278.91
20-00-4240	Service installations	25,000.00	0.00	45,722.28	182.89
20-00-4290	Other charges for services	5,000.00	0.00	14,304.01	286.08
20-00-4610	Investment revenue	50,000.00	0.00	0.72	0.00
20-00-4630	Miscellaneous revenues	15,000.00	1,083.24	14,608.97	97.39
	<i>Revenue</i>	<i>8,167,500.00</i>	<i>708,670.51</i>	<i>6,700,414.55</i>	<i>82.04</i>
	NonDivisional	13,584,103.00	708,670.51	12,093,828.40	89.03
	Wastewater-Plant				
	<i>Personnel Services</i>				
20-21-5110	Regular employees	1,020,000.00	79,315.73	769,717.03	75.46
20-21-5120	Temporary/Seasonal employees	30,000.00	0.00	21,692.68	72.31
20-21-5130	Overtime	50,000.00	3,245.94	35,252.47	70.50
20-21-5210	Employee Ins-Expense	200,000.00	15,843.05	144,145.04	72.07
20-21-5230	Social Security	80,000.00	6,203.58	61,239.10	76.55
20-21-5240	Retirement	190,000.00	12,035.80	111,951.59	58.92
20-21-5250	Trimet/WBF	8,200.00	643.76	6,384.67	77.86
20-21-5260	Unemployment	10,500.00	0.00	0.00	0.00
20-21-5270	Workers compensation	12,000.00	0.00	3,980.40	33.17
20-21-5290	Other employee benefits	6,800.00	8.66	88.72	1.30
	<i>Personnel Services</i>	<i>1,607,500.00</i>	<i>117,296.52</i>	<i>1,154,451.70</i>	<i>71.82</i>
	<i>Materials & Services</i>				
20-21-6110	Legal services	125,000.00	1,484.93	39,525.04	31.62
20-21-6120	Accounting & audit services	4,500.00	0.00	5,457.50	121.28
20-21-6155	Contracted Services	105,300.00	9,447.88	99,378.06	94.38

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
20-21-6180	Dues & subscriptions	15,000.00	433.83	7,244.94	48.30
20-21-6220	Electricity	250,000.00	24,366.13	221,183.02	88.47
20-21-6230	Telephone	24,000.00	1,453.41	18,287.70	76.20
20-21-6240	Natural gas	4,500.00	138.29	838.28	18.63
20-21-6250	Solid waste disposal	75,000.00	8,598.19	54,458.98	72.61
20-21-6290	Other utilities	3,000.00	229.55	5,981.96	199.40
20-21-6310	Janitorial services	22,000.00	587.95	6,789.85	30.86
20-21-6320	Buildings & grounds	25,000.00	3,264.26	32,198.72	128.79
20-21-6330	Vehicle & equipment maint.	24,000.00	0.00	13,895.50	57.90
20-21-6342	WRF System maintenance	234,000.00	16,382.30	134,154.55	57.33
20-21-6350	Computer maintenance	109,250.00	3,793.47	64,571.45	59.10
20-21-6390	Other repairs & maintenance	0.00	0.00	0.00	0.00
20-21-6410	Mileage	2,000.00	151.87	488.00	24.40
20-21-6420	Staff training	23,000.00	757.09	15,099.81	65.65
20-21-6430	Certifications	5,000.00	0.00	240.00	4.80
20-21-6440	Board travel & training	3,000.00	19.85	75.93	2.53
20-21-6510	Office supplies	15,000.00	941.16	9,512.63	63.42
20-21-6520	Fuel & oils	35,000.00	3,537.99	24,355.95	69.59
20-21-6525	Chemicals	25,000.00	0.00	5,039.83	20.16
20-21-6530	Small tools & equipment	20,200.00	4,990.15	5,350.51	26.49
20-21-6540	Safety supplies	20,100.00	18,973.86	25,466.15	126.70
20-21-6550	Operational Supplies	20,000.00	1,702.14	18,741.50	93.71
20-21-6560	Uniforms	14,000.00	1,151.98	12,363.15	88.31
20-21-6590	Other supplies	20,000.00	221.48	5,209.46	26.05
20-21-6610	Board compensation	1,000.00	0.00	203.86	20.39
20-21-6720	Insurance	90,000.00	0.00	66,086.80	73.43
20-21-6730	Communications	4,000.00	82.03	411.76	10.29
20-21-6750	Other purchased services	0.00	1,233.69	11,219.86	0.00
20-21-6760	Equipment Rental	0.00	0.00	0.00	0.00
20-21-6770	Bank charges	25,000.00	2,840.37	44,472.15	177.89
20-21-6780	Taxes & fees	68,500.00	0.00	43,341.53	63.27
20-21-6900	Miscellaneous expense	0.00	0.00	7,550.00	0.00
	<i>Materials & Services</i>	<i>1,411,350.00</i>	<i>106,783.85</i>	<i>999,194.43</i>	<i>70.80</i>
	Wastewater-Plant	3,018,850.00	224,080.37	2,153,646.13	71.34
	Wastewater-Collections				
	<i>Personnel Services</i>				
20-22-5110	Regular employees	665,000.00	56,429.27	578,862.81	87.05
20-22-5120	Temporary/Seasonal employees	22,000.00	0.00	2,058.57	9.36
20-22-5130	Overtime	40,000.00	1,035.53	8,819.56	22.05
20-22-5210	Employee Ins-Expense	130,000.00	10,334.32	106,639.34	82.03
20-22-5230	Social Security	56,000.00	4,371.59	43,761.26	78.15
20-22-5240	Retirement	140,000.00	8,615.91	84,283.81	60.20
20-22-5250	Trimet/WBF	6,000.00	453.03	4,588.62	76.48
20-22-5260	Unemployment	9,000.00	0.00	0.00	0.00
20-22-5270	Workers compensation	10,000.00	0.00	14,348.56	143.49
20-22-5290	Other employee benefits	4,800.00	3.53	38.25	0.80
	<i>Personnel Services</i>	<i>1,082,800.00</i>	<i>81,243.18</i>	<i>843,400.78</i>	<i>77.89</i>
	<i>Materials & Services</i>				
20-22-6110	Legal services	75,000.00	1,484.92	20,411.67	27.22
20-22-6120	Accounting & audit services	4,500.00	0.00	2,360.00	52.44
20-22-6155	Contracted Services	65,500.00	4,141.06	30,142.94	46.02
20-22-6180	Dues & subscriptions	5,000.00	363.37	3,394.94	67.90
20-22-6220	Electricity	10,000.00	66.52	993.23	9.93
20-22-6230	Telephone	21,000.00	949.37	9,792.14	46.63
20-22-6240	Natural gas	3,500.00	138.28	852.40	24.35
20-22-6290	Other utilities	8,500.00	144.54	8,218.35	96.69
20-22-6310	Janitorial services	6,500.00	239.59	2,906.54	44.72
20-22-6320	Buildings & grounds	3,000.00	164.66	4,507.97	150.27
20-22-6330	Vehicle & equipment	6,000.00	6,732.36	9,905.74	165.10

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	maint.				
20-22-6342	Collection system maint.	80,000.00	5,579.97	63,863.90	79.83
20-22-6350	Computer maintenance	35,250.00	2,355.45	45,596.25	129.35
20-22-6390	Other repairs & maintenance	10,000.00	0.00	6,684.53	66.85
20-22-6410	Mileage	1,500.00	70.80	456.07	30.40
20-22-6420	Staff training	11,000.00	453.69	4,744.75	43.13
20-22-6430	Certifications	900.00	160.00	995.00	110.56
20-22-6440	Board travel & training	1,500.00	19.85	75.93	5.06
20-22-6510	Office supplies	12,000.00	497.68	4,464.28	37.20
20-22-6520	Fuel & oils	7,500.00	289.69	5,172.62	68.97
20-22-6530	Small tools & equipment	10,000.00	0.00	3,762.15	37.62
20-22-6540	Safety supplies	3,000.00	129.15	3,258.36	108.61
20-22-6550	Operational Supplies	6,000.00	41.17	1,229.77	20.50
20-22-6560	Uniforms	8,000.00	604.82	5,367.88	67.10
20-22-6610	Board compensation	500.00	0.00	178.76	35.75
20-22-6720	Insurance	24,000.00	0.00	22,986.49	95.78
20-22-6730	Communications	25,000.00	34.88	345.26	1.38
20-22-6750	Other purchased services	0.00	365.23	2,675.74	0.00
20-22-6770	Bank charges	15,000.00	1,417.98	9,481.72	63.21
20-22-6780	Taxes & fees	5,000.00	0.00	3,615.60	72.31
20-22-6900	Miscellaneous expense	0.00	0.00	7,550.00	0.00
	<i>Materials & Services</i>	<i>464,650.00</i>	<i>26,445.03</i>	<i>285,990.98</i>	<i>61.55</i>
	Wastewater-Collections	1,547,450.00	107,688.21	1,129,391.76	72.98
20	Wastewater Reclam.	9,017,803.00	376,901.93	8,810,790.51	97.70
30	Watershed Protection				
	NonDivisional				
	<i>Beginning Fund Balance</i>				
30-00-3500	Fund balance	-3,114,971.00	0.00	-2,999,483.92	96.29
	<i>Beginning Fund Balance</i>	<i>-3,114,971.00</i>	<i>0.00</i>	<i>-2,999,483.92</i>	<i>96.29</i>
	<i>Revenue</i>				
30-00-4213	Watershed protection fees	1,456,000.00	124,425.68	1,220,711.71	83.84
30-00-4215	Penalties & late charges	5,000.00	239.73	1,327.34	26.55
30-00-4240	Service installations	40,000.00	2,133.53	53,696.05	134.24
30-00-4290	Other charges for services	5,000.00	0.00	0.00	0.00
30-00-4300	Grant Revenue	250,000.00	0.00	0.00	0.00
30-00-4610	Investment revenue	35,000.00	0.00	0.10	0.00
30-00-4630	Miscellaneous revenues	5,000.00	196.36	2,797.76	55.96
	<i>Revenue</i>	<i>1,796,000.00</i>	<i>126,995.30</i>	<i>1,278,532.96</i>	<i>71.19</i>
	NonDivisional	4,910,971.00	126,995.30	4,278,016.88	87.11
	Watershed Protection				
	<i>Personnel Services</i>				
30-23-5110	Regular employees	424,000.00	30,033.45	286,450.88	67.56
30-23-5120	TemporarySeasonal employees	10,000.00	0.00	3,136.26	31.36
30-23-5130	Overtime	16,000.00	39.19	711.38	4.45
30-23-5210	Employee Ins-Expense	75,000.00	5,744.39	53,276.80	71.04
30-23-5230	Social Security	36,500.00	2,279.86	21,207.98	58.10
30-23-5240	Retirement	90,000.00	4,830.55	45,649.95	50.72
30-23-5250	TrimetWBF	3,900.00	236.17	2,225.38	57.06
30-23-5260	Unemployment	5,000.00	0.00	0.00	0.00
30-23-5270	Workers compensation	5,100.00	0.00	3,799.40	74.50
30-23-5290	Other employee benefits	3,000.00	5.38	59.41	1.98
	<i>Personnel Services</i>	<i>668,500.00</i>	<i>43,168.99</i>	<i>416,517.44</i>	<i>62.31</i>
	<i>Materials & Services</i>				
30-23-6110	Legal services	70,000.00	957.05	18,009.57	25.73
30-23-6120	Accounting & audit services	9,000.00	0.00	3,245.00	36.06
30-23-6155	Contracted Services	47,500.00	8,446.65	47,423.06	99.84
30-23-6180	Dues & subscriptions	10,000.00	306.17	4,556.85	45.57

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
30-23-6220	Electricity	2,000.00	101.34	1,279.71	63.99
30-23-6230	Telephone	10,000.00	484.94	4,651.49	46.51
30-23-6240	Natural gas	1,500.00	141.92	775.76	51.72
30-23-6290	Other utilities	5,000.00	58.98	529.28	10.59
30-23-6310	Janitorial services	4,500.00	365.01	3,731.22	82.92
30-23-6320	Buildings & grounds	8,000.00	417.94	10,165.82	127.07
30-23-6330	Vehicle & equipment maint.	4,500.00	0.00	2,983.25	66.29
30-23-6340	System maintenance	10,000.00	0.00	570.00	5.70
30-23-6350	Computer maintenance	49,500.00	2,863.70	38,856.23	78.50
30-23-6390	Other repairs & maintenance	5,000.00	0.00	576.23	11.52
30-23-6410	Mileage	2,000.00	168.30	873.23	43.66
30-23-6420	Staff training	9,000.00	1,014.79	7,214.27	80.16
30-23-6430	Certifications	500.00	0.00	405.00	81.00
30-23-6440	Board travel & training	1,500.00	38.50	146.51	9.77
30-23-6510	Office supplies	10,000.00	546.39	6,001.99	60.02
30-23-6520	Fuel & oils	2,500.00	72.42	2,444.05	97.76
30-23-6530	Small tools & equipment	5,000.00	0.00	0.00	0.00
30-23-6540	Safety supplies	2,500.00	149.64	1,423.60	56.94
30-23-6550	Operational Supplies	4,000.00	0.00	1,682.00	42.05
30-23-6560	Uniforms	1,500.00	115.12	1,011.26	67.42
30-23-6610	Board compensation	1,000.00	0.00	339.80	33.98
30-23-6720	Insurance	12,000.00	0.00	8,728.13	72.73
30-23-6730	Communications	85,000.00	49.41	33,147.07	39.00
30-23-6750	Other purchased services	11,000.00	2,030.30	2,070.91	18.83
30-23-6770	Bank charges	10,000.00	808.90	6,819.29	68.19
30-23-6780	Taxes & fees	2,000.00	0.00	39.16	1.96
30-23-6900	Miscellaneous expense	100.00	0.00	100.00	100.00
	<i>Materials & Services</i>	<i>396,100.00</i>	<i>19,137.47</i>	<i>209,799.74</i>	<i>52.97</i>
	Watershed Protection	1,064,600.00	62,306.46	626,317.18	58.83
30	Watershed Protection	3,846,371.00	64,688.84	3,651,699.70	94.94
40	WW GO Debt Service NonDivisional				
	<i>Beginning Fund Balance</i>				
40-00-3500	Fund balance	-782,263.00	0.00	-783,052.64	100.10
	<i>Beginning Fund Balance</i>	<i>-782,263.00</i>	<i>0.00</i>	<i>-783,052.64</i>	<i>100.10</i>
	<i>Revenue</i>				
40-00-4610	Investment revenue	11,885.00	2,690.96	23,922.99	201.29
40-00-4701	Interest Subsidy	121,338.00	0.00	122,728.79	101.15
	<i>Revenue</i>	<i>133,223.00</i>	<i>2,690.96</i>	<i>146,651.78</i>	<i>110.08</i>
	NonDivisional	915,486.00	2,690.96	929,704.42	101.55
	Debt Service				
	<i>Materials & Services</i>				
40-24-6811	2010 IFA Loan Principal	360,936.00	0.00	360,936.00	100.00
40-24-6812	2010 GO Bond Principal	1,080,000.00	0.00	0.00	0.00
40-24-6821	2010 GO Bond Interest	88,000.00	0.00	44,000.00	50.00
40-24-6822	2010 IFA Loan Interest	290,561.00	0.00	290,560.94	100.00
	<i>Materials & Services</i>	<i>1,819,497.00</i>	<i>0.00</i>	<i>695,496.94</i>	<i>38.22</i>
	Debt Service	1,819,497.00	0.00	695,496.94	38.22
40	WW GO Debt Service	-904,011.00	2,690.96	234,207.48	-25.91
50	WW Revenue Bond Debt Service NonDivisional				
	<i>Beginning Fund Balance</i>				
50-00-3500	Fund balance	-1,214,204.00	0.00	-1,215,130.52	100.08
	<i>Beginning Fund Balance</i>	<i>-1,214,204.00</i>	<i>0.00</i>	<i>-1,215,130.52</i>	<i>100.08</i>

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	<i>Revenue</i>				
50-00-4610	Investment revenue	11,074.00	2,577.80	24,148.39	218.06
	<i>Revenue</i>	<i>11,074.00</i>	<i>2,577.80</i>	<i>24,148.39</i>	<i>218.06</i>
	NonDivisional	1,225,278.00	2,577.80	1,239,278.91	101.14
	Debt Service				
	<i>Materials & Services</i>				
50-24-6810	2010 SRF Loan Principal	876,670.00	0.00	876,670.00	100.00
50-24-6813	JPM Bank Loan Principal	0.00	0.00	0.00	0.00
50-24-6820	2010 SRF Loan Interest	370,772.00	0.00	370,772.00	100.00
50-24-6823	JPM Bank Loan Interest	379,326.00	0.00	189,662.50	50.00
	<i>Materials & Services</i>	<i>1,626,768.00</i>	<i>0.00</i>	<i>1,437,104.50</i>	<i>88.34</i>
	Debt Service	1,626,768.00	0.00	1,437,104.50	88.34
50	WW Revenue Bond Debt Service	-401,490.00	2,577.80	-197,825.59	49.27
71	Drinking Water Capital NonDivisional				
	<i>Revenue</i>				
71-00-4610	Investment revenue	5,000.00	8,151.49	59,374.03	1,187.48
71-00-4650	Proceeds from borrowing	1,300,000.00	0.00	1,320,000.00	101.54
	<i>Revenue</i>	<i>1,305,000.00</i>	<i>8,151.49</i>	<i>1,379,374.03</i>	<i>105.70</i>
	NonDivisional	1,305,000.00	8,151.49	1,379,374.03	105.70
	Drinking Water Capital Outlay				
71-20-7200	Infrastructure	1,350,000.00	345,663.31	683,971.82	50.66
71-20-7300	Buildings & improvements	12,000.00	0.00	0.00	0.00
71-20-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
71-20-7520	Equipment	0.00	0.00	15,955.00	0.00
71-20-7530	Software	17,500.00	0.00	5,530.98	31.61
71-20-7540	Vehicles	32,000.00	0.00	34,113.02	106.60
71-20-7600	Capital Improvement Projects	300,000.00	2,505.33	97,542.09	32.51
	<i>Capital Outlay</i>	<i>1,721,500.00</i>	<i>348,168.64</i>	<i>837,112.91</i>	<i>48.63</i>
	Drinking Water	1,721,500.00	348,168.64	837,112.91	48.63
71	Drinking Water Capital	-416,500.00	-340,017.15	542,261.12	-130.19
72	Wastewater Reclamation Capital NonDivisional				
	<i>Revenue</i>				
72-00-4610	Investment revenue	7,500.00	9,869.58	97,174.72	1,295.66
72-00-4640	Proceeds from sale of capital	1,500,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>1,507,500.00</i>	<i>9,869.58</i>	<i>97,174.72</i>	<i>6.45</i>
	NonDivisional	1,507,500.00	9,869.58	97,174.72	6.45
	Wastewater-Plant Capital Outlay				
72-21-7300	Buildings & improvements	1,500,000.00	21,845.52	33,630.83	2.24
72-21-7400	Improvement other than Bldgs	5,000.00	0.00	0.00	0.00
72-21-7520	Equipment	0.00	0.00	2,067.38	0.00
72-21-7530	Software	13,400.00	0.00	4,355.93	32.51

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
72-21-7540	Vehicles	31,000.00	0.00	5,370.00	17.32
72-21-7600	Capital Improvement Projects	1,220,000.00	17,221.85	600,696.64	49.24
	<i>Capital Outlay</i>	<i>2,769,400.00</i>	<i>39,067.37</i>	<i>646,120.78</i>	<i>23.33</i>
	Wastewater-Plant	2,769,400.00	39,067.37	646,120.78	23.33
	Wastewater-Collections				
	<i>Capital Outlay</i>				
72-22-7400	Improvements other than Bldgs	5,000.00	0.00	0.00	0.00
72-22-7520	Equipment	60,000.00	0.00	57,584.00	95.97
72-22-7530	Software	13,400.00	0.00	2,486.66	18.56
72-22-7540	Vehicles	0.00	0.00	27,679.98	0.00
72-22-7600	Capital Improvement Projects	500,000.00	223.33	223.33	0.04
	<i>Capital Outlay</i>	<i>578,400.00</i>	<i>223.33</i>	<i>87,973.97</i>	<i>15.21</i>
	Wastewater-Collections	578,400.00	223.33	87,973.97	15.21
72	Wastewater Reclamation Capital	-1,840,300.00	-29,421.12	-636,920.03	34.61
73	Watershed Protection Capital NonDivisional				
	<i>Revenue</i>				
73-00-4610	Investment revenue	5,000.00	4,540.44	44,429.80	888.60
73-00-4640	Proceeds from sale of capital	300,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>305,000.00</i>	<i>4,540.44</i>	<i>44,429.80</i>	<i>14.57</i>
	NonDivisional	305,000.00	4,540.44	44,429.80	14.57
	Watershed Protection				
	<i>Capital Outlay</i>				
73-23-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
73-23-7520	Equipment	71,000.00	0.00	0.00	0.00
73-23-7530	Software	8,200.00	0.00	4,106.13	50.07
73-23-7540	Vehicles	0.00	0.00	0.00	0.00
73-23-7600	Capital Improvement Projects	1,920,000.00	417,682.91	1,819,738.98	94.78
	<i>Capital Outlay</i>	<i>2,009,200.00</i>	<i>417,682.91</i>	<i>1,823,845.11</i>	<i>90.77</i>
	Watershed Protection	2,009,200.00	417,682.91	1,823,845.11	90.77
73	Watershed Protection Capital	-1,704,200.00	-413,142.47	-1,779,415.31	104.41

General Ledger
Account Roll up



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Period 01 - 10
Fiscal Year 2019

Sort Level	Description	Budget	Beg Bal	Period Amt	End Bal	% ExpendCollect
Revenue	Revenue					
4211	Water sales	-3,640,000.00	0.00	-275,172.67	-3,160,465.71	86.83
4212	Water sales - CRW	-7,979,500.00	0.00	-706,680.71	-6,365,261.25	79.77
4213	Watershed protection fees	-1,456,000.00	0.00	-124,425.68	-1,220,711.71	83.84
4215	Penalties & late charges	-55,000.00	0.00	-2,897.04	-20,380.28	37.06
4220	System development charges	-175,000.00	0.00	-24,720.00	-622,850.00	355.91
4230	Contract services	-32,000.00	0.00	0.00	-23,948.77	74.84
4240	Service installations	-80,000.00	0.00	-3,483.53	-124,648.33	155.81
4280	Rents & leases	-140,000.00	0.00	-7,074.36	-126,252.52	90.18
4290	Other charges for services	-10,000.00	0.00	0.00	-38,825.56	388.26
4300	Grant Revenue	-250,000.00	0.00	0.00	0.00	0.00
4610	Investment revenue	-150,459.00	0.00	-27,830.27	-249,157.41	165.60
4630	Miscellaneous revenues	-35,000.00	0.00	-5,378.70	-36,420.24	104.06
4640	Proceeds from sale of capital	-1,800,000.00	0.00	0.00	0.00	0.00
4650	Proceeds from borrowing	-1,300,000.00	0.00	0.00	-1,320,000.00	101.54
4701	Interest Subsidy	-121,338.00	0.00	0.00	-122,728.79	101.15
4911	Transfers in from Fund 10	-2,700,000.00	0.00	-3,848.07	-2,692,303.86	99.71
4912	Transfers in from Fund 20	-8,303,935.00	0.00	-291,080.49	-7,721,774.02	92.99
4913	Transfers in from Fund 30	-3,600,000.00	0.00	-25,619.05	-3,471,904.74	96.44
Revenue	Revenue	31,828,232.00	0.00	1,498,210.57	27,317,633.19	85.83
Expense	Expense					
5110	Regular employees	3,089,000.00	0.00	233,459.96	2,352,334.08	76.15
5120	Temporary/Seasonal employees	92,000.00	0.00	0.00	31,547.22	34.29
5130	Overtime	154,000.00	0.00	6,056.04	61,824.54	40.15
5210	Employee Ins-Expense	630,000.00	0.00	43,442.28	430,635.56	68.35
5230	Social Security	253,000.00	0.00	18,066.68	180,632.85	71.40
5240	Retirement	622,000.00	0.00	37,242.00	367,686.15	59.11
5250	Trimet	27,100.00	0.00	1,871.95	18,853.64	69.57
5260	Unemployment	36,500.00	0.00	3,120.00	3,120.00	8.55
5270	Workers compensation	40,100.00	0.00	0.00	35,501.77	88.53
5290	Other employee benefits	21,900.00	0.00	25.55	273.65	1.25
6110	Legal services	400,000.00	0.00	5,210.00	152,255.57	38.06
6120	Accounting & audit services	27,000.00	0.00	0.00	14,975.64	55.47
6155	Contracted Services	378,800.00	0.00	30,617.12	258,375.42	68.21
6180	Dues & subscriptions	55,000.00	0.00	1,422.91	36,832.99	66.97
6190	Other professional & tech svcs	0.00	0.00	0.00	0.00	0.00

Sort Level	Description	Budget	Beg Bal	Period Amt	End Bal	% ExpendCollect
6220	Electricity	307,000.00	0.00	28,844.26	253,701.17	82.64
6230	Telephone	76,000.00	0.00	4,408.82	45,575.42	59.97
6240	Natual gas	13,500.00	0.00	981.43	5,011.46	37.12
6250	Solid waste disposal	75,000.00	0.00	8,598.19	54,458.98	72.61
6290	Other utilities	20,500.00	0.00	959.13	17,971.72	87.67
6310	Janitorial services	41,500.00	0.00	1,734.87	18,424.57	44.40
6320	Buildings & grounds	46,000.00	0.00	3,968.49	51,671.26	112.33
6330	Vehicle & equipment maint.	61,500.00	0.00	6,810.52	49,515.14	80.51
6340	Distribution system maint	260,000.00	0.00	15,965.24	144,362.24	55.52
6342	Collection system maint.	314,000.00	0.00	21,962.27	198,018.45	63.06
6350	Computer maintenance	242,500.00	0.00	19,222.90	203,495.55	83.92
6390	Other repairs & maintenance	65,000.00	0.00	3,564.86	28,199.45	43.38
6410	Mileage	7,000.00	0.00	513.54	2,278.77	32.55
6420	Staff training	60,500.00	0.00	3,178.53	36,522.38	60.37
6430	Certifications	7,400.00	0.00	160.00	2,255.00	30.47
6440	Board travel & training	8,500.00	0.00	116.70	444.88	5.23
6510	Office supplies	52,000.00	0.00	2,790.45	29,046.69	55.86
6520	Fuel & oils	70,000.00	0.00	5,332.78	46,684.96	66.69
6525	Chemicals	25,000.00	0.00	0.00	5,039.83	20.16
6530	Small tools & equipment	50,200.00	0.00	6,763.73	12,712.08	25.32
6540	Safety supplies	37,600.00	0.00	19,825.79	39,446.63	104.91
6550	Operational Supplies	31,500.00	0.00	2,407.44	23,624.94	75.00
6560	Uniforms	27,500.00	0.00	1,871.92	18,978.20	69.01
6590	Other supplies	20,000.00	0.00	221.48	5,209.46	26.05
6610	Board compensation	3,200.00	0.00	0.00	1,075.00	33.59
6710	Purchased water	1,050,000.00	0.00	128,294.34	756,851.26	72.08
6720	Insurance	156,000.00	0.00	0.00	130,774.00	83.83
6730	Communications	123,000.00	0.00	-542.24	36,783.91	29.91
6740	Advertising	1,000.00	0.00	0.00	0.00	0.00
6750	Other purchased services	11,000.00	0.00	3,629.22	15,966.51	145.15
6760	Equipment Rental	5,000.00	0.00	0.00	720.41	14.41
6770	Bank charges	80,000.00	0.00	7,204.41	88,392.81	110.49
6780	Taxes & fees	95,500.00	0.00	0.00	54,321.44	56.88
6810	2010 SRF Loan Principal	876,670.00	0.00	0.00	876,670.00	100.00
6811	2010 IFA Loan Principal	360,936.00	0.00	0.00	360,936.00	100.00
6812	2010 GO Bond Principal	1,080,000.00	0.00	0.00	0.00	0.00
6813	JPM Bank Loan Principal	0.00	0.00	0.00	0.00	0.00
6814	Principal Payment	0.00	0.00	0.00	57,643.76	0.00
6820	2010 SRF Loan Interest	370,772.00	0.00	0.00	370,772.00	100.00
6821	2010 GO Bond Interest	88,000.00	0.00	0.00	44,000.00	50.00
6822	2010 IFA Loan Interest	290,561.00	0.00	0.00	290,560.94	100.00
6823	JPM Bank Loan Interest	379,326.00	0.00	0.00	189,662.50	50.00
6824	Interest Paid	0.00	0.00	0.00	4,913.85	0.00
6900	Miscellaneous expense	1,100.00	0.00	0.00	15,548.93	1,413.54
6910	Cash overshoot	0.00	0.00	0.00	19.00	0.00
7200	Infrastructure	1,350,000.00	0.00	345,663.31	683,971.82	50.66
7300	Buildings & improvements	1,512,000.00	0.00	21,845.52	33,630.83	2.22
7400	Improvement other than Bldgs	30,000.00	0.00	0.00	0.00	0.00
7520	Equipment	131,000.00	0.00	0.00	75,606.38	57.71

Sort Level	Description	Budget	Beg Bal	Period Amt	End Bal	% ExpendCollect
7530	Software	52,500.00	0.00	0.00	16,479.70	31.39
7540	Vehicles	63,000.00	0.00	0.00	67,163.00	106.61
7600	Capital Improvement Projects	3,940,000.00	0.00	437,633.42	2,518,201.04	63.91
8140	Transfers out - Fund 40	1,548,123.00	0.00	129,010.25	1,290,102.50	83.33
8150	Transfers out - Fund 50	1,755,812.00	0.00	146,317.66	1,463,176.69	83.33
8171	Transfers out - Fund 71	2,700,000.00	0.00	3,848.07	2,692,303.86	99.71
8172	Transfers out - Fund 72	5,000,000.00	0.00	15,752.58	4,968,494.83	99.37
8173	Transfers out - Fund 73	3,600,000.00	0.00	25,619.05	3,471,904.74	96.44
9000	Contingency	2,944,509.00	0.00	0.00	0.00	0.00
Expense	Expense	37,345,109.00	0.00	1,805,013.42	25,814,146.02	69.12
Grand Total		-5,516,877.00	0.00	-306,802.85	1,503,487.17	-0.2725
Fund Balance Total		0.00	0.00	0.00	0.00	0
Revenue Total		31,828,232.00	0.00	1,498,210.57	27,317,633.19	0.8583
Expense Total		37,345,109.00	0.00	1,805,013.42	25,814,146.02	0.6912



STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Checks for April 2019
Item No.: 3_aiv
Date: May 21, 2019

Background

Auditors have requested formal approval of checks by the Board of Directors

Issue

The District needs formal authorization of December checks numbered 42357 through 42488 which include accounts payable and payroll checks as well as electronic withdrawals totaling \$1,502,224.76. Attached you will find a report showing all checks and electronic withdrawals for April 2019. There was one (1) voided check for the month.

Recommendations

It is recommended to the Board that checks numbered 42357 through 42488 and electronic withdrawals be formally approved by the Board.

Background

The District pays expenditures throughout the month.

Facts and Findings

The District auditors require the Board to formally approve monthly payments to conform to Generally Accepted Accounting Principles (GAAP).

Attachments

1. Accela Checks by Date Report for April 2019

Bank Reconciliation
 Checks by Date
 User: jeff
 Printed: 05/02/2019 - 3:48PM
 Cleared and Not Cleared Checks
 Print Void Checks

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
ACH Disbursement Activity							
0	4/2/2019	Check Commerce		AP		4/30/2019	159.25
0	4/2/2019	Pitney Bowes, Inc.		AP		4/30/2019	50.00
0	4/9/2019	Wells Fargo Remittance Center		AP		4/30/2019	10,467.25
0	4/10/2019	TSYS		AP		4/30/2019	7,252.91
0	4/15/2019	Employee Paycheck Direct Deposit Batch	DD 00001.04.2019	PR		4/30/2019	72,064.45
0	4/16/2019	OR Dept of Justice, Div of Child Support		AP		4/30/2019	150.00
0	4/16/2019	Nationwide Retirement Solutions		AP		4/30/2019	1,575.00
0	4/16/2019	Wells Fargo Banks		AP		4/30/2019	1,341.43
0	4/16/2019	Oregon Department Of Revenue		AP		4/30/2019	8,644.55
0	4/16/2019	IRS Dept of The Treasury		AP		4/30/2019	30,995.30
0	4/16/2019	Oregon DOR - State Transit Tax		AP		4/30/2019	107.20
0	4/16/2019	VALIC c/o JP Morgan Chase		AP		4/30/2019	2,690.00
0	4/16/2019	Public Employees		AP		4/30/2019	25,944.16
0	4/30/2019	OR Dept of Justice, Div of Child Support		AP			150.00
0	4/30/2019	VALIC c/o JP Morgan Chase		AP			2,690.00
0	4/30/2019	IRS Dept of The Treasury		AP		4/30/2019	30,553.05
0	4/30/2019	Oregon DOR - State Transit Tax		AP			106.04
0	4/30/2019	Nationwide Retirement Solutions		AP			1,575.00
0	4/30/2019	Oregon Department Of Revenue		AP			8,523.07
0	4/30/2019	Public Employees		AP			25,667.99
0	4/30/2019	Employee Paycheck Direct Deposit Batch	DD 00002.04.2019	PR		4/30/2019	71,361.10
14180415	4/15/2019	Public Employees	PERS Adjustment	BRX		4/30/2019	0.06
14180426	4/26/2019	Public Employees	PERS Adjustment	BRX		4/30/2019	0.03
ACH Disbursement Activity Subtotal							302,067.84
Voided ACH Activity							0.00
Adjusted ACH Disbursement Activity Subtotal							302,067.84

Paper Check Disbursement Activity

42256	3/15/2019	City Of Portland		AP	Void		1,312.50
42357	4/1/2019	Austen's Body Shop		AP		4/30/2019	2,250.00
42358	4/5/2019	Customer Refund		AP		4/30/2019	6,757.84
42359	4/5/2019	Customer Refund		AP		4/30/2019	8,000.00
42360	4/8/2019	BMS Technologies		AP		4/30/2019	5,186.74
42361	4/15/2019	Employee Paycheck		PR		4/30/2019	686.63
42362	4/15/2019	Employee Paycheck		PR		4/30/2019	911.95
42363	4/15/2019	Employee Paycheck		PR		4/30/2019	2,119.06
42364	4/16/2019	Accela, Inc		AP		4/30/2019	6,530.48
42365	4/16/2019	Ace Hardware #11075		AP		4/30/2019	403.50
42366	4/16/2019	AFLAC		AP		4/30/2019	884.29
42367	4/16/2019	AFSCME Council 75		AP		4/30/2019	835.65
42368	4/16/2019	Aks Engineering & Forestry		AP		4/30/2019	14,037.50
42369	4/16/2019	Apex Labs		AP		4/30/2019	4,740.00
42370	4/16/2019	Bachman Paving Company		AP		4/30/2019	3,455.00
42371	4/16/2019	BMS Technologies		AP		4/30/2019	3,581.16
42372	4/16/2019	Cascade Print Source		AP		4/30/2019	89.95
42373	4/16/2019	Century Link		AP		4/30/2019	40.72
42374	4/16/2019	Cessco, Inc		AP		4/30/2019	45.01
42375	4/16/2019	Employee Reimbursement		AP			119.08
42376	4/16/2019	Cintas Corporation - 463		AP		4/30/2019	89.54
42377	4/16/2019	City Of Milwaukie		AP		4/30/2019	1,374.68
42378	4/16/2019	Clackamas County		AP		4/30/2019	2,669.40
42379	4/16/2019	Coastal Farm & Home Supply		AP		4/30/2019	151.99
42380	4/16/2019	Comcast Cable		AP		4/30/2019	424.02
42381	4/16/2019	Consolidated Supply Co.		AP		4/30/2019	111,540.00
42382	4/16/2019	Contractor Supply		AP		4/30/2019	313.80
42383	4/16/2019	Correct Equipment, Inc.		AP		4/30/2019	3,628.30

Bank Reconciliation
 Checks by Date
 User: jeff
 Printed: 05/02/2019 - 3:48PM
 Cleared and Not Cleared Checks
 Print Void Checks

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
42384	4/16/2019	D&H Flagging Inc.		AP		4/30/2019	1,878.50
42385	4/16/2019	Daily Journal Of Commerce		AP		4/30/2019	156.60
42386	4/16/2019	DK Advisory Services LLC		AP		4/30/2019	1,980.00
42387	4/16/2019	Dr. Lance F. Harris D.C.		AP		4/30/2019	270.00
42388	4/16/2019	Ferguson Enterprises, Inc.		AP		4/30/2019	241.63
42389	4/16/2019	General Equipment Company		AP		4/30/2019	12.87
42390	4/16/2019	Grainger, Inc.		AP		4/30/2019	60.85
42391	4/16/2019	Grating Pacific		AP		4/30/2019	1,755.00
42392	4/16/2019	H.D. Fowler Company		AP		4/30/2019	261.70
42393	4/16/2019	HealthEquity		AP		4/30/2019	25.55
42394	4/16/2019	J. Thayer Company		AP		4/30/2019	269.14
42395	4/16/2019	Keller Supply Company		AP		4/30/2019	321.94
42396	4/16/2019	Locates Down Under, Inc		AP		4/30/2019	450.00
42397	4/16/2019	LRS Architects		AP		4/30/2019	7,808.02
42398	4/16/2019	Madison Biosolids, Inc.		AP		4/30/2019	3,605.93
42399	4/16/2019	Merina & Company, LLP		AP		4/30/2019	7,312.50
42400	4/16/2019	Metro		AP		4/30/2019	498.71
42401	4/16/2019	Mission Communications, LLC		AP		4/30/2019	910.80
42402	4/16/2019	Napa Auto Parts - Store #07078		AP		4/30/2019	11.48
42403	4/16/2019	NCCWC		AP		4/30/2019	67,498.25
42404	4/16/2019	Net Assets Corporation		AP		4/30/2019	580.00
42405	4/16/2019	Northstar Chemical, Inc.		AP		4/30/2019	437.75
42406	4/16/2019	Northwest Natural		AP		4/30/2019	458.76
42407	4/16/2019	Olson Bros. Service, Inc.		AP		4/30/2019	1,702.26
42408	4/16/2019	Olson, LLC		AP		4/30/2019	34,233.30
42409	4/16/2019	One Call Concepts, Inc.		AP		4/30/2019	694.32
42410	4/16/2019	Oregon Health Authority		AP		4/30/2019	4,320.00
42411	4/16/2019	Pamplin Media Group		AP		4/30/2019	71.10
42412	4/16/2019	Portland Engineering Inc		AP		4/30/2019	120.00
42413	4/16/2019	Portland General Electric		AP		4/30/2019	2,964.76
42414	4/16/2019	Relay Resources		AP		4/30/2019	4,990.29
42415	4/16/2019	Roto Rooter		AP		4/30/2019	1,279.97
42416	4/16/2019	Customer Refund		AP		4/30/2019	30.52
42417	4/16/2019	SDIS		AP		4/30/2019	31,495.48
42418	4/16/2019	SES Engineering, LLC		AP		4/30/2019	220.00
42419	4/16/2019	Springbrook National User Group		AP		4/30/2019	1,300.00
42420	4/16/2019	State of Oregon - Employment		AP		4/30/2019	3,120.00
42421	4/16/2019	Top Industrial Supply		AP		4/30/2019	300.96
42422	4/16/2019	Unifirst Corporation		AP		4/30/2019	147.78
42423	4/16/2019	US Bank Equipment Finance		AP		4/30/2019	220.00
42424	4/16/2019	Verizon Wireless		AP		4/30/2019	938.58
42425	4/16/2019	Waste Management Of Oregon		AP		4/30/2019	5,460.88
42426	4/16/2019	Water Environment Services		AP		4/30/2019	144.45
42427	4/16/2019	Win-911 Software		AP		4/30/2019	990.00
42428	4/30/2019	Employee Paycheck		PR			551.66
42429	4/30/2019	Employee Paycheck		PR		4/30/2019	1,045.34
42430	4/30/2019	Employee Paycheck		PR		4/30/2019	2,118.94
42431	4/30/2019	Ace Hardware #11075		AP			147.30
42432	4/30/2019	AFLAC		AP			884.29
42433	4/30/2019	AFSCME Council 75		AP			835.65
42434	4/30/2019	AGB		AP			3,536.86
42435	4/30/2019	Aks Engineering & Forestry		AP			20,317.00
42436	4/30/2019	Alexin Analytical Laboratories, Inc.		AP			1,245.00
42437	4/30/2019	AnswerNet		AP			182.22
42438	4/30/2019	Portland General Electric Attn: Line Extensions		AP			1,348.41
42439	4/30/2019	Oregon Department of Transportation Attn: Lorrie Schaefer		AP			75.00
42440	4/30/2019	Barney & Worth Inc		AP			5,100.03
42441	4/30/2019	Customer Refund		AP			142.64
42442	4/30/2019	Brown And Caldwell		AP			3,151.85
42443	4/30/2019	BTL NW		AP			155.61
42444	4/30/2019	Cable Huston LLP		AP			5,210.00

Bank Reconciliation
 Checks by Date
 User: jeff
 Printed: 05/02/2019 - 3:48PM
 Cleared and Not Cleared Checks
 Print Void Checks

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
42445	4/30/2019	Century Link		AP			743.41
42446	4/30/2019	Cintas Corporation		AP			283.46
42447	4/30/2019	City Of Gladstone		AP			175.81
42448	4/30/2019	Clackamas County		AP			4,062.96
42449	4/30/2019	Consolidated Supply Co.		AP		4/30/2019	198,000.00
42450	4/30/2019	Convergence Networks		AP			4,069.50
42451	4/30/2019	Craig Blackman Trucking		AP			1,784.49
42452	4/30/2019	CTX-Xerox		AP			871.70
42453	4/30/2019	D&H Flagging Inc.		AP			1,680.30
42454	4/30/2019	Customer Refund		AP			3.02
42455	4/30/2019	Grainger, Inc.		AP			112.78
42456	4/30/2019	H.D. Fowler Company		AP			4,024.32
42457	4/30/2019	HDR Engineering, Inc.		AP			9,356.15
42458	4/30/2019	IDEXX Laboratories		AP			6,080.91
42459	4/30/2019	Customer Refund		AP			238.21
42460	4/30/2019	James W Fowler Co		AP			406,755.01
42461	4/30/2019	K Construction & Drywall LLC		AP			500.00
42462	4/30/2019	Kaiser Permanente		AP			13,454.06
42463	4/30/2019	Customer Refund		AP			26.10
42464	4/30/2019	Measure-Tech		AP			374.19
42465	4/30/2019	Metereaders, LLC		AP			1,623.24
42466	4/30/2019	Mission Communications, LLC		AP			910.80
42467	4/30/2019	NCCWC		AP			60,796.09
42468	4/30/2019	Northwest Natural		AP			522.67
42469	4/30/2019	Employee Reimbursement		AP			264.97
42470	4/30/2019	Olson Bros. Service, Inc.		AP			210.53
42471	4/30/2019	Oregon DEQ		AP			160.00
42472	4/30/2019	Oregonian Publishing Company		AP			238.02
42473	4/30/2019	Portland Engineering Inc		AP			3,930.00
42474	4/30/2019	Portland General Electric		AP			25,879.50
42475	4/30/2019	Reed Electric Company		AP			2,116.00
42476	4/30/2019	Employee Reimbursement		AP		4/30/2019	192.62
42477	4/30/2019	Ritz Safety LLC		AP			18,877.80
42478	4/30/2019	Sanitech LLC		AP			4,300.00
42479	4/30/2019	Employee Reimbursement		AP			346.60
42480	4/30/2019	Customer Refund		AP			102.40
42481	4/30/2019	Traver's Cleaning Service Inc.		AP			35.00
42482	4/30/2019	Unifirst Corporation		AP			2,022.14
42483	4/30/2019	Verizon Wireless		AP			1,153.67
42484	4/30/2019	Water Systems Consulting, Inc.		AP			2,282.00
42485	4/30/2019	Western Exterminator Company		AP			269.14
42486	4/30/2019	XC2 Software, LLC		AP			2,800.00
42487	4/30/2019	Xerox Corporation		AP			19.56
42488	4/30/2019	Customer Refund		AP			43.07
Paper Check Disbursement Activity Subtotal							1,201,469.42
Voided Paper Check Disbursement Activity							1,312.50
Adjusted Paper Check Disbursement Activity Subtotal							1,200,156.92
Total Void Check Count:							1
Total Void Check Amount:							1,312.50
Total Valid Check Count:							155
Total Valid Check Amount:							1,502,224.76
Total Check Count:							156
Total Check Amount:							1,503,537.26



OAK LODGE WATER SERVICES
Minutes
Board of Directors – Regular Meeting 6:00 p.m.
April 16, 2019

Board of Directors - Members Present:

Susan Keil, President/Chair
Kevin Williams, Secretary/Vice Chair
Lynn Fisher, Treasurer
Nancy Gibson, Director,

Board of Directors - Members Absent:

Paul Gornick, Director (absent),

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Aleah Binkowski-Burk, Human Resources and Payroll Manager
Jason Rice, District Engineer
David Mendenhall, Plant Superintendent
Kelly Stacey, Finance Director
Todd Knapp, Field Operations Superintendent,

Visitors Present:

Katie Dahlin, Financial Analyst, Cushman & Wakefield
Tom Usher, Executive Director, Cushman & Wakefield
Tommy Brooks, District Attorney, Cable Huston LLP
Dave Phelps, Budget Committee
Eric Hofeld, Sunrise Water Authority
Michael Gradt, Local Resident
Fred Swingle, Budget Committee
Thelma Hagenmiller, Local Resident
Peter Winter, Budget Committee.

Regular Board of Directors Meeting

1. Call to Order and Flag Salute

Board President Susan Keil called the meeting to order at 6:00 p.m. and Susan Keil led the pledge of allegiance.

2. Call for Public Comment

There were no comments from the public.

3. Consent Agenda

- a. **March 2019 Financial Reports**
 - i. **Approval of March 2019 Check Run**
- b. **March 19, 2019 Board Meeting Minutes**

Questions included whether we are being more reliant on other fees and charges than on our basic wastewater sales. Finance Director Kelly Stacey responded because of the billing system error in wastewater this year, we will end up about \$70,000 short in wastewater, or about 5% short overall. Another question was why the expenses are high in the general ledger budget to actual under the drinking water vehicle and equipment maintenance. Staff will look at the detailed expenses in this line and report back. Treasurer Fisher commented the rollup of that line item is only at 68% and he places more weight on the rollup than on individual accounts. Kelly stated the importance of individual account reporting under budget law.

Director Gibson moved to approve the consent agenda as presented. Secretary Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

4. Clackamas River Summer Conservation Messaging

General Manager Sarah Jo Chaplen introduced Kim Swan, Director of the Clackamas River Water Providers (CRWP), who provided the messaging on seasonal water conservation for our area. Kim works for all cities and districts using the Clackamas River as their water source. She stated the CRWP implements two programs, the Source Water Protection Program and the Public Outreach and Education Program for the members of the CRWP. Her goal is to make sure providers participating in the CRWP use the same water conservation messaging this year. She gave her presentation (see Power Point), focusing on the importance of the fall river water levels. Snowpack is important in meeting early-midsummer flows, while fall rains keep the natural discharge high enough in the fall. Water use in the summer doubles or triples, when the levels are naturally lower. The Board commented on the 650 cubic feet per second being fairly low. Kim showed the water level stressors on salmon, particularly coho and chinook in the early fall. She has been working with water producers/providers on changing their methods and water use to help keep more water in the river whenever possible. After Labor Day, water reduction happens quickly but we are still often missing the fall flow targets.

CRWP is also developing a curtailment calculator tool, which will allow them to specify the exact number of days that curtailment will be necessary in order to keep flow levels within our permit.

She illustrated the new summer conservation messaging for the entire Clackamas River basin, which CRWP will implement through the work of Kim Swan and Christine Hollenbeck, Education and Outreach staff. They want the Clackamas River campaign to support and not conflict with the larger Regional Water Providers Consortium summer messaging campaign. This collateral will be more targeted to people just in the Clackamas Basin – at the members' summer events, farmers markets, in member newsletters and on our websites. They are requesting feedback by their June meeting and will roll out in mid-July.

She detailed the resources featured in the landing page content. This is a longer-term messaging strategy which will be used annually. Comments from the Board included: do not say customers should "hand water" their lawn and/or garden because customers will over water. Instead water clocks and soaker hoses will be helpful for people without irrigation systems.

There is also printed material, including a flier for handing out at festivals, a pledge for people to commit to saving water, and a lawn sign helping to relate the state of the lawn to helping keep water in the river for the health of the fish. The Board was supportive and encouraged the mission of shared resources with the fish. The goal is to provide people with a variety of tools they can use to implement their level of commitment to using less water.

One other comment included concern about paving in place of brown lawns, and Kim responded education about planting perennials can help. Director Gibson emphasized making sure people do not stop irrigating and instead pave over their lawns. Kim circled back to state their goal of providing people with tools for using less water, not stopping watering completely. Eric Hofeld encouraged adding another graph clarifying how the fish will be supported by using less water. The Board invited CRWP to this year's Oak Grove Trolley Trail Festival on August 24th. Kim wrapped up by encouraging any other feedback or reaction from the Board to get back to her by June.

5. Approval of Auditor's Contract

Finance Director Kelly Stacey requested pre-approval of the auditor selected out of the pool of four applicants. There will be a team of Sarah Jo Chaplen, Kelly Stacey, Lynn Fisher and Jeff Voreis reviewing the applications and making a recommendation.

Director Gibson moved to authorize the General Manager to negotiate and execute a contract for professional auditing services, with the contractor selected by the review committee, for an annual amount not to exceed \$40,000 per year. Director Williams seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

President Keil recommended we ask for a non-discrimination statement from all applicants.

6. Department Reports

G.M. Chaplen started off the staff reports by announcing the recent letter sent to all district customers alerting them to the opportunity to sign up for the Backflow Testing Program. The program supports a reduced rate for backflow testing and has alerted some people to the fact they have a device that needs annual testing. There has been a variety of responses to the letter and G.M. Chaplen wanted the Board to know there was increased public awareness about the program. There is more information on the website and Dave Siefert has been responding to each inquiry with tailored staff support. Thelma Haggemiller commented the letter should have had more information about what types of appliances (irrigation, swimming pools, hot tubs, etc.) require a backflow device.

- **Finance Report:**

Finance Director Kelly Stacey provided an overview on her staff report. The District is kicking off implementation of the Lockbox system through Wells Fargo Bank. Customer Service staff is getting organized around the new process as well as customer messaging. She has worked hard to complete the budget this week. There have been a number of low-income program renewals, with a few that have dropped off the program for a variety of reasons. Outreach for

the program continues on an ongoing basis. The Board suggested offering the program to new customers.

- **Field Operations Report:**

Operations Superintendent Todd Knapp presented photos of the collections system from his staff report. He commented on the amount of work needing to be completed to maintain, repair, and replace the collections system. The Board asked about making repairs that are done properly and whether they were completed by contractors. Todd commented the issues have not come up as much recently since we have an inspector on staff to catch faulty work. Contractors TVs and repairs lines and our inspector reviews and certifies the work.

He mentioned recently there was significant damage to one of the City of Gladstone's water pipes that OLWS staff helped to repair. City of Gladstone's Public Works Director Jim Whynot appreciated the support OLWS staff offered in the situation.

Water use is up slightly over the 10-year average. TVing slowed as the TV van needed some updates and repairs. The Water Meter Replacement Program is on hold for the season while they complete other seasonally prioritized projects. This break helped keep down the costs of the contract. The project has been moving along very quickly.

The Oregon Health Authority surveyed our water system and based on their findings OLWS staff scaled the water tanks and repaired the screens on the vents of the water tanks. Pictures of the project will be in the next Board Packet.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall presented his board report, stating the low rainfall in March made the groundwater infiltration unseasonably low towards the end of the month. April showers brought the inflow and infiltration back up within the Water Reclamation Facility's flow. The plant process is in very good shape.

OLWS hauled a lot of biosolids last month even though transportation in the Gorge was slow due to bad weather. He described the work they are doing to get ready to take the aerobic digesters off line for repair and maintenance. The new Flygt pumps should arrive in June. It is time to repair the grit classifier, which flags the entire portion of the grit system for repair. During the time the grit classifier is offline the waste stream will bypass the classifier and go directly into the aeration basin. The Board commented the treatment plant is no longer brand new and supported the maintenance needed to keep it up.

David mentioned that maintenance staff worked on a slide gate which will be used to isolate the UV channel in order to repair and maintain the UV system. He highlighted the plant operators will be trying out a system to keep scum from going backwards into the system.

- **Technical Services Report:**

G.M. Chaplen mentioned District Engineer Jason Rice is heading to a conference and presented his staff report. He will be calling in for the second half of the meeting. She

highlighted the Emergency Water Distribution Exercise on Saturday, April 13th, stating there were 72 cars and several walk-throughs in attendance of the event. There were volunteers from Oak Lodge Community Emergency Response Team (OL CERT), Milwaukie CERT, and Gladstone CERT, all of whom were very pleased with the exercise even though the weather was a challenge. The Board was pleased with the packet of emergency preparedness materials and supportive of the exercise for the sake of supporting the CERT volunteers in their practice of the emergency response process. Treasurer Fisher requested names be added to any photos that are added to reports. President Keil asked what "permit expires" means in the development tracker. G.M. Chaplen responded the developer is required to resubmit the permit application because the length of time required to complete the project exceeded the time allowed within the permit. She will confirm with Jason and staff Markus Mead and get back to the Board.

7. Call for Public Comment

There were no comments from the public.

8. Business from the Board

Treasurer Fisher reported he missed the Clackamas River Water meeting. He attended the Oak Grove Community Council meeting and reported on a presentation by a local arts and culture group about what they are doing for residents at Rose Villa. Mike Bezner, Clackamas County Assistant Director of Transportation presented information on the Vehicle Registration Fee and talked briefly about the Oak Grove Lake Oswego pedestrian-bike bridge feasibility study. The project is moving slowly, and they are putting together a task force for the work. OLCERT announced the April 13th Emergency Water Distribution Exercise, and some land use issues were considered.

District Engineer Jason Rice called into the meeting so that he could participate in Item #9.

Secretary Williams attended the Jennings Lodge CPO meeting this month. He shared comments from Representative Mark Meeks who focused on the issue of affordable housing in Oregon. There is a house bill focused on adding density to existing homes and lots. There was a problem statement in the bill suggesting utilities will not face added pressures with the addition of more users, but Secretary Williams was not able to challenge the statement. He contacted our Senator Alan Olson to comment on the implications to utilities of the bill, with the waiver of System Development Charges. Director Gibson commented on the underlying issue of wage stagnation and underlying wage inequality. Happy Valley introduced a house bill 3099 to waive the requirement of local cities to go through local Boundary Commissions in order to go through a succession. The bill would only require the vote of the City Council. Thelma Hagenmiller provided a detailed update on testimony about the bill to the Agricultural Committee, summarizing there were two thirds more comments against the bill as for it.

Director Gibson missed the C4 meeting this month. She commented on a house bill that would waive the licensing requirements for contractors installing irrigation systems. G.M Chaplen

inserted OLWS submitted a letter against the bill, but unfortunately the bill has wide support and may pass. She will attend C4 in May.

Secretary Keil commented to the group on the legislative updates from the Chamber of Commerce and shared that she passes on the information she gets from them as well as from the Special Districts' Association of Oregon (SDAO). She had no further business to share.

Director Gornick was not in attendance.

There was no further Board business.

9. Consolidation Facilities Project Update

G.M. Chaplen welcomed two guests from Cushman & Wakefield, who are supporting OLWS on the facilities consolidation project. Katie Dahlin, Financial Analyst, and Tom Usher, Executive Director for Cushman & Wakefield – Portland, have been assisting the District with real estate issues. The Facilities' sub-committee consists of LRS Architects, Secretary Williams, Treasurer Fisher, G.M. Chaplen and Jason Rice. The team has kept all options on the table to examine needs and costs. The consultants come at this project with a lot of experience and they are presenting at this meeting in order to help the District clarify the criteria for making any final decisions between different scenarios for the facilities consolidation project. G.M. Chaplen turned the meeting over to Katie Dahlin, who provided an update on the real estate advisory project. As part of the project their team will provide a scope review of their task, a scenario overview with a deeper dive into the work, they will go through their criteria discussion, and then they will show an example of how to use the criteria to make tangible recommendations about the choices up for consideration.

She referred to the "OLWSD Draft Criteria Matrix" in the Board Packet in her presentation. Options include staying in place with or without an expansion, relocation scenarios that may include a lease or a buy situation, either of which would allow for a retrofit of another building or require a build-to-suit scenario. These options are part of a standard approach to considering a facility change. For the Criteria discussion the limitations are fixed within the options, for example the facilities must be within the Geography of the District and must be financially feasible, prudent, and provide the best value for the best cost. Criteria can be added along the way.

President Keil commented on a hurdle left over from the feasibility study, which said the new District could be combined into the former water district building. Ratepayers who were paying attention to this proposal have held to this option and will need an explanation for why we are not going this route. G.M. Chaplen added under her leadership the District is exploring the issue more fully, reviewing new information that might have been left out of the original proposal, and looking at longer term solutions. Treasurer Fisher commented the new information changed the scenario, including the extension of the time horizon to a product which will last 50 years into the future. Katie responded this exercise will provide the District with a tool for comparing all

options in a fair and balanced way, and the District will be able to share the findings of the tool transparently with the public.

President Keil emphasized some of the public will be expecting to be able to use an existing building at a much lower cost and needs to be notified of the coming changes to the originally proposed plan. Tom Usher commented the work with LRS will be helpful in this process.

Katie presented the criteria (see Draft Criteria Matrix). Comments included the importance of providing large enough community meeting space in our District. Criteria headers included: Geography, Functional Workspace, Emergency Access, Mission Critical, Risk, Access, Financial, Building Criteria and Design. She provided a sample scorecard showing comparisons and a ranked final score. There was conversation about emergency response with regards to the importance of the location and the site requirements. The limited industrial property also came up. G.M. Chaplen mentioned adjustments and comments on the criteria can be made after the meeting. Tom reiterated the top options will hopefully mesh with the best financial choices. Secretary Fisher commented on the overly optimistic projection in the FCS Study, based on potential changes fifty years from now, changes which will likely include staff growth. G.M. Chaplen mentioned how the master plans will also affect future needs. There was a brief public discussion about cross laminated timbers (CLT) construction and their feasibility for seismic issues. Another comment that Lake Oswego's public works building is a gold standard and was also designed by LRS Architects.

10. Recess Regular Board Meeting to Executive Session

President Keil recessed the regular Board meeting at 8:04 p.m. and declared a 5-minute recess.

11. Convene Executive Session

President Keil convened the Board at 8:07 p.m. for an Executive Session under ORS 196.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions, ORS 192.660(2)(f) to consider information or records that are exempt by law from public inspection and ORS 192.660(2)(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

The Board reviewed a memo from the District's attorney regarding the continued use of the Administration Building and other properties in the District's boundaries. The Board then discussed the negotiation and acquisition of a nearby property.

12. Recess Executive Session

President Keil closed the Executive Session at 9:22 p.m.

13. Reconvene Public Meeting

President Keil reconvened the Regular Board Meeting at 9:23 p.m. There were no members of the public present.

The Board took action in the following motion.

Treasurer Fisher moved to authorize the General Manager to purchase the lot to the Northeast of the administration building at auction, not to exceed twice the General Manager's purchasing authority, and after consultation with the Cushman & Wakefield to determine what the reasonable price should be. Director Gibson seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

14. Adjourn Regular Board Meeting

President Keil adjourned the regular Board meeting at 9:25 p.m.

Respectfully submitted,

Susan Keil
President, Board of Directors

Kevin Williams
Secretary, Board of Directors

Date: _____

Date: _____



OAK LODGE WATER SERVICES

Minutes

Board of Directors – Special Meeting and Executive Session 5:30 p.m.

April 30, 2019

Board of Directors - Members Present:

Susan Keil, President/Chair
Kevin Williams, Secretary/Vice Chair
Lynn Fisher, Treasurer
Paul Gornick, Director,

Board of Directors - Members Absent:

Nancy Gibson, Director (absent),

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Aleah Binkowski-Burk, Human Resources and Payroll Manager (not present)
Jason Rice, District Engineer
David Mendenhall, Plant Superintendent (not present)
Kelly Stacey, Finance Director
Todd Knapp, Field Operations Superintendent,

Visitors Present:

Gary Griff, Senior Director, Cushman & Wakefield
Tom Usher, Executive Director, Cushman & Wakefield
Paul Boundy, Managing Principal, LRS Architects.

Special Meeting of the Board of Directors

1. Call to Order and Flag Salute

Board President Susan Keil called the meeting to order at 5:35 p.m. and led the pledge of allegiance.

2. Call for Public Comment

There were no comments from the public. There was no public present.

3. A. Consolidation Facilities Project Update

President Keil turned the meeting over to General Manager Sarah Jo Chaplen, who welcomed guests to the meeting. Guests included real estate specialists Gary Griff – Senior Director and Tom Usher – Executive Director, Cushman & Wakefield, and Paul Boundy – Managing Principal, LRS Architects, and District Architect. When there are space planning conversations the meeting will be open to the public. The work of the space planners provided a much clearer analysis of the facilities. President Keil requested support from District Lawyer in maintaining appropriate Executive Session boundaries and he agreed to help.

B. Recess Special Board Meeting to Executive Session

President Keil recessed the Special Board Meeting and convened an Executive Session at 5:38 p.m. under ORS 196.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions, and ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

The General Manager provided a brief overview of the Board's prior discussion regarding the potential purchase of a property in the vicinity of the Administration Building. The District's real estate broker provided background information regarding determining a reasonable value of the property. Members of the Board participated in a general discussion with the District's attorney regarding various purchase and finance mechanisms relating to the purchase of the property.

4. Recess Executive Session

President Keil closed the Executive Session at 7:20 p.m.

5. Reconvene Public Meeting – Board may take action if necessary

President Keil reconvened the regular Board meeting at 7:20 p.m. The Board took action in the following motion.

Treasurer Fisher moved to authorize the General Manager to purchase property in the vicinity of the administration building in the amount the General Manager determines, after consultation with the District's broker, provides the best value to the District. Director Gornick seconded the motion.

Ayes: 4

Nays: None

Motion carried: 4-0

General Manager Sarah Jo Chaplen asked if there was any other business to be discussed. President Keil requested an update on the Backflow Prevention Program. G.M. Chaplen described the required annual inspection and maintenance for Backflow Prevention Devices and let the Board know a letter had been sent out to all customers in the District, and that some customers may be interested in discussing the topic with members of the Board. This topic will be added to the next Board meeting.

Treasurer Fisher mentioned customers are asking if they need to install a Backflow Prevention Device and have even tried to sign up for the program when they do not have a device, nor have a need for one. OLWS staff has been evaluating individual inquiries to determine if there is a need for installing a device, which protects public health through protection of the water system. The Board asked if OLWS is responsible for the drinking water system if contamination occurs because of the lack of a backflow prevention device and G.M. Chaplen responded she is looking into this with Tommy Brooks, District Attorney. The Board asked how the District could be responsible for knowing whether every potential user needing a device has one, and whether the District has discretionary immunity for not knowing. The Board asked which regulatory

authority is responsible for enforcing the requirement and G.M. Chaplen will be following up to learn more about the program. OLWS has not been receiving backflow testing results from new construction from the Clackamas County plumbing inspectors.

The Board continued to discuss the importance of backflow prevention devices and initial and annual inspections. Staff mentioned how ongoing education with owners is necessary with new owners. The Board discussed the relationship of the current enforcement with the prior practices of enforcement.

G.M. Chaplen summarized the issue, stating many people are thankful for the awareness of the issue, others are worried about how much money annual inspections will be, and OLWS is working out payment plans, and finally, some are reluctant to participate in the program. If a customer opts out of inspecting their device annually, OLWS could shut off their water. OLWS will consider this option if it creates hazard to the potable water system. The Board emphasized the importance of protecting the water system and stated the staff should shut water off if the program is not complied with and should not be based on "level" of hazard. State law shows annual inspections are required and implementation is left up to the District. The Board encouraged OLWS to disclose information about why the program protects public health and the potable water system. The District will not install devices. G.M. Chaplen will bring scenarios to the Board if needed as the issue develops.

6. Adjourn Special Board Meeting

President Keil adjourned the Special Board meeting at 7:45 p.m.

Respectfully submitted,

Susan Keil
President, Board of Directors

Kevin Williams
Secretary, Board of Directors

Date: _____

Date: _____



**Budget Committee Meeting Minutes– 6:00 p.m.
Meal served at 5:30 p.m.
April 18, 2019**

Board of Directors - Members Present:

Susan Keil, President
Kevin Williams, Vice President/Secretary
Lynn Fisher, Treasurer
Paul Gornick, Director
Nancy Gibson, Director,

Board of Directors - Members Absent:

None,

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Aleah Binkowski-Burk, Human Resources and Payroll Manager
David Mendenhall, Plant Superintendent
Kelly Stacey, Finance Director
Jeff Voreis, Accountant
Todd Knapp, Field Operations Superintendent
Rob Moody, Jr., CPA, Consultant, Marina and Co.,

Budget Committee Present:

John Klum, Budget Committee
Amanda Gresen, Budget Committee
Dave Phelps, Budget Committee
Fred Swingle, Budget Committee
Terry Gibson, Budget Committee (alternate),

Budget Committee – Members Absent:

Ron Weigel, Budget Committee
Peter Winter, Budget Committee (alternate).

Pre-Meeting Discussion/Update

Board President Susan Keil opened the meeting with a request for an update on the Backflow Prevention Testing Program. General Manager Sarah Jo Chaplen updated the Board and Budget Committee about the informational letter sent to every household in the District. The letter explained the State of Oregon's annual requirements for testing backflow devices, which help protect the potable water system from contamination by bacteria, chemicals, and other harmful substances. The letter offered customers a discounted rate with a company providing backflow testing, which OLWS was able to set up through a public procurement process. Customers with a backflow testing device can sign up for the program, which is not a revenue stream for the District. If the Board or Budget Committee receives questions from the public, please have them contact Dave Seifert, Cross Connection Specialist with the District. Dave Seifert is working with customers to confirm they have backflow devices before signing them up for the program.

Budget Committee Meeting Minutes

1. Call to Order and Flag Salute

President Keil called the Budget Committee meeting to order and led the group in the flag salute. She requested a nomination from the group for a chair of the Budget Committee to lead the meeting.

2. Elect Budget Committee Chair

Treasurer Fisher nominated John Klum for the position of Chair of the Budget Advisory Committee. Director Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Treasurer Fisher requested a Secretary be nominated to sign the Budget Document, but Rob Moody stated there is no requirement in State law for a Treasurer, just for electing a Secretary who will sign the Budget Document.

Chair of the Budget Committee John Klum thanked the group for the vote and turned the meeting over to Finance Director Kelly Stacey.

3. Budget Message – Finance Director Kelly Stacey

Finance Director Stacey opened the meeting with an updated schedule of meetings. The next meeting will be on Tuesday, April 23, 2019, where District Engineer Jason Rice will present his portion of the Budget proposal as well as an overview of the Capital Improvement Plan. At the April 23rd meeting the group will also take public comment. This evening the group will hear the proposed budget from the managers present at the meeting and then receive a copy of the proposed budget at the end of the meeting. There are four meetings scheduled over the next four Tuesdays, but the last meeting may need to be rescheduled.

She delivered the Budget Message as follows:

Oak Lodge Water Services is starting its third full year of combined services, which include drinking water, wastewater collections and reclamation, and watershed protection services. The Board and staff continue to work together to provide services and find efficiencies in the way services are provided. The Budget presented before you this evening is a culmination of the Districts' departments all working together to anticipate and plan for future events including impacts like the Public Employee Retirement System (PERS) increases. The Budget includes a 4.5% rate increase in all three utilities, which are linked to overall level of revenue requirements that must keep pace with the District's projected operating and capital needs. The multiyear planning has resulted in keeping the rate increase as smooth and predictable as possible. Everything presented in the Budget process, including typical inflationary increases, has led to the proposed rate change, which is not arbitrary but planned carefully. The proposed increase has been brought down from initial proposals of up to 8-9% in the various departments. Compromises were found in order to bring costs down without hindering overall goals. The Budget is complete, physically prudent, and accurate and reflects the priorities that are in accordance with the goals of the Board.

The overall strategies in approaching the Budget were to plan for asset replacement, to help reduce the maintenance and extend the life of equipment, to implement approved District financial policies, to set reserves at appropriate levels, to establish staffing needs, to plan for future anticipated increases in PERS, and to develop and finalize plans for consolidation of the administrative building.

The main areas requiring additional resources have been proposed to plan for the coming year as well as to set OLWS up for future success. The first of these categories are in the financial policies, as focused on depreciation. We have funded the cost of vehicle depreciation and replacement spread across all three utilities. Concerning PERS, the rates increase every two years, with this next year containing an increase. OLWS has an unfunded actuarial liability, and this year we have begun to set money aside to meet that liability in the event that the State of Oregon creates a matching pool to help local entities with PERS funding. The Budget contains a proposal for three new positions, including a District Recorder, an Asset Resource Specialist, and a Field Utility Worker. The building consolidation planning process needs to continue in order to bring the staff from the two buildings on River Road together. The budget contains \$750,000 to help with that process. Finally, an Administrative Services fund has been established to help managers clarify their administrative expenses.

The proposed rate increase is prudent and helps keep rate adjustments incremental for our ratepayers. Over time, this will help to keep our rates stable.

Secretary Williams asked whether the District Recorder and the Asset Resource Specialist positions will be management level positions. Finance Director Stacey responded the Asset Resource Specialist position will be represented within the Union. The District Recorder will handle Records Management, including confidential records, so that position will be at the same level as the Asset Resource Specialist but would be a confidential employee.

4. Department Presentations

a. Finance Director Kelly Stacey – Overview

She provided a brief overview of all the funds. There will be an Administrative Services Fund which includes Administration and Finance (front staff, billing, budgeting), Human Resources (with District Recorder), Technical Services (permitting, information technology), Fleet Services (fuel and maintenance). Next is a Drinking Water Fund and Drinking Water Capital Fund, wherein the revenue from the sale of water supports the capital expenses like tanks, pipes, pumps, negotiation of cell tower leases, system development charges and installation fees, and capital projects. We have the Wastewater and Wastewater Capital Fund, which maintains and repairs the collections system and the Water Reclamation Facility (WRF) and will include capital projects. The Watershed Protection Fund is set up to maintain the surface water collection system which is owned by Clackamas County but OLWS is a co-permittee with the county on our Municipal Separate Storm Sewer System (MS4) Permit. This fund also includes capital funds and funds for watershed protection and water quality education for businesses, contractors, developers, the public, and youth.

OLWS has two dept service funds: revenue bonds and general obligation (GEO) bonds. The largest portion of these long-term bonds will be paid off in 2030 and 2033. Included in the debt service lines are also two short term debts, one for the leased purchase of the vactor and one for the purchase of the water meters.

b. Aleah Binkowski-Burk – Human Resources/Payroll

Human Resources and Payroll Manager Aleah Binkowski-Burk emphasized the importance of hiring enough personnel and having them trained and equipped in order to provide good

customer service and maintain a high level of safety. In that sense, personnel services are more of a long-term fixed cost and is currently 19% of our budget. She detailed some of the costs that underlie personnel, including social security, Medicare, workers compensation, unemployment, Tri-met tax, and the workers benefit fund. The health benefit charges will be nearly flat for next year. She outlined the human resources budget, emphasizing the separate departments which now include human resources, record keeping and personnel training. She highlighted the importance of interns in workforce development, those from places like the Water Environment Technology program at Clackamas Community College. She mentioned a small line item for on-call and overtime pay to cover emergencies like water main breaks and commented these costs are set by history from the last year as well as covered under the union contract.

She outlined the Public Employee Retirement System (PERS) increases for Tiers I and II from 19.69% to 23.22% and the OPSRP (Oregon Public Service Retirement Plan) category increased from 12.8% to-17.65% of every salary. She explained the differences in categories and costs. We are one of the few employers in the area that do not pay the employee cost share of 6% into retirement savings. Chair Klum asked when the District would have mostly OPSIRP employees and Aleah responded it would be quite a while. Kelly clarified the payments do not stop until those in the agreement pass on. An unfunded actuarial liability exists, and the District will be working hard to receive a State of Oregon matching grant before 2023 when their buy-down program ends. There is \$200,000 set aside to begin funding our PERS buy-down if we can get a \$300,000 match from the State for the District's goal of a lump-sum contribution of \$1,200,000. The Board asked about how much additional money OLWS pays \$2,500 annually for the Benefit Utilization Fund supporting a former staff member going over the maximum benefit amount. Chair Klum clarified whether more staff will start shifting into OPSIRP costs and Aleah responded yes, over time. There was some continued discussion around PERS liability with comments from Rob Moody.

Aleah highlighted the three proposed staff positions, which are a District Recorder, an Asset Resource Specialist, and a Collections Utility Worker. They are based on need and research of other districts of similar size. She provided information on the District Recorder position, which would oversee Data organization, Public Records, retention schedules, and moving to standardized naming conventions and electronic file sorting/storage under the Oregon Records Management solution. This position would also provide executive assistant duties for G.M. Chaplen and Aleah and support the Board. She concluded, the personnel services budget also includes oversight of the policies and procedures, training, risk management, and cybersecurity. She turned the presentation over to Todd Knapp.

c. Todd Knapp – Field Operations

Field Operations Superintendent Todd Knapp explained the assets contained in the fleet for field operations, including vehicles and equipment used to maintain the system – repairs, replacement, cleaning, hauling, inspections. Proper fleet maintenance supports current operations and extends the life of the assets. The budget is being set up to include a more stable and predictable timeline for vehicle and equipment maintenance and replacement. The Board asked what the equation for replacement was and Todd responded he referred to State of Oregon tables online but then thought OLWS could stretch a few more years of life out of our vehicles if we carefully assess the level of quality rating, particularly if we maintain vehicles properly. The Board suggested referring to the Public Works Association fleet management and replacement tables online.

Todd illustrated OLWS gets water from the North Clackamas County Water Commission (NCCWC), which takes water from the Clackamas River and treats it.

OLWS is part owner of NCCWC. He showed a short video (refer to Budget Committee Presentation) about water source, treatment, storage in the reservoirs and water distribution. The group appreciated the illustration. OLWS is very service oriented and works on a 24-hour cycle, serving about 30,000 people with just six water-focused staff. The District system is built for proper fire flow and has a robust backflow testing program and has 107 miles of pipes, mostly ductile as opposed to cast iron. He described the system map and usage, emphasizing the importance of the Valley View Reservoir and feeder pipe. The Water Master Plan will increase positive redundancy for the resiliency of the water system.

He described field operations for wastewater collections, noting 7,100 customers, 100 miles of sewer main, include 2,300 manholes, which are access points for cleaning and inspection, and a crew of just 4 utility workers. Staff have requested a fifth utility worker to provide staffing levels that will keep the system numbers on track with regards to TV inspections, cleaning, sewer locates, manhole repairs, and stormwater catch basin cleaning. Inflow and Infiltration (I & I) is a problem, which includes various sources including rain drains and water from sump pumps as well as groundwater from leaking pipes and laterals. The Board asked how much the flow to the WRF would be reduced if the I & I were reduced, and Todd answered the flow to the WRF on a seasonally dry day is 3.2 million gallons as compared with 16 million gallons on a seasonally rainy day. All water into the WRF needs to be treated, which uses electricity and all the other resources provided in the treatment plant process. Chair Klum asked how to address I & I and Todd highlighted the variety of responses to the issue including trenchless repair technology. Todd turned the presentation over to David Mendenhall.

d. David Mendenhall – Plant Operations

Plant Superintendent David Mendenhall presented the importance of borrowing water from the Clackamas River for treatment, distribution, use and then wastewater treatment for return to the river. OLWS discharges effluent to the Willamette River and transfers wastes removed from the water to a landfill. The WRF operates under the Clean Water Act's National Pollutant Discharge Elimination System (NPDES) Permit compliance. OLWS has been in compliance with the permit for 6 consecutive years and has been operating under the same permit since 2009. Although permits are good for five years, the Oregon Department of Environmental Quality has delayed issuing an updated permit for several reasons. The updated permit will include more stringent limits with regards to Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) on the effluent, which we currently meet without added filtration. Someday the plant will need to add additional filtration (tertiary treatment). The WRF budget requirements are fairly level from year to year. The WRF works to be a good neighbor with odor and volume of truck traffic driving to dispose of solids and biosolids. The District operates under the federal "503" biosolids regulations with regards to land application and compliance. Operations and maintenance is significant, including preventative maintenance for the WRF, which is aging. During the coming year they will be working on the grit removal system by replacing and rebuilding it. This year they replaced the screw conveyor lining and the screenings compactor rebuild. Many of the pieces of equipment do not have functional redundancy, meaning that projects requiring parts replacements need to be organized well ahead in order to minimize the amount of time the equipment is offline in the system. The budget contains line items for ongoing maintenance of the equipment.

The Board commented the WRF is seven years old since the upgrade and will begin to show signs of significant wear and tear, even while costs to maintain and repair

equipment will increase. David agreed and highlighted the significance of replacing the pumps at the Influent Pump Station in helping to protect equipment later in the system.

David stated on the operations side they are consistently doing process refinement, reducing the solids within the process, and attending to sludge age. They are always looking for better resiliency for higher flows to the WRF. When flows are higher dilution of biological processes can occur, which changes the process, along with increases in temperature. There are six wastewater pump stations which are consistently inspected and maintained, including the large pump at the beginning of the WRF. They are planning for refurbishment of the lift station in the Capital Improvement Plan.

Improvement projects include the installation of an additional Belt Press, which will provide redundancy of sludge treatment. Piping modifications are planned, which will allow aerobic digesters to be taken offline for maintenance. They are conducting an aeration system study to increase efficiency, because the plant was built for added aeration which they should not currently need.

The WRF uses technology for efficient operation, including Hach WIMS (Water Information Management Solution) for tracking plant performance measures, compliance reporting and graphic representation of data. Using a graphic, he illustrated the relationship between seasonal flow with regards to I & I. The WRF also uses SDADA software (Supervisory Control and Data Acquisition) to monitor the entire wastewater system, including all the equipment and pump stations. 24-hour monitoring of the system puts employees on call to ensure permit compliance and public safety. Finally, the District uses Lucity, which is a software for public works and includes tools to manage and maintain assets over time. OLWS has over 950 assets in the WRF and an addition 12,788 assets in the wastewater collections system. The water system also has 11,913 assets, which will be added to Lucity in 2019. One of the proposed staff positions is the System Asset Manager, which will provide expertise and oversight to organizing the entire Lucity asset management system. If the system is built well it will help the District manage organizational knowledge by adding good data to Lucity. The position will streamline and upkeep the physical asset information each time equipment is maintained or replaced which will help with risk assessment, redundancy, and budgeting. The position will support managers with asset management, support scheduling, support capital planning, support the I & I reduction because of data management, and oversee work orders as well as file maintenance of equipment manuals. The Board asked about asset management of the fleet and wouldn't this data fall under the purview of the new position? Todd and David both responded positively to this suggestion. Rob Moody added if all the initial and ongoing workorder data is entered into Lucity it can help with financial scheduling and budgeting based on reserves, rates, and a financing plan if needed.

e. Kelly Stacey – Conclusion/Next

G.M. Chaplen commented the budget is a well-researched and thought out commitment to the public of what needs to occur in the next year as well as what will be accomplished. It is an accountability document and a workplan for the management team, as well as a way for the Board to keep track of work the staff completes.

Finance Director Stacey summarized the next meeting on April 23 will be focused on Technical Services, Watershed Protection, and capital improvement projects as listed in the Capital Improvement Plan (CIP). There will be time for public comment before turning to deliberations about the budget as presented. District Engineer Jason Rice will send out electronic copies of

the CIP next week and will provide paper copies at the meeting. The Board asked if the 4.5 % rate increase included increased charges at the NCCWC water supply side and Kelly responded the rate increase is based on the average water use per month and balanced over usage tiers as well as the base rates (water, sewer, water quality management). There is also an increase in the cost of water from NCCWC which is factored into the expenses side of the budget but not directly correlated to the rate increase. The components of the rate increase include the cost of water, the CIP, the personnel costs, the increases in PERS, and the building costs. Without those requests the rate would have gone down slightly, which shows the positive effects of the consolidation. The increases allow the District to increase level of service and plan prudently for the future. Without the consolidation, the increases would have increased an additional 7-8%.

The Board clarified if we are saving about \$711,000 per year and increasing the rate by 4.5%, we would have been increasing the rate an additional amount without the consolidation cost savings. They asked for clarification about how much the rate would be going up if the District has not consolidated.

5. Recess Budget Committee Meeting

Finance Director Kelly Stacey thanked the management team for their work in developing a strong budget and the Board and Chair of the Budget Committee agreed. Chair Klum recessed the Budget Committee Meeting at 7:44 p.m.

Respectfully submitted,

John Klum
Chair, Budget Committee

Date: _____

Amanda Gresen
Secretary, Budget Committee

Date: _____



OAK LODGE WATER SERVICES
Minutes
Budget Committee Meeting – 6:00 p.m.
April 23, 2019

Board of Directors - Members Present:

Susan Keil, President
Kevin Williams, Vice President/Secretary
Lynn Fisher Treasurer
Paul Gornick, Director,

Board of Directors - Members Absent:

Nancy Gibson, Director,

Oak Lodge Water Services Staff Present:

Sarah Jo Chaplen, General Manager
Aleah Binkowski-Burk, Human Resources and Payroll Manager
Jason Rice, District Engineer
David Mendenhall, Plant Superintendent
Kelly Stacey, Finance Director
Jeff Voreis, Accountant
Todd Knapp Field Operations Superintendent (absent)
Haakon Ogbeide Civil Engineer
Matthew Westergard Plant Operator,

Budget Committee Present:

John Klum, Budget Committee
Amanda Gresen, Budget Committee
Dave Phelps, Budget Committee
Ron Weigel Budget Committee
Fred Swingle, Budget Committee
Terry Gibson, Budget Committee (alternate) (absent)
Peter Winter, Budget Committee (alternate) (absent),

Budget Committee – Members Absent:

Terry Gibson, Budget Committee (alternate)
Peter Winter, Budget Committee (alternate),

Others Present:

Rob Moody, Consultant, Merina and Co.

Budget Committee Meeting Minutes

Budget Committee Chair John Klum kicked off work session two of the Budget Committee Meetings and turned over the meeting to Finance Director Kelly Stacey.

Kelly turned over the meeting to District Engineer Jason Rice, who continued to present the budget for the Technical Services Department and the Capital Improvement Plan. Secretary Williams noted there are nine Budget Committee members present and asked if the Budget can be passed through to the Board without alternates (and one absent Board member). Kelly

stated there are enough members present to provide a quorum for passing the Budget through to the Board.

District Engineer Jason Rice introduced Project Manager Haakon Ogbeide and provided an overview of the Technical Services Department. He presented the functions of the department, which include the following: outreach and education as tied to the MS4 Stormwater Permit and wastewater, which includes running tours of the Water Reclamation Facility (WRF) (staff Lara Christensen); Lara also provides backup to others on the team as well as coordinating public information and recording, including minutes, website updates, public notices, etc.; development review is responsible for issuing construction permits for all three services, as well as representing OLWS at Clackamas County pre-application conferences (staff Markus Mead); two staff serve as pollution prevention specialists, one who manages the wastewater, industrial pretreatment, fats and grease (FOG) program, and the water quality sampling program (staff Marty Guenther), the other manages the surface and storm water program which includes the 1200Z Permit at the WRF, works on the MS4 Permit, attends the MS4 co-permittee meetings, takes water quality samples of streams and outfalls, and conducts erosion control inspections (staff Rick Pauker).

Jason explained how OLWS shares our MS4 Permit with 12 other nearby agencies in Clackamas County, which allows all co-permittees to share some efficiencies in fulfilling parts of our MS4 Permit. The Board asked how frequently the MS4 Permit is renewed and Jason responded every 4 years except for the fact the permit renewal been delayed and administratively extended for an additional 3 years. The Department of Environmental Quality has a new staff coordinator who seems promising in that they are requesting and reviewing comments from permittees.

The Board asked if we monitor every commercial restaurant preparing food in the FOG Program and Jason responded yes, every establishment preparing food is part of the program and has its own grease trap/interceptor. The Board asked if Stanley is using a "black oxide" coating process and Jason responded they are set to bring the process online in about nine months which will trigger the industrial user pretreatment requirements and OLWS should be ready with our DEQ approved pretreatment program by then, which includes a number of changes to our wastewater plant process as well as a fee. The Board asked if and how the addition of the pretreatment waste would affect our biosolids and Plant Superintendent David Mendenhall responded it depends on the amount of metals added to the solids stream but that the pretreatment is designed to mitigate the final product to allow for beneficial reuse of solids.

The Board asked what we can do if a business does not follow through with our requirements for FOG or erosion control and Jason responded based on our rules and regulations, we will inform them, we can fine them, we can clean the drain ourselves if needed.

In addition, the department has a Technical Services Coordinator (Gary Floyd) who manages the contract with our Information Technology consultant, Convergence, our phone and Springbrook contracts, the SCADA and TV truck upgrades and software/data management, GIS programming and maps, and backs up Markus. Finally, our new Project Manager Haakon manages Capital projects, and Jason commented that along with managing the Technical Services Team he also manages Capital projects.

Jason walked through the highlights of the Capital Improvement Projects for the year, focusing on the summary page. Jason referred to the Capital Improvement Plan in this part of his presentation. He mentioned working to smooth out rate changes within the structure of capital project needs/goals. Related to watershed projection (storm water management with water quality as the goal), the rates have been low with incremental increases. OLWS is conducting a

Surface Water Management (SWM) Survey in preparation for a future SWM Master Plan (SWM Strategic Plan) for budgeting purposes. Because Clackamas County owns the stormwater system, OLWS is currently doing our job, but we want to know what the public would like in relation to surface water management.

The Board asked whether Jason was working with the Stormwater Advisory Committee on the project and he responded yes, along with Barney & Worth, who did a similar customer survey in 2012. OLWS will send an email with a link to the survey as well as the notification about the survey that went out in the bill. The advisory committee includes Jim Martin, Peter Winter, and Paul Gornick, which is why we need customer feedback through survey participation. The Board volunteered to help bring in more citizens to participate in the committee.

The Board asked whether permits might become more restrictive based on the Willamette River being listed on the *American Rivers* recent "10 Most Endangered Rivers" report and Jason commented it is likely the permit will become more restrictive even without the report. The Board asked how the permit would change and Jason mentioned the water quality parameters would likely tighten for contaminants like metals (copper) and organics (E. Coli). The Committee commented the District could focus on mitigating the effects of stormwater runoff from the 80%+ impervious surface in our area. Jason commented on the funding OLWS provides to the Backyard Habitat Certification Program to help increase infiltration in yards, as well as the North Clackamas Urban Watersheds Council (NCUWC) programming. NCUWC has invested in the Streamside Stewards Program (SSP) for years, and they may pivot to work on stormwater (like de-paving certain sites).

General Manager Sarah Jo Chaplen commented the SWM Master Plan would be in part shaped by feedback by the customer survey, which will show OLWS how invested our public is in how we meet our requirements. The District needs to continue to tackle how we could incentivize required stormwater management with ratepayers in the way City of Portland used the downspout disconnect program to help motivate customers to support the change.

Civil Engineer Haakon Ogbeide explained he is working on upgrading the District's decant facility, which must be built to accept a variety of wet slurries and needs to be upgraded to comply with DEQ regulations including pretreatment. The facility must allow the material to drain and dry out in a way that does not allow for water/soil contamination before disposing of the drier remains. Runoff should be channeled into the wastewater facility for proper treatment. Currently we have two small decants (water and wastewater). All three utilities will use the upgraded decant facility equally.

Jason touched on other projects from the list. The Biosolids program needs to have a second belt filter press installed. They are working on a solids piping project which will support the sewage sludge treatment by putting in more pipes to add flexibility to the solids treatment process and may result in energy savings. The Gladstone Intergovernmental Agreement will be completed in the next year. The line item holds space for flow meters, which would allow us to monitor usage and potentially reduce Infiltration and Inflow (I & I) in that area of our system. Another project would be a Mainline Repair program or Lateral Repair program, which will evaluate and prioritize projects based on reducing I & I in the system in order to decrease the amount of stormwater we treat at the WRF. There is a plan to produce a comprehensive Sewage Treatment Plan for both WRF and Field Operations, which will make project planning more proactive and begin an asset management program. There was discussion about planning for a Lateral Repair program. OLWS owns the lateral up to the property line. Vehicle replacement includes purchase of a mini Ford transit van to store and transport gear for the stormwater inspection program.

The Water Capital Plan includes prioritization of identifying and creating an intertie to draw from a water source different from the Clackamas River, increasing resiliency for the District's water source. The line item would allow for putting in a pump station if needed. There is also the possibility of partnering with the North Clackamas County Water Commission on this work. The Board, Budget Committee and staff discussed the significance of adding interties, pumps, or Aquifer Storage and Retrieval (ASR) for the purpose of resiliency, and what long term options for capital investment and/or partnership might be.

The water meter replacement program is nearing half-completion. The program updates water meters to a drive-by automated meter reading, which will streamline the process of collecting water meter reads. The meters are compatible with a "fixed area network" technology if we want to move toward that in the future. Batteries power the water meters, which should last about 20 years. They relay information for 1.2 milliseconds every 6 seconds.

Jason relayed the Water Master Plan has revealed the water system needs capital investments of about \$1,400,000 per year for 20 years. He added the line item of \$750,000 for water system capital improvements for next year in order to begin the process and stated more discussion would be needed about how to tackle this challenge. Some of the cost is because of new requirements for increased fire flow, and the budget analysis should allow the District to fund everything presented in the budget for next year.

Call for Public Comment

Kelly requested comments from the public. There were no comments.

Board and Budget Committee Questions and Discussion

Chair Klum edited a misspelled resource on page 12 under the second column over to the right and then asked about the substantial decrease of materials and services on page 14 of 52, Kelly responded the funds have been shifted into other places based on the creation of the Administrative Services Fund. He asked why we have \$125,000 for bank changes on page 17 of 52 and Kelly responded it is the amount the banks takes for allowing credit card charges as well as other regular bank fees. He noted on page 21 of 52 second paragraph should be Mt. Hood National Forest area instead of Park Area. He commented on page 23 of 52 on the legal services we have a blank page and suggested adding a footnote for why the item is blank this year and not last year. He asked for a spelling clarification of Zions Bank and she responded Zions Bank is correct. He asked about 26 of 52 under item 3500 why last year's amount was higher than this year and Kelly responded last year was the first year the Capital Reserve line item was funded and came out of a line item on page 29 of 52.

President Keil asked where the aggregate Public Employee Retirement System (PERS) funding is reflected and Kelly responded payments come out of retirement every payday and is reflected under personnel services in 5240 for each large fund. She asked where we show the excess payment and Kelly responded under contingency in the Administrative Services Fund on page 20 and is explained in the narrative of the Budget Message.

Budget Committee member Fred Swingle asked about 5 line-items of the summary overview where we increased the demand on the funds, but when he totals the demand it seems to fall short. Kelly responded we are increasing the fees, but these are not directly reflected in the summary overview, they are reflected in the budget requirements.

Treasurer Fisher asked why the data around revenue forecasts and expenditure assumptions reflect a higher rate increase than the one proposed in the budget. Kelly responded that because of savings the District accomplished, we are starting from a lower base, which means the rate does not need to increase as much as projected by the budget. He requested a clearer picture/graphic of this savings for the public and the group agreed. Kelly will put something together in the summary conclusions to be shared clearly in the Newsletter and Website.

G.M. Chaplen will speak with the Oak Grove Community Council about Backflow and will share the updated talking points with their 500-person mailing list. She added comments from Director Nancy Gibson, who could not be here. Director Gibson commented she would want to increase the line item for Board reimbursements per meeting and she would only want to fund two staff positions and not fund the Recorder's position.

Budget Committee member Fred Swingle commented on page 13 of 52 the difference between cost of water and the rate increase from 3.6 to 4.2 seeming to be lower than it should be. Kelly responded the difference in tiers of volume shifts the balance of the revenue because of the contribution of revenue from the tiers is different. On page 17 of 52 he asked what the contracted services item entails. Kelly commented these costs are listed in more detail on page 44 under 6155.

Director Paul Gornick asked about the building consolidation costs being calculated into the proposed budget and Kelly responded they are.

Budget Committee member Amanda Gresen asked how projected new users will fit into the budget, particularly developers or new construction. Staff responded there is no separate accounting or budgeting for new users because it is such a small number of added units. Jennings Lodge subdivision is an anomaly and spans two fiscal years. G.M. Chaplen commented there are two places where you get new revenue from growth: system development charges, which are one-time monies and best practice assigns one-time monies to capital, not ongoing revenue needs; the second place where you get new revenue is when you add new customers, who will pay on an ongoing basis. The biggest new source of revenue would be through adding an industry which was a significant new user of water. OLWS typically has incremental growth, but this year is different because we have more one-time income which helps with our carryover and funding of capital projects. Staff is tracking the possibility of a significant change in zoning which could affect density enough to add up to four units instead of one, but so far, no big changes like that have been put into place.

Chair Klum asked if the group needed another Budget Committee Meeting next Tuesday, April 30, 2019, and commented this year's budget was clear and easy to understand and that he is ready to move forward with a vote. Treasurer Fisher asked for how the clarification narrative would be addressed, and Consultant Rob Moody stated it could be added after a vote if the numbers were firm. President Keil asked if there was anything the group thought should be cut, and Consultant Rob Moody clarified the Board could make slight adjustments until the document is approved by the Board by June 30th at the latest. The Board discussed making sure the proposed rate change and Budget document are made public as soon as possible for public review.

Director Gornick asked whether the sale of a building was in the document and staff responded it was not. The facility money was for property purchase, space planning, and other preparatory measures for consolidating certain OLWS staff into one building.

Treasurer Fisher moved to approve the proposed Budget. Director Gornick seconded the motion.

Ayes: 9

Nays: None

Motion carried: 9-0

Chair Klum stated the Budget passed unanimously and thanked the group. The April 30 meeting will not be held. The narrative will be circulated, and the Budget approval will go onto the May Board meeting for adoption. The Board plans to discuss the document and the rate increase with the public until the Board meeting. G.M. Chaplen explained to the Budget Committee there will be no further Budget Committee Meetings and no conflict with the Willamette View event. She requested direction with her talking points and will focus on backflow on April 24th and will discuss the Budget and take questions on April 30th.

Adjourn Budget Committee Meeting

Chair John Klum adjourned the Budget Committee Meeting. Finance Director Kelly Stacey clarified the time of 8:14 p.m.

Respectfully submitted,

John Klum
Chair, Budget Committee

Date: _____

Amanda Gresen
Secretary, Budget Committee

Date: _____



STAFF REPORT

To: Board of Directors
From: Lara Christensen, Support Services Specialist
Agenda Item: Watershed Health Education Program Presentation from Rex Putnam Students and Ecology in Classrooms and Outdoors
Item No.: 4
Date: May 21, 2019

Action Requested:

No action requested.

Background:

The District's Watershed Protection Program leverages the strategies set forth in the Watershed Health Education Program (WHEP) to achieve its goals of overall watershed health, protection, enhancement, and restoration stewardship. This year, Oak Lodge Water Services partnered with Rex Putnam High School and Ecology in Classrooms and Outdoors (ECO), an education, enhancement, and community-building non-profit.

WHEP goals fit the local and national standards for science education as well as providing students with best practices in education including: Active participation in experiential learning through field- and school-based activities; developing an awareness of regional water quality issues; increased knowledge of watershed boundaries and related ecosystem processes; enhanced critical thinking skills and problem solving abilities relevant to human interactions with natural systems.

This presentation is part of the package of deliverables from the WHEP.

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: New Auditor Introduction
Item No.: 5
Date: May 21, 2019

Issue

ORS 297.425 requires that Oak Lodge Water Services District be audited and reviewed at least once each calendar or fiscal year by accountants authorized by the Secretary of State to conduct municipal audits. The Government Finance Officers Association (GFOA) has long recommended that state and local governmental entities obtain independent audits of their financial statements performed in accordance with the appropriate professional auditing standards. Properly performed audits play a vital role in the public sector by helping to preserve the integrity of the public finance functions and by maintaining citizens' confidence in their elected leaders. The audit process also ensures the Board and OLWS customers can trust financial transactions are being handled appropriately, cash controls are in place and financial records are accurate. OLWS undergoes this audit obligation each fiscal year.

The auditor works for the Board. The auditor will present their final annual report to the Board and their work assists the Board to ascertain and maintain the overall performance of OLWS. The OLWS auditor, as part of their overall report to the organization, includes potential recommendations for improvements in operations and record keeping.

A three-year contract has been signed to provide audit services to OLWS at an annual cost of \$29,000 for the first year with cost of living adjustments of not more than three percent in subsequent years.

The Finance Director and the auditor work closely throughout the year as key finance questions arise, or unusual accounting items which need additional professional advice.

Background

Staff recently completed a solicitation process for the next OLWSD auditor. The District received four proposals, all of which were judged to be qualified. The Proposal selection committee (consisting of the Finance Director, General Manager,

Accountant, and a member of the Board of Directors) interviewed all four companies and made the decision based on the criteria set forth in the RFP.

We are excited to announce that Moss Adams LLC has been selected to be our new auditor and are here to introduce themselves to the Board of Directors. The team working with Oak Lodge Water Services include Keith Simovic, CPA, Senior Manager; Julie Desimone, CPA, Partner; Scott Simpson, CPA, Partner and Quality Control Reviewer; and Laurel Stevens, CPA, Senior.

Action from the Board

No action required

Attachments

1. Presentation slides



Oak Lodge Water Services District

Pre-audit Communication

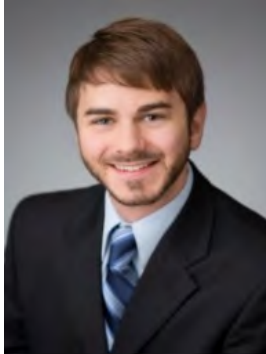
YOUR DEDICATED TEAM



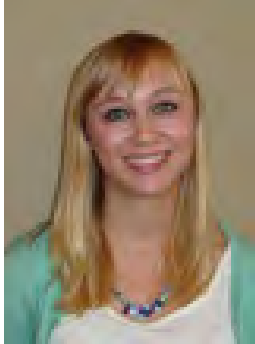
JULIE DESIMONE
Engagement Reviewer
and Partner



SCOTT SIMPSON
Concurring Reviewer
and Partner



KEITH SIMOVIC
Senior Manager



LAUREL STEVENS
Senior Auditor



REQUIRED COMMUNICATIONS

to Those Charged with Governance

ENTRANCE



Auditor's responsibility under U.S. generally accepted auditing standards

Planned scope and timing of audit

EXIT



Significant audit findings

Qualitative aspects of accounting practices

Difficulties encountered in performing the audit

Corrected and uncorrected misstatements

Management representations

Management consultations with other independent accountants

Other audit findings or issues



OUR RESPONSIBILITY

Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with US GAAP. However, our audit doesn't relieve you or management of your responsibilities.

Perform an audit in accordance with:
Generally accepted auditing standards issued by the AICPA
Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings that are relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.

01

02

03

04

EXHIBIT A

Scope of Work to be Performed

The OLWSD desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The OLWSD also desires the auditor to express opinions on the fair presentation of its combining and individual fund financial statements and schedules in conformity with GAAP and as required under Oregon Revised Statutes (ORS). The auditor is expected to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board (GASB) as mandated by auditing standards generally accepted in the United States (GAAS).

Auditing Standards to Be Followed

The audit shall be performed in accordance with:

- Auditing standards generally accepted in the United States (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA),
- Minimum Standards Required for Audits of Oregon Municipal Corporations.

Reports to be Issued:

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

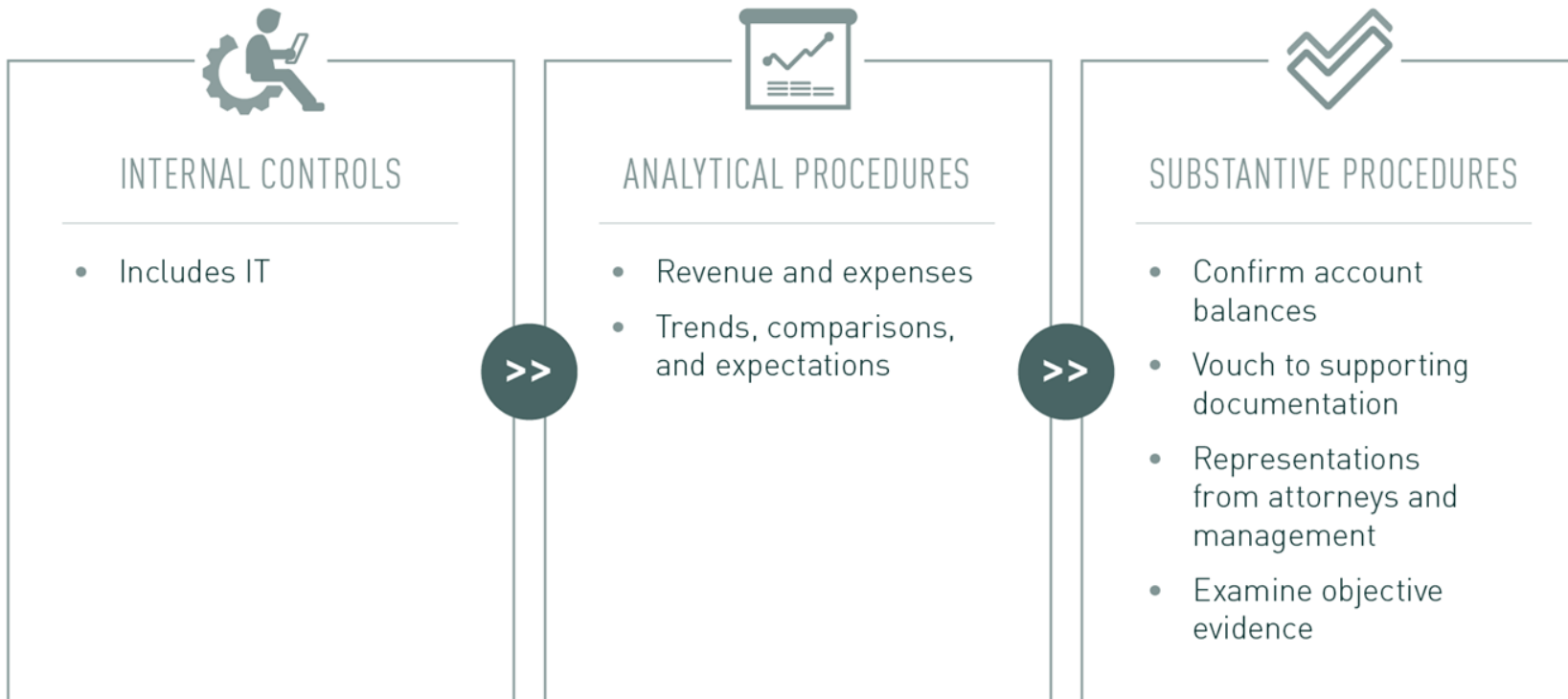
- A report on the fair presentation of the financial statements in conformity with GAAP.
- Compliance with requirements related to Minimum Standards Required for Audits of Oregon Municipal Corporations.
- Management Letter citing opportunities to strengthen processes and internal controls as identified during the audit of the financial statements.

Reporting to the Board of Directors. Auditors shall assure themselves that OLWSD's Board of Directors is informed of each of the following:

- The auditor's responsibility under generally accepted auditing standards (GAAS)
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management



AUDIT PROCESS



WHAT'S MATERIALITY?

It's the amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.



It's calculated using certain **quantitative** (total assets) and **qualitative** factors (covenants, expectations, or industry factors)

It identifies:

- 01 Significant risk areas
- 02 Nature, timing, extent, and scope of test work
- 03 Findings or misstatements



SIGNIFICANT AUDIT AREAS



Internal controls over financial reporting



Capital assets – Valuation and Classification



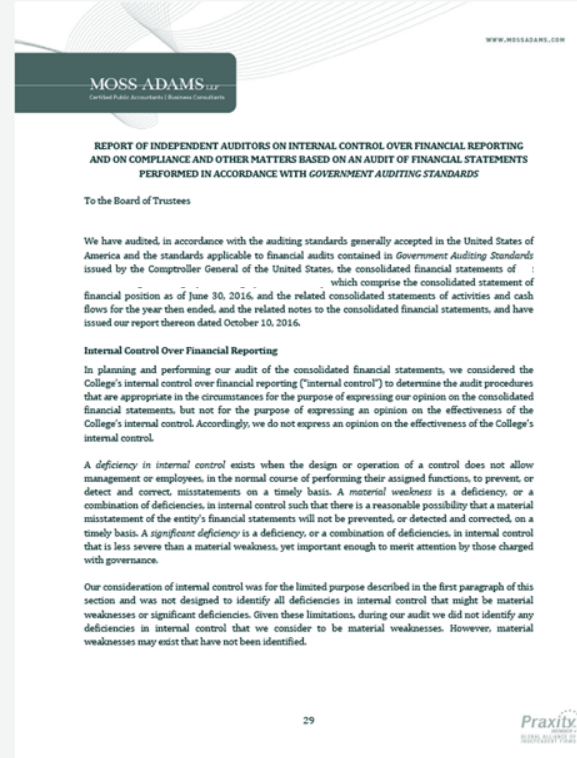
Revenues – Charges for services



Pension and OPEB Accounting – Accuracy and Valuation



IT user access controls



CONSIDERATION OF FRAUD



To identify fraud-related risks of material misstatement, we:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Auditors must consider fraud to “improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit.”

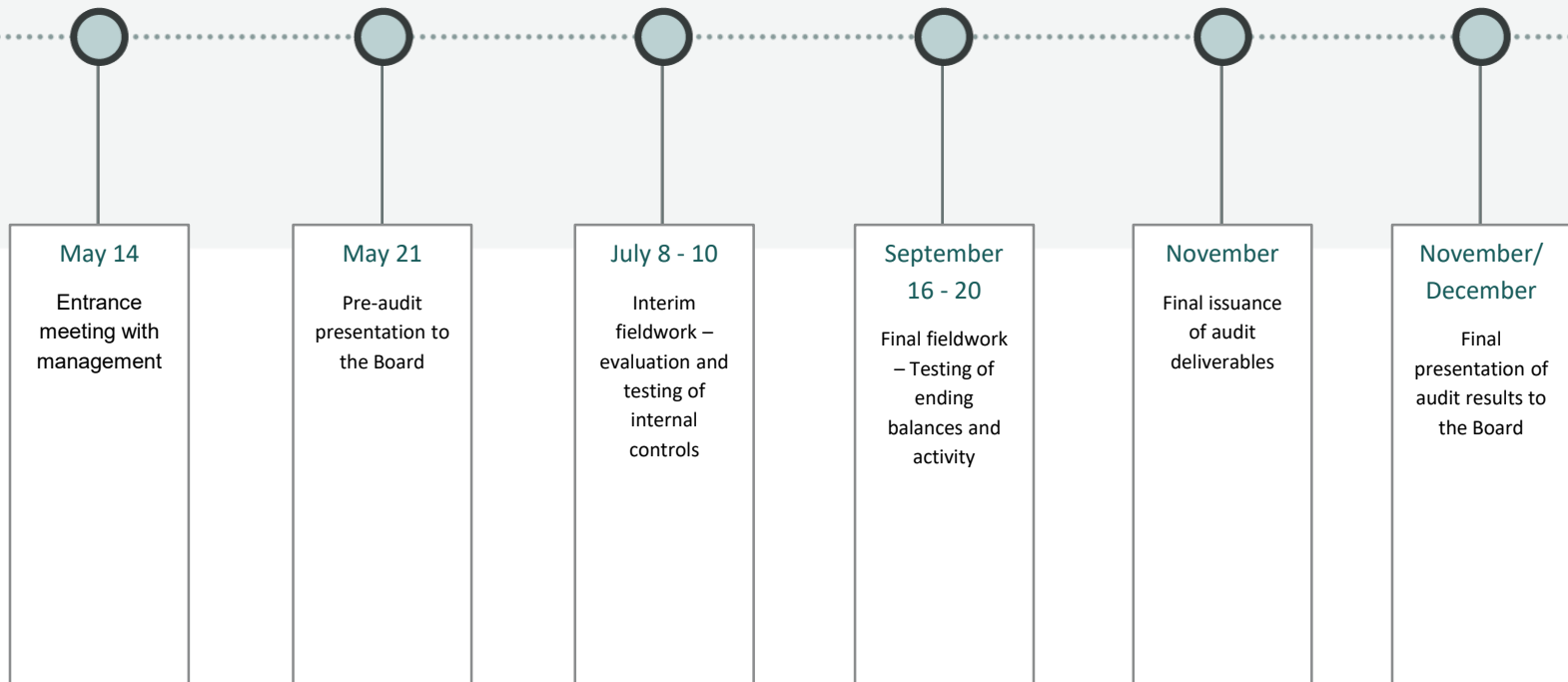
Procedures we perform:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions



AUDIT TIMING

2017



NEW STANDARDS

New Standards	Effective date
GASB 83 – Certain Asset Retirement Obligations	Effective for the current year under audit
GASB 84 – Fiduciary Activities	Periods beginning after December 15, 2018
GASB 87 – Leases	Periods beginning after December 15, 2019





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STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Supplemental Budget 2019 – Resolution No. 19-02
Item No.: 6
Date: May 21, 2019

Issue

A supplemental budget is needed to keep OLWS from being out of compliance with Oregon Budget Law (ORS 294.473) There are two issues needing to be addressed in the supplemental budget.

First, the amount originally budgeted for Capital Outlay in the Watershed Protection Capital Fund is not enough to meet the needs of the District. The overage is due to the bids for the Boardman Wetland Complex Project coming in higher than the estimates used to prepare the budget. An additional \$350,000 needs be moved from the Watershed Protection Capital Contingency category to the Capital Outlay category.

The second issue needing adjusted by the supplemental budget is the Debt Service in the Watershed Protection fund. The payment for the Vector Truck was incorrectly set to be budgeted in the Watershed Protection Capital Fund but should be in the Watershed Protection Fund. However, it was not budgeted in the either fund but the Transfer to the Watershed Protection Capital Fund included an amount to cover the payment. To bring the OLWS into compliance with Oregon Budget Law, in the Watershed Protection Fund the Transfer needs to be reduced by \$63,000 and the Debt Service category needs to be created to appropriate the current year's payment.

Background

The amount approved by The Budget Committee and adopted by the Board for the FY19 Budget will remain the same; however, to stay within Oregon Budget Law a Resolution is needed to transfer between appropriation categories (ORS294.463(1)). The attached Resolution will transfer money between categories as outlined in Resolution No.19-02.

Requested Action from the Board

Approval of the supplemental budget presented in Resolution No.19-02

Suggested Motion:

"I move to adopt Resolution No. 19-02 approving the supplemental budget as presented."

Attachments

1. Resolution No. 19-02

OAK LODGE WATER SERVICES DISTRICT

RESOLUTION NO. 19-02

A RESOLUTION BY OAK LODGE WATER SERVICES DISTRICT BOARD OF DIRECTORS APPROVING SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2019.

THIS MATTER comes before the Board of Directors of Oak Lodge Water Services District, a Special District organized under Oregon Revised Statutes Chapter 450, regarding the fiscal year 2019 supplemental budget.

WHEREAS, Oak Lodge Water District Board of Directors adopted the 2018/2019 budget appropriations, and

WHEREAS, The Capital Outlay in the Watershed Protection Fund is under appropriated by an estimated \$350,000, and

WHEREAS, the Contingency in the Watershed Protection Fund is available to transfer to Capital Outlay, and

WHEREAS, the Transfer in the Watershed Protection fund to the Watershed Protection Capital Fund needs to be reduced to cover the Debt Service in the Watershed Protection Fund in the amount of \$63,000; now therefore,

BE IT RESOLVED that the 2019 Adopted Budget be amended as follows:

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Watershed Protection Capital			
Capital Outlay	2,001,000	350,000	2,351,000
Contingency	<u>500,000</u>	<u>(350,000)</u>	<u>150,000</u>
Totals	2,501,000	-0-	2,501,000
Watershed Protection Fund			
Debt Service	-0-	63,000	63,000
Transfer to Watershed Capital	<u>3,600,000</u>	<u>(63,000)</u>	<u>3,537,000</u>
Totals	3,600,000	-0-	3,600,000

BE IT FURTHER RESOLVED, that the Board of Directors of the Oak Lodge Water Services District Approves the amended budget as presented above.

ADOPTED this 21st day of May 2019

OAK LODGE WATER SERVICES DISTRICT

By _____ By _____
Sue Keil, President Kevin Williams, Secretary



STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Budget Adoption FY 2019-2020
Item No.: 7
Date: May 21, 2019

Background

Oregon Revised Statutes (ORS), Chapter 294, requires the District to develop and adopt a budget on an annual or biennial basis. ORS Chapter 294 prescribes the requirements for budget development and adoption including designating a Budget Officer, Budget Committee, budget process, publication and notice requirements, and budget adoption.

The Oak Lodge Water Services Budget Committee met in April to discuss the fiscal year 2019/2020 proposed budget. The Budget Committee unanimously approved the budget as proposed on April 23, 2019.

Issue

The District's 2019/2020 approved budget needs to be adopted and funds appropriated.

Recommendations

It is recommended the Board:

1. Approve Resolution No. 19-03 adopting the 2019-2020 Budget
2. Make budgetary appropriations for Fiscal Year 2019-2020

Facts and Findings

The Board can make changes to the approved budget. The Board can reduce the budget by any amount or increase it by a maximum of 10% or \$5,000 (whichever is greater) in any fund without reconvening the budget committee. If they choose to change the budget, an amended budget summary must be published, and another budget hearing held.

Public Hearing conducted by the President of the Board of Directors

After the Public Hearing has concluded:

Suggested Motions (2 separate motions)

ADOPTING THE BUDGET

"I move to adopt the amounts as stated in Resolution No. 19-03 for fiscal year beginning July 1, 2019 in the amount of \$32,894,260."

MAKING APPROPRIATIONS

"I move to adopt the amounts as stated in Resolution No. 19-03 for fiscal year beginning July 1, 2019 and appropriate the funds as outlined."

Attachments

1. Budget introduction
2. Resolution No. 19-03

Dear customers and interested parties,

At Oak Lodge Water Services (OLWS) staff want to make our budget document easy to read and understand. Often times, as the budget is developed and described finance staff end up using finance specific language. In this starting narrative terms will be defined, or non-finance terms will be used for the sake of better understanding.

Average Bi-Monthly Rate for all Water Services Comparison – 2018-19 versus 2019-20

An increase in rates does not necessarily translate one-to-one in dollars of budgeted costs. Rates are one piece of the funding puzzle, which also includes existing reserves and other sources that may be applied to offset costs.

EXPENDITURE ASSUMPTIONS

How is it that there are increases in certain costs that exceed the rate increase?

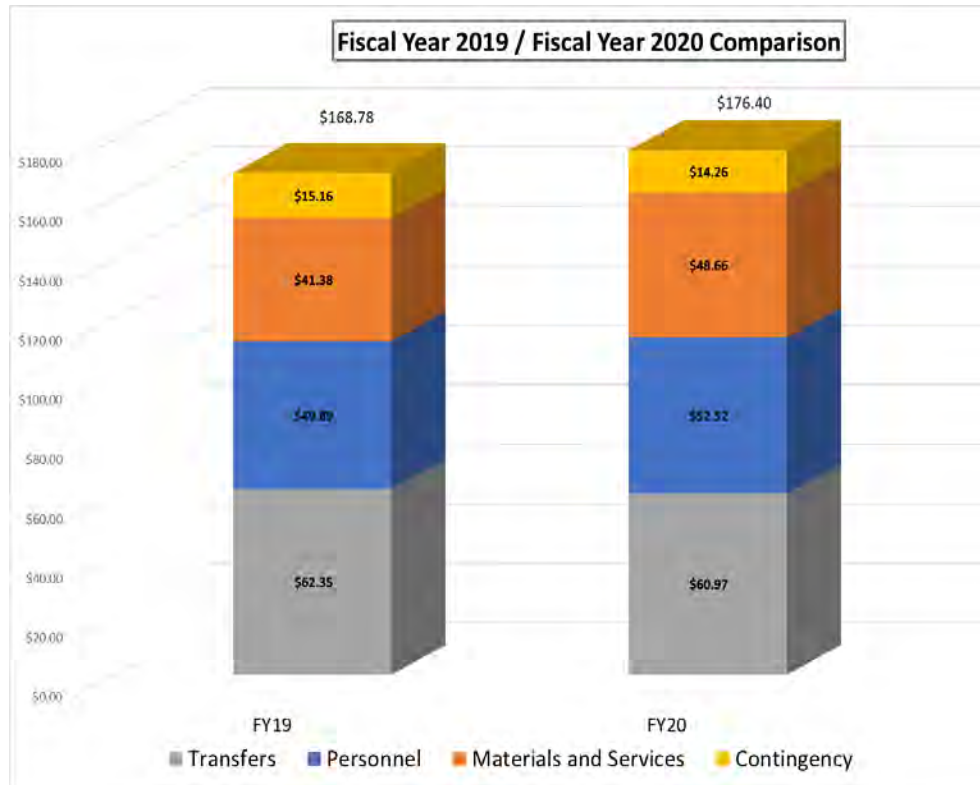
First, increases in employee insurance, PERS and other personnel services items range from 2% to 30% individually but personnel services overall, even with the three new positions, is only increasing 4.4% from last year's budget. As personnel services makes up only 19% of the total budget, this amounts to less than a 1% effect on the overall budget. This increase includes a rate increase from PERS for the next two years. The increases in personnel services are also partially offset through the hiring of new staff at lower initial rates than may have been previously paid or budgeted.

Along this same line, when we look at the 5.48% increase in materials and services, realize that materials and services is 16% of the overall budget so the increase has little impact on the overall budget. In a typical year transfers from operations impact the rates and this is true for the 2020 budget. However last year's budget reflected initial funding of the capital reserves which was not used to calculate the fiscal year 2019 rates. So, for this year's budget the decrease in transfers do not carry over to a decrease in fiscal year 2020 rates.

With these foundational changes over the last couple of years, including the adoption of financial policies and establishment of new funds, we expect it to be much easier to project and track items that affect the rates. For instance, capital expenditures do not directly affect the rates, but the transfers from the operating funds to capital do. It is important to transfer enough each year to fund current projects and continue to build a reserve in the capital funds, smoothing the rate hit in years with large capital projects.

RATE HISTORY

The chart below shows the changes in rate for the average bi-monthly bill by category, using only the areas that impact the rate:



To provide a visual of the rates versus the revenue generated by the rates the two charts below were created:



As shown in the chart above, water has the greatest increase in revenue generated by the rate increase. This reflects a correction in the way rate impacts are estimated in terms of dollar revenues from prior years.

REVENUE ASSUMPTIONS

Each utility has its own rate methodology. The percent increase in revenue does not directly translate to the percent increase in rates. Revenue forecasts are based on assumptions about customers' use of OLWS services. History of use is looked at, as well as any other potential changes in demand for services. Just because rates are raised does not mean revenue will come in exactly as forecasted.

For fiscal year 2020 the rate increase for the base rate of sewer is about 4.9% and about 4% for the consumption portion of the bill bringing the total average sewer rate increase to about 4.5%. The rate increase is stated as an average since every customer has a different consumption rate based on their individual winter water use. The customer average consumption for the District is 6 hundred cubic feet (ccf) of water per winter month. When calculating the revenue, OLWS uses the total ccf billed averaged over several years to estimate the revenue.

Similarly, the water increase is stated using the customer average consumption of water at 6 ccf per month. Water incorporates a structure of tiered rates that must be considered in the revenue estimates averaged over several years.

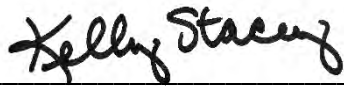
Watershed protection rates and revenues are based on equivalent service units (ESU). Many commercial customers have more than one ESU reflecting actual impervious surface area. Each 2500 square feet equals one ESU. Residential customers typically have 1 ESU assigned to their property regardless of impervious surface area.

Looking at this year's Drinking Water Fund budget it appears as though there is a 5.7% decrease in appropriations (from \$6.9 million to \$6.5 million). The reason for this is in fiscal year 2019 all the excess fund balance was transferred to the new Drinking Water Capital Fund. Most of this transfer, as mentioned above, was not used in the 2019 rate calculation. ["Appropriation" means an authorization granted by the governing body to make expenditures.]

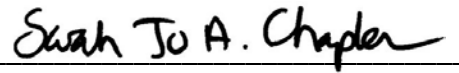
The same holds true for the Wastewater Reclamation Fund appropriations (from \$13.6 million to \$9.2 million) and the Watershed Protection Fund appropriations (from \$4.9 million to \$1.9 million).

Most people are not reading government budgets every day, so this narrative was written in an effort to provide increased clarity and transparency. As the District moves forward, the budget will get more refined and will have less structural changes from year-to-year. In government accounting a fund is used as an independent accounting unit whose revenues and expenditures are balanced and segregated to record a specific set of activities. It is like having a separate bank account for water delivery, sanitary service, surface water services and other activities which need to be segregated. It is difficult to look at a fund's history and truly see the increase or decrease with the addition of new funds these past two years. With the added

Administrative Services Fund in the current budget and the Capital Funds in the previous year, staff has made it easier to monitor the budget, but more difficult to look back and compare. In the coming years, the results of these early changes will meld into a product that is better for moving forward and looking back.



Kelly Stacey, Budget Officer, Finance Director



Sarah Jo Chaplen, General Manager

OAK LODGE WATER SERVICES DISTRICT

RESOLUTION NO. 19-03

A RESOLUTION BY OAK LODGE WATER SERVICES DISTRICT BOARD OF DIRECTORS APPROVING THE FISCAL YEAR 2020 BUDGET AND MAKING BUDGETARY APPROPRIATIONS FOR FISCAL YEAR 2020

THIS MATTER came before the Board of Directors of Oak Lodge Water Services District, a Special District organized under Oregon Revised Statutes Chapter 450, regarding the making of budgetary appropriations for Fiscal Year 2020 for the necessary and proper operations of the District.

BE IT RESOLVED that the Board of Directors for the Oak Lodge Water Services hereby adopts the Budget approved by the Budget Committee in the amount of \$32,894,260, and appropriates the following amounts, for the purposes as shown below, for the fiscal year beginning July 1, 2019:

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2019 and for the purposes shown below are hereby appropriated:

Drinking Water Fund			
Personal Services	\$1,044,000		
Material & Services	\$1,555,200		
Debt Service	\$ 209,522		
Transfers	\$3,119,000		
Contingency	\$ 559,429		
Total			\$6,487,151
Wastewater Reclamation			
Personal Services	\$1,876,000		
Material & Services	\$ 982,700		
Transfers	\$5,778,500		
Contingency	\$ 571,978		
Total			\$9,209,178
Watershed Protection			
Personal Services	\$ 178,000		
Material & Services	\$ 83,500		
Debt Service	\$ 62,558		
Transfers	\$1,459,000		
Contingency	\$ 83,928		
Total			\$1,866,986
Wastewater GO Debt Service			
Debt Service	\$1,809,848		
Total			\$1,809,848
Reserve for Future	\$308,264		

Wastewater Revenue Bond Debt Service			
Debt Service		\$1,812,342	
Total			\$1,812,342
Reserve for Future	\$658,281		
Drinking Water Capital Fund			
Capital Outlay		\$4,428,013	
Total			\$4,428,013
Wastewater Reclamation Capital Fund			
Capital Outlay		\$5,129,027	
Total			\$5,129,027
Watershed Protection Capital Fund			
Capital Outlay		\$2,151,715	
Total			\$2,151,715
Total Appropriations (All Funds)			<u>\$32,894,260</u>
Total Unappropriated Reserve			\$ 966,545
Total Adopted Budget (All Funds)			<u>\$33,860,805</u>

ADOPTED this 21st day of May 2019

OAK LODGE WATER SERVICES DISTRICT

By _____ By _____
Sue Keil, President Kevin Williams, Secretary

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Jason Rice, District Engineer
Agenda Item: Silverleaf Sewer Repair Contract
Item No.: 8
Date: May 14, 2019 for May 21, 2019 Regular Board Meeting

Action Requested

Authorize the General Manager to sign a contract with GT Excavating LLC in the amount of \$262,965 for the construction of the SE Silverleaf Sewer Repair.

History

June 2018 The Board approved by Resolution 18-05 the FY19 Budget which included funds for the construction of this project.

Background

Contained within the Capital Improvement Plan is a series of repeating projects titled (Wastewater) Mainline Repair Program. The goal of this program is to systematically repair and replace the highest ranked deficiencies contained within the District's Asset Management System (Lucity). After identifying the mainline in SE Silverleaf and a spot repair on Creighton, staff then worked with AKS Engineering to develop a plan set for bidding and permitting.

The Silverleaf Sewer Repair went through a competitive bid process in accordance with the District's Public Contracting Rules. The project was advertised in the Daily Journal of Commerce (DJC) on April 17th and 22nd of 2019 and staff received one bid before the May 2, 2019 2:00pm bid opening. The following table is a summary of the single bid amounts along with the engineer's estimate:

GT Excavating Bid	\$262,965
<u>AKS Engineering Estimate</u>	<u>\$224,920</u>
Difference	(\$38,045)

Among the individual bid items, the two largest discrepancies between the Engineer's Estimate and the low bid were installation of the manhole on Creighton (\$28,135) and the installation of a manhole on Silverleaf (\$9,660). Adjustments have been made to account for these higher installation costs for future estimating.

GT Excavating has been in business since 2007 Working primarily on small to mid-sized water and sewer line projects. In fact, they have even worked for Oak Lodge Water District prior to the consolidation. When checking references after the bid opening, they received positive feedback from our neighboring communities.

Concurrence

Technical Services staff coordinated with the following groups during the development of the project design:

- OLWSD Field Operations for prioritization
- AKS Engineering in design
- Clackamas County Development for Utility Placement and Right-of-Way Permits

Workload Impacts

Project Management and inspection of this project will be accommodated within existing workloads.

Suggested Board Motion

“I move to approve our General Manager to sign a contract with GT Excavating in the amount of \$262,965, for the construction of the Silverleaf Sewer Repair Project.”



STAFF REPORT

To: Board of Directors
From: Todd Knapp, Operations Manager Field
Agenda Item: Backflow Program Update
Item No.: 9
Date: May 21, 2019

Action Requested

None at this time, staff is just providing a status update. This is an opportunity for the Board to ask questions, share customer questions they have received and give any feed-back on the Oak Lodge Water Services (OLWS) Backflow Program.

History

1981	Oregon Drinking Water Quality Act.
September 2017	Board approves Resolution No. 17-14 adopting the Design and Construction Standards.
February 2018	Board approved Ordinance No. 18-01, adopting the Rules and Regulations of the District. The rules specifically address backflow and cross connection (6.8), and backflow testing (6.9)

Background

District's Responsibility

Under the Oregon Administrative Rules, 333-061-0070 Cross Connection Control Requirements:

Water suppliers shall undertake cross connection control programs to protect the public water systems from pollution and contamination. Water suppliers shall develop and implement cross connection control programs that meet the minimum requirements set forth in these rules.

Below are examples of high hazards to a water system:

Premises with piping under pressure for conveying liquids other than potable water and the piping is installed in proximity to potable water piping.

Premises with an auxiliary water supply that is connected to a potable water supply.

Premises where the water supplier is denied access or restricted access for survey.

Property Owner's Responsibility

The premises owner shall:

Ensure no cross connections exist between the POD [Point of Delivery] from the public water system and the approved backflow prevention assemblies are installed.

Assume responsibility for testing, maintenance, and repair of the installed approved backflow prevention assembly to protect against the hazard.

Most Common Reasons for Needing A Backflow Device:

1. Auxiliary water supply (well) (pump in river)
2. Hot tub or swimming pool
3. Lawn Sprinkler Systems
4. Heating System / Boilers

Backflow Program Update

In April 2019 a flyer was sent out to all customers informing them of a new program the district had put together in order to help customers with their backflow device testing. The hope was, customers would see the benefit of signing up and automatically having their backflow test results sent to OLWS. The hassle of them receiving multiple letters asking them to comply, would be a thing of the past.

What staff did not anticipate was the number of different responses from customers: ranging from some simply signing up for the program because they thought they had to; others being upset OLWS was imposing "yet another fee" they had to pay and the majority of customers who were happy to sign up, knowing this was going to save them money and the hassle of dealing with the whole thing; and others signed up for the program even though they had no current need for a backflow device.

Still there was yet another group of customers, who through this process, thought they might have a potential cross connection hazard and were concerned.

OLWS staff are currently aware of roughly 1,200 customers within the District who have one or more backflow devices. OLWS is certain this is not the complete number. Currently, over 315 people have signed up, and another 150 people have called to talk about potential hazards they may have on their property. Sending this flyer to everyone has raised concerns about backflow and potential cross connections and enabled staff to assist with further customer education

Staff received around 300 calls; customers had many questions. Examples of hazards were discussed with each customer to determine if they had any. The more OLWS can educate our customers the safer the drinking water delivery system is for all.

After initial month of reviewing individual customer situations, irrigation systems were among the most common hazard found. Systems were installed without backflow devices or they were installed but the District was never notified. Staff cannot track devices for annual testing if we do not know about them.

The irrigation system topic is really cut and dry, if the customer is connected to OLWS potable water (drinking water), they are required to have a backflow device installed. If the customer has a backflow device, they are required to have it annually tested.

Auxiliary water supply, in the form of a well or a pump located in the river for irrigation is another concerning hazard.

The state rules are very clear, if any property having an auxiliary water supply that is connected to potable drinking water, a (RPZD) Reduce Pressure Zone Device must be installed behind the water meter. It also states "*Premises with piping under pressure for conveying liquids other than potable water and the piping is installed in proximity to potable water piping*" will have a RPZD at the meter.

Oak Lodge is committed to ensure our water system is protected from any actual or potential cross connections. Properties with an auxiliary water supply will be required to have the appropriate backflow device installed.

Talking to other water providers in the area (CRW, Oregon City, TVWD) this is the same approach everyone has to auxiliary water supplies.

Educating customers is the most important part of this program. Customers simply are not aware of the potential risks for everyone that contamination could cause to the drinking water system.

Oak Lodge is committed to helping customers with the testing and maintenance of these devices. The District has contracted with Cascadia Backflow Testing LLC to help

with testing, repairs, and even new installations. All work performed by Cascadia is billed to Oak Lodge and these costs are passed along back to the customer in their water bill. OLWS has convenient payment plan options available for customers who get hit with a big repair or installation bill. This is something that very few water providers are doing and is a great benefit to our customers.

Enforcement

Enforcement is the most vital part of this program. Devices not working or installed cannot adequately protect our system. Devices are required to be tested annually to ensure good working order; devices also need to be repaired in a timely manner. Newly discovered hazards present a challenge in the fact they may have been present for a considerable amount of time without the district's knowledge and through this process the district is being made aware of these potential hazards, staff is currently addressing them. Please see the attached flow charts on how Oak Lodge handles each scenario.

Attachments

1. Back Flow Testing Flow Chart A and B.
2. Enforcement Flow Chart C

Backflow Testing Flow Chart

5/15/19

A

Customer Needs Device Tested

Customer signs up for our program
Their device is tested and a \$22 fee is added to their bill

Customer hires contractor and pays them for testing and repairs

Customer does not sign up and OLWS force tests device and \$47 fee added to bill

B

Backflow Device is Tested and Fails

Voluntarily Enrolled Customer's

Force Test Customers

Backflow device needs repair under \$50

Backflow device needs repair over \$50

Send copy of estimate from our contractor certified mail to customer for approval

OLWS has contractor repair device at the time of failure and we add the repair cost to customer's bill

OLWS gets quote from contractor for repairs

OLWS sends quote to customer via certified mail for review & approval

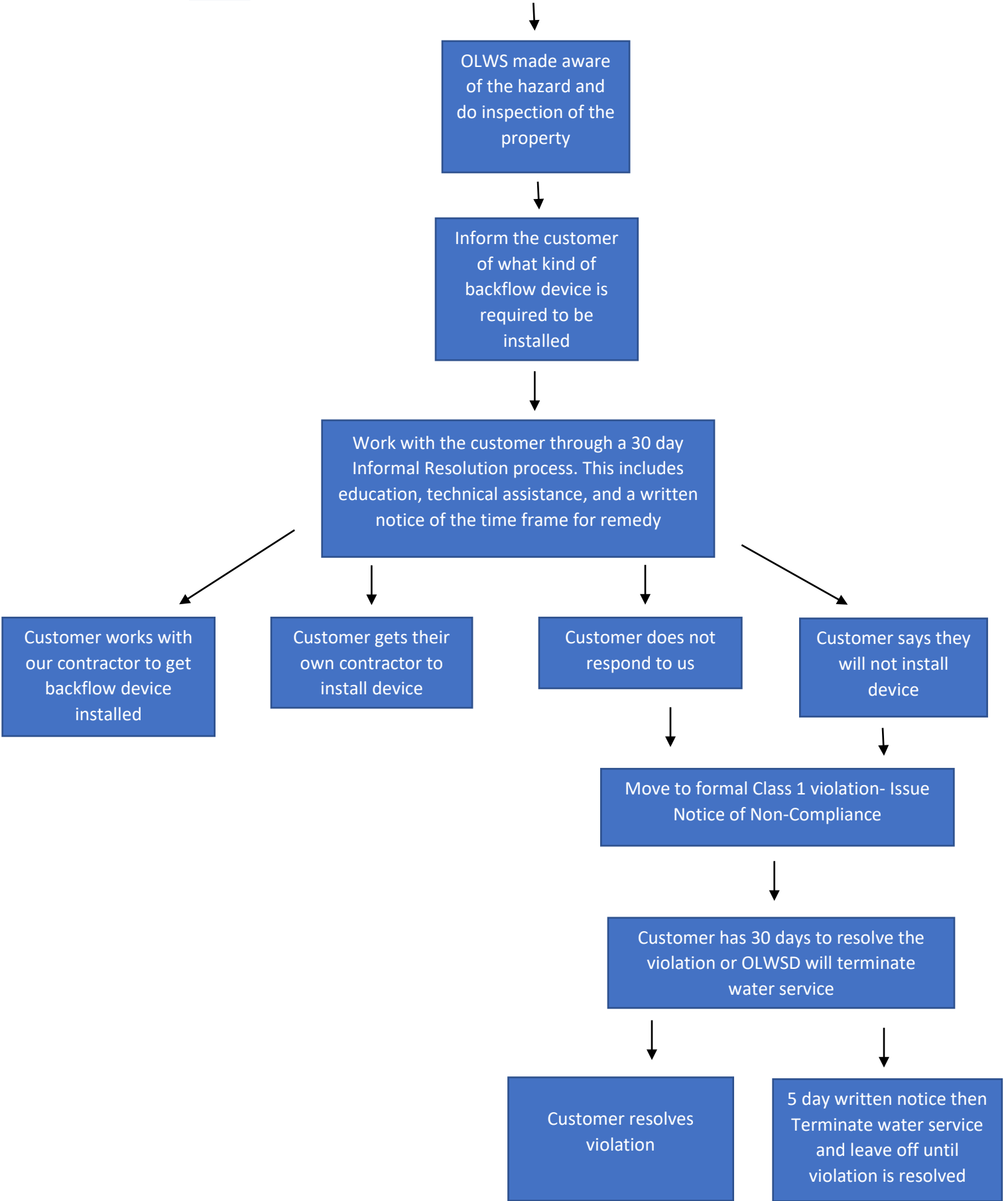
Customer agrees to price and OLWS has contractor fix

Do not hear back in 10 days OLWS has contractor fix device and add cost to bill

Customer hires their own contractor for repairs

C

Customer Needs to Install Backflow Device Because They Have a Hazard



OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Finance Department Report
Item No.: 10a
Date: May 21, 2019

Below is an update of various efforts of the Finance/Administration department for April 2019:

Lockbox:

The lockbox project is moving forward. April began the payment coupon testing. For this process the BMS mailed printed copies of OLWS statements to the lockbox division where the payment coupon is being verified for size and readability on the lockbox equipment. Soon we will be moving to testing the data. The targeted go-live is for the July 2019 billing. The finance staff is excited to move forward with this project and continue communicating to our customers through the District's newsletter and with an insert in their bill regarding the coming change of our return address, since they will soon see a Seattle address on their bill.

Budget

With the fiscal year 2020 Budget approval in April staff is moving forward on messaging regarding the rate increase. It was included as a line on the April 30 bills and will continue to be messaged until the July 31 bills which will be the first bill with the rate increase. We will be bringing the new fees and charges for adoption at the June meeting. Staff is working on the adopted budget document which will be printed in early July.

Other Items:

The low-income renewal is complete for the year. This brought the number of participants down to 154 from a high of 161. Staff will continue to offer applications to customers having problems paying.

Phones were busy in April with backflow questions. The finance team has learned the ins and outs of backflow requirements, although we still have to refer to Dave for the detailed questions.

STAFF REPORT

To: Board of Directors
From: Todd Knapp, Operations Manager Field
Agenda Item: Field Operations Report
Item No.: 10b
Date: May 21, 2019

Background

The Board has requested updates at the Regular Meetings of the Board on the status of the District's Operations.

Operations Administration



Customer called and said their sewer line was backed up; crews responded by TVing the line to see what was causing the problem. What they found was they could not even get the TV camera into the line, this meant it had to be dug up.



Water crews helped by cutting the street and digging up the line exposing the problem. What you are looking at in this photo is a large root ball that was growing in the sewer line from a nearby tree, the pipe was completely filled and had to be broken to reveal and expose the root cause.



The sewer team then took over, cutting and removing the old root filled pipe and replacing it with new PVC.

This was a small example of the work the crews are engaged in on a regular basis.

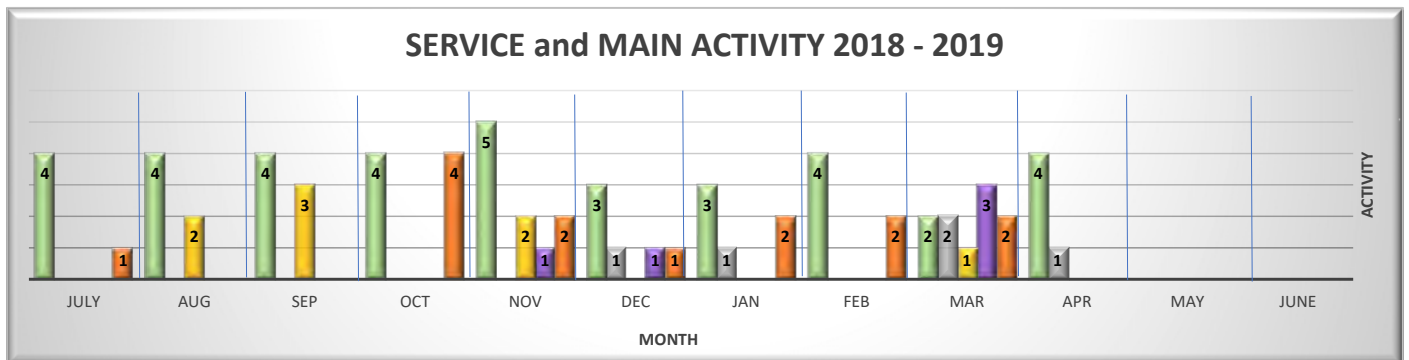
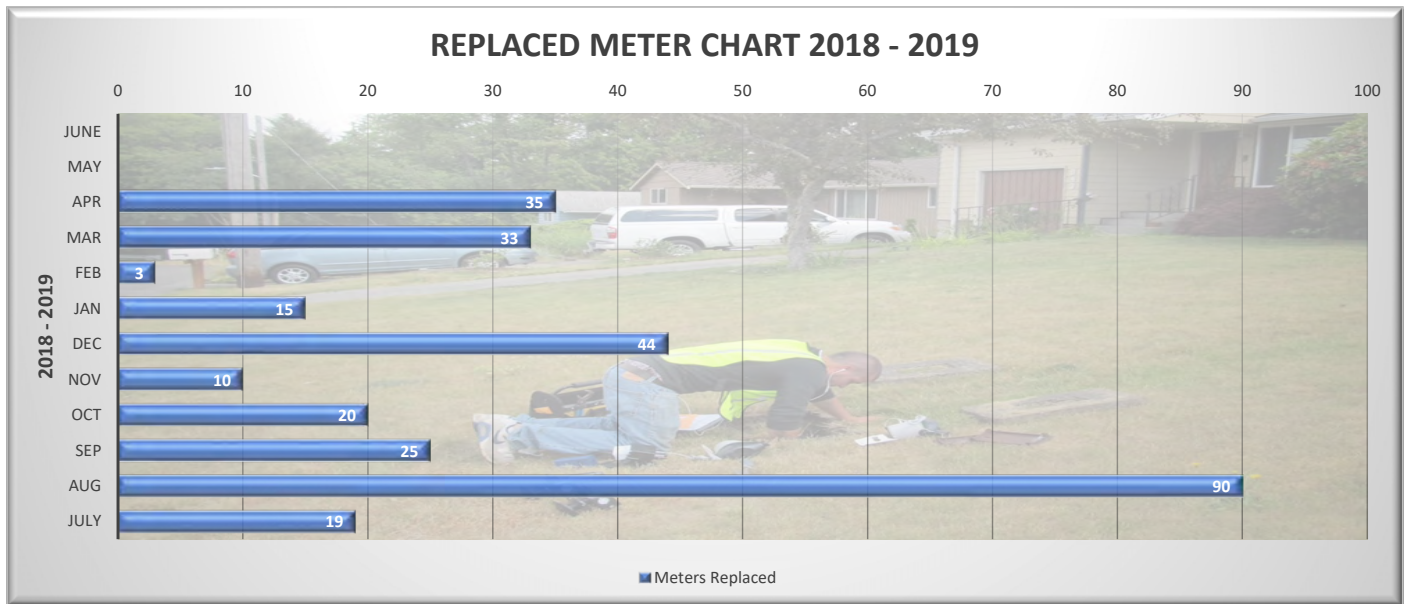
Sewer production numbers have been low, due to the fact the TV van computer needed to be repaired and upgraded, also there were many inspections for warranty work that were needed.

Field Operations Monthly Report for April 2019

Highlights for the month:

- Meters replaced, new services added, and leaks repaired (See chart)
- Crews helped each other with sewer main repair work.
- Water consumption for **April: 76,199,000 Gallons** (above the 10-year average of 74,637,700) (See metered monthly consumption chart)

Oak Lodge Water Services Water Report

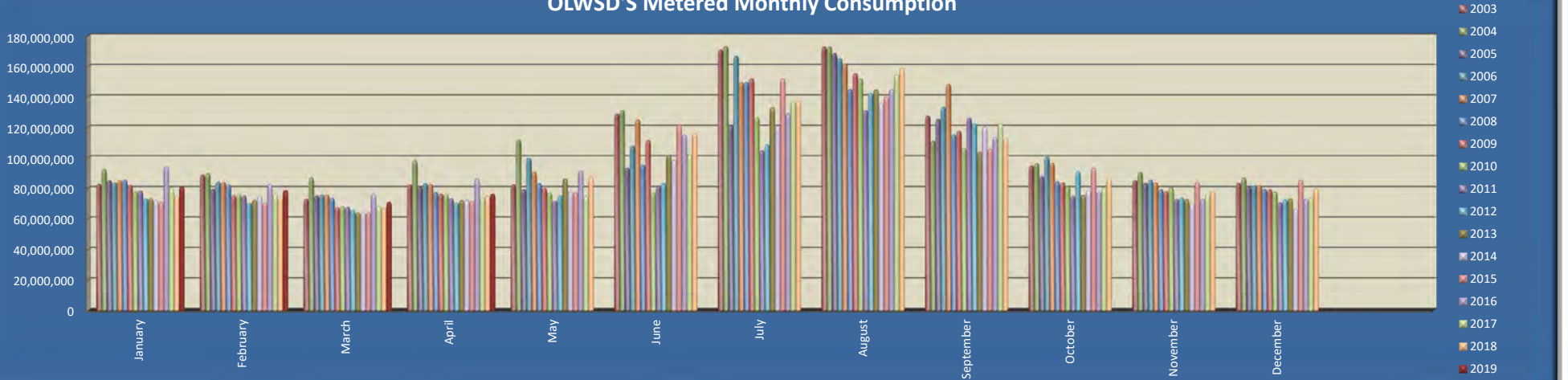


Fiscal Year	Month	Meters Replaced	New Services	Iron Services Renewed	Plastic Services Renewed	Service Leaks Repaired	Main Leaks Repaired
2019	June						
2019	May						
2019	Apr	35	4	1			
2019	Mar	33	2	2	1	3	2
2019	Feb	3	4				2
2019	Jan	15	3	1			2
2018	Dec	44	3	1		1	1
2018	Nov	10	5		2	1	2
2018	Oct	20	4				4
2018	Sep	25	4		3		
2018	Aug	90	4		2		
2018	July	19	4				1
Yearly Total		294	37	5	8	5	14

Consumption By Year

Year	Month												Total Yearly Con	Average Daily Demand	10 Year % Ave	
	January	February	March	April	May	June	July	August	September	October	November	December				
2003	82,674,600	88,370,400	72,820,000	82,357,000	82,416,000	128,520,000	170,652,000	172,726,000	127,198,000	94,416,000	85,037,000	83,285,000	1,270,472,000	3.48		
2004	91,933,000	89,441,000	86,755,000	97,665,000	111,392,000	130,863,000	172,883,000	172,499,000	110,696,000	95,973,000	90,079,000	86,823,000	1,337,002,000	3.66		
2005	84,976,000	79,415,000	74,996,000	80,616,000	79,088,000	92,885,000	120,871,000	168,248,000	125,172,000	87,512,000	83,230,500	80,773,500	1,157,783,000	3.17		
2006	83,697,000	84,098,667	75,580,333	83,028,000	99,436,000	107,501,000	166,449,000	164,957,000	132,989,000	100,180,000	85,350,000	81,587,000	1,264,853,000	3.47		
2007	85,179,000	83,766,000	75,622,455	82,508,545	90,129,000	124,696,000	149,207,000	161,512,000	147,980,000	96,159,000	83,445,000	81,921,000	1,262,125,000	3.46		
2008	85,466,000	82,200,000	73,405,000	77,221,722	83,162,278	94,885,000	149,422,000	144,592,000	114,830,000	84,307,000	79,094,000	79,319,000	1,147,904,000	3.14	104.63%	
2009	82,042,000	75,196,000	67,364,000	76,238,000	79,968,000	111,127,286	151,804,000	155,069,000	117,099,000	83,457,000	77,782,000	79,107,000	1,156,253,286	3.17	105.39%	
2010	77,735,000	75,975,000	67,986,000	75,943,000	76,903,000	76,720,000	125,996,000	151,590,000	105,880,000	81,052,000	80,389,000	77,515,000	1,073,684,000	2.94	97.87%	
2011	78,266,000	74,983,000	67,462,000	73,285,000	71,613,000	81,189,000	104,328,000	130,684,000	125,733,000	74,646,000	72,657,000	70,555,000	1,025,401,000	2.81	93.47%	
2012	73,041,000	70,104,000	65,501,000	70,380,000	75,148,000	83,256,000	108,236,000	142,023,000	121,981,000	90,545,000	73,672,000	72,454,000	1,046,341,000	2.87	95.38%	
2013	73,277,000	72,051,000	63,866,000	71,906,000	86,085,000	101,278,000	132,837,000	144,354,000	103,403,000	75,217,000	72,624,000	73,180,000	1,070,078,000	2.93	97.54%	
2014	72,052,000	74,566,000	63,886,000	72,171,000	77,889,000	97,978,000	120,411,000	135,271,000	120,008,000	78,257,000	69,534,000	66,200,143	1,048,223,143	2.87	95.55%	
2015	70,840,857	70,318,000	63,972,000	71,515,000	77,173,000	121,185,000	151,728,000	139,696,000	105,238,000	92,781,000	83,966,000	85,368,000	1,133,780,857	3.11	103.35%	
2016	93,522,000	82,637,000	76,044,000	86,443,000	90,989,000	114,745,667	128,722,333	144,599,000	113,212,000	77,196,000	72,766,000	72,839,000	1,153,715,000	3.16	105.16%	
2017	80,205,000	75,867,000	68,040,000	73,822,000	74,515,000	101,310,000	136,262,000	154,085,000	122,113,000	79,860,000	75,718,000	73,584,000	1,115,381,000	3.06	101.67%	
2018	74,389,000	73,219,000	66,754,000	74,713,000	87,263,000	115,543,000	136,887,000	158,433,000	112,001,000	86,062,000	77,769,000	79,690,000	1,142,723,000	3.13	104.16%	
2019	81,040,000	78,594,000	70,790,000	76,199,000												
2020																
10 Year Average	77,436,786	74,831,400	67,087,500	74,637,700	79,754,600	100,433,195	129,721,133	145,580,400	114,666,800	81,907,300	75,687,700	75,049,214	10 Year ADD	3.01	Winter Ave 75,772,467	
															Summer Ave 129,989,444	

OLWSD'S Metered Monthly Consumption





Staff Report

To: Board of Directors
From: David Mendenhall, Plant Superintendent
Agenda Item: Plant Operations
Item No.: 10c
Date: May 21, 2019

Background:

The Board has requested updates at the Regular Meetings of the Board on the status of the District's Operations.

Water Reclamation Facility Operations

Operationally the highlight of April was a large rain and flow event early in the month. The plant process was in such a good range that no adjustments were needed. There was no need to go into Contact Stabilization. The blankets in the clarifiers went up some but contained the load and over the next several days they leveled back out into the aeration basins. This is the result of our solids reduction and sludge age range of 10-12 days target being met. We were all happy with the outcome. As the rest of April stayed dry, the flows reduced, and things got a bit warmer, Operations began to plan for the summer permit season which starts May 1. Because the plant is in a good range with plenty of capacity and air, nitrification started as the water temperature rose a little. Nitrification is the conversion of ammonia to nitrate. Ammonia is monitored during the summer season but is not a permit limit. So, nitrification is good, but it consumes alkalinity which drops the pH. The other side effect with our capacity is that denitrification can happen in the clarifiers. Denitrification is the completion of the nitrogen cycle releasing nitrogen gas. If this happens too much in the clarifiers it lifts the sludge blankets and affects the effluent quality. So, to counter this the plant was designed with the ability to return mixed liquor (MLR) from the end of the aeration basins to the front of the process into the anoxic zone (no air). This forces denitrification to take place and returns alkalinity which stabilizes the pH. In the later part of the month, Operations led by David Hawkins, put the MLR in motion and made some aeration adjustments. We are ready for the summer season. Dewatering is going well and the wasting is stable. Randy Leniger has kept the hauling steady with some help from Doug Woods. One day however the truck Doug was driving stopped running while on I-84 about three quarters of the way to Madison Farms. The full truck had to be towed back to the plant, emptied, and taken to service. It was some electronic box that

controls the fuel injection. This was more adventure than Doug and Randy were wanting. When the truck came back, Randy and Doug got a team together including Abe Merritt, Jeff Wheeler and Jayson Kahler and got that truck emptied out in the afternoon. 312 cubic yards of biosolids were ultimately delivered to Madison Farms in April.

Operations participated in several outreach events. Paul Witzig helped out Lara with the Clackamas Celebrating Water event and the Children's Clean Water Festival. Chuck Adams helped out with the tour for the new Budget Committee members. And Matthew Westergaard took the Clackamas Community College wastewater class on a very thorough tour of the plant. We were also able to apply for the National Association of Clean Water Agencies (NACWA) Platinum 6 award. This is for full compliance with the NPDES permit for 2018. Our application was accepted and was complete. Unfortunately, we already know that we will be unable to receive a Platinum 7 award. We had a one-day pH result of 5.9 which is under the minimum range. Our limits are 6.0-9.0. I have been talking with DEQ and it is considered a violation. They are not sure yet if that will be submitted to enforcement or we will be issued a warning letter. I have also been discussing permits corrections and biosolids report corrections with DEQ and will be resolving the issues according to their very helpful direction.

Maintenance has been taking advantage of the nice weather to continue painting, cleanup projects, preventive maintenance, and equipment repairs as needed. Matthew, one of our operators, has taken a good interest in the UV bulb devices. Jayson and Matthew worked together and now Matthew has done a lot of bulb replacement, connections cleaning, cleaning fluid replacement and ballasts. He finished rack #2. We are planning for parts ordering and replacements for FY 20. Jayson our resident Rembrandt, painted valve bases on the Influent Pump Station and the eaves and gutters on the old Influent Pump building. We got new grating for the dumpster garage, worked on adjustments with the screw press and valves on the drum screen to improve dewatering. The polymer system needed some troubleshooting and was fixed. John Krogstad got started on a project to test out all the emergency stops in the plant. It is something that was recommended through the Safety Committee and will take a lot of planning and cooperation with Operations and Maintenance. He also kept after the pump stations and worked with the electrician to rearrange the wiring during the remodel of the lunchroom. Measure Tech, our instrumentation contractor, calibrated all our level detectors in the plant. Jayson helped with the confined space entries where needed. Another busy month at the plant!

Attachments:

10ci_Operations Staff Report Rainfall vs Flow data correlation
October 2018 – April 2019

10cii_Plant Performance BOD-SS graph October 2018 – April 2019



Drum Screen water valves



New grating in screenings room



Old Influent Pump Station painting



Level Detector calibration



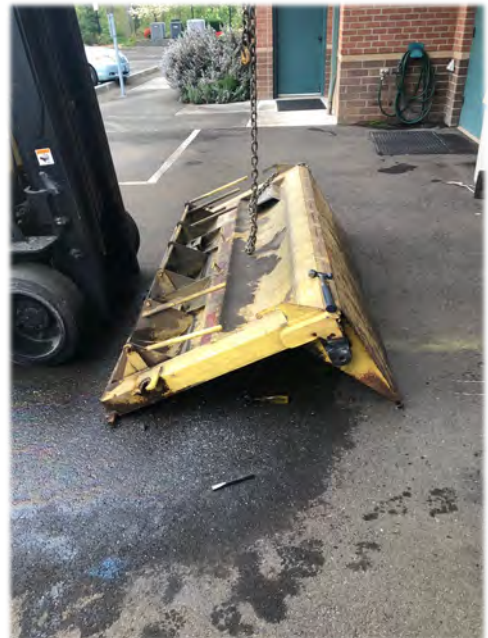
IBR pedestal painting



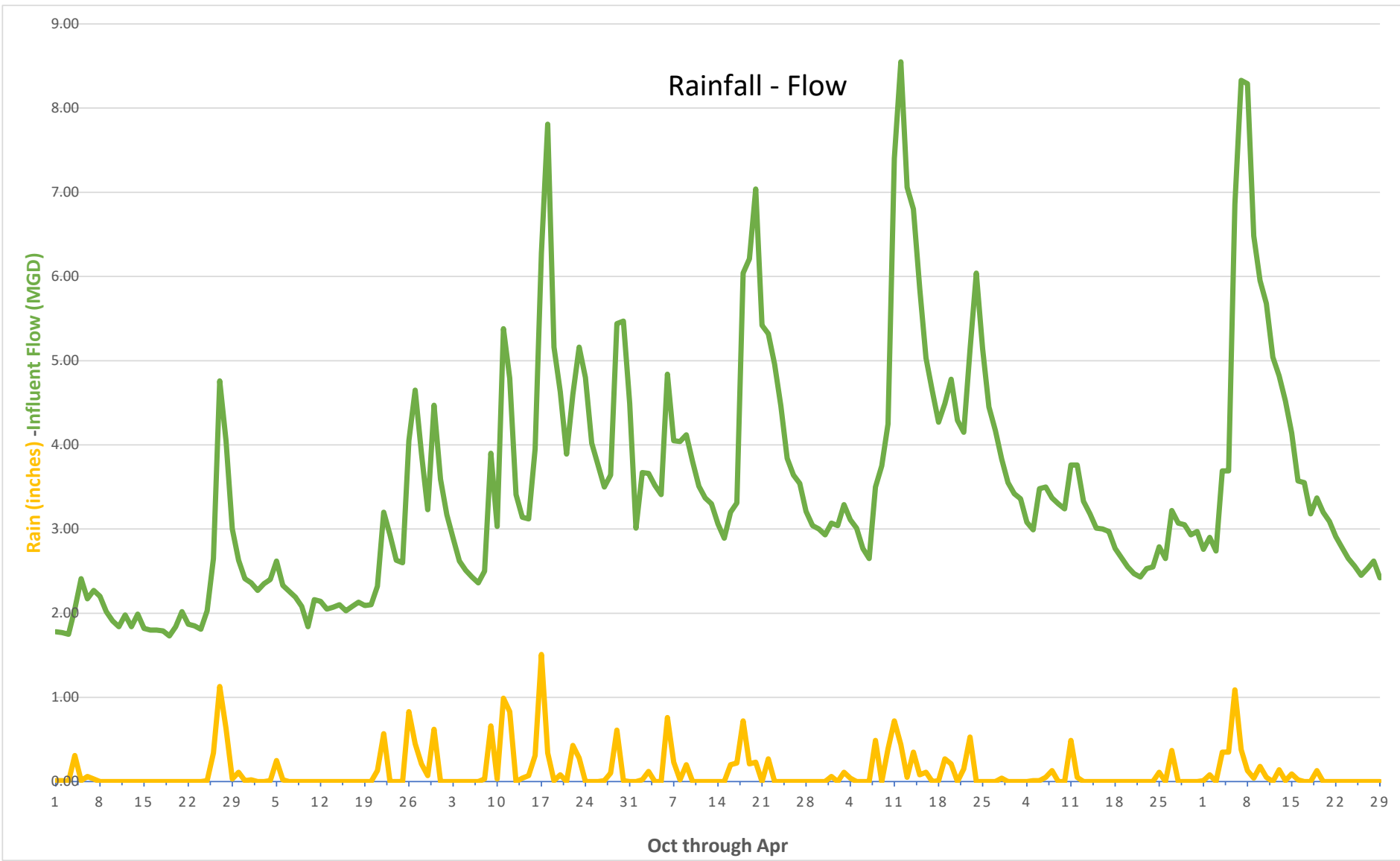
Screw press adjustments



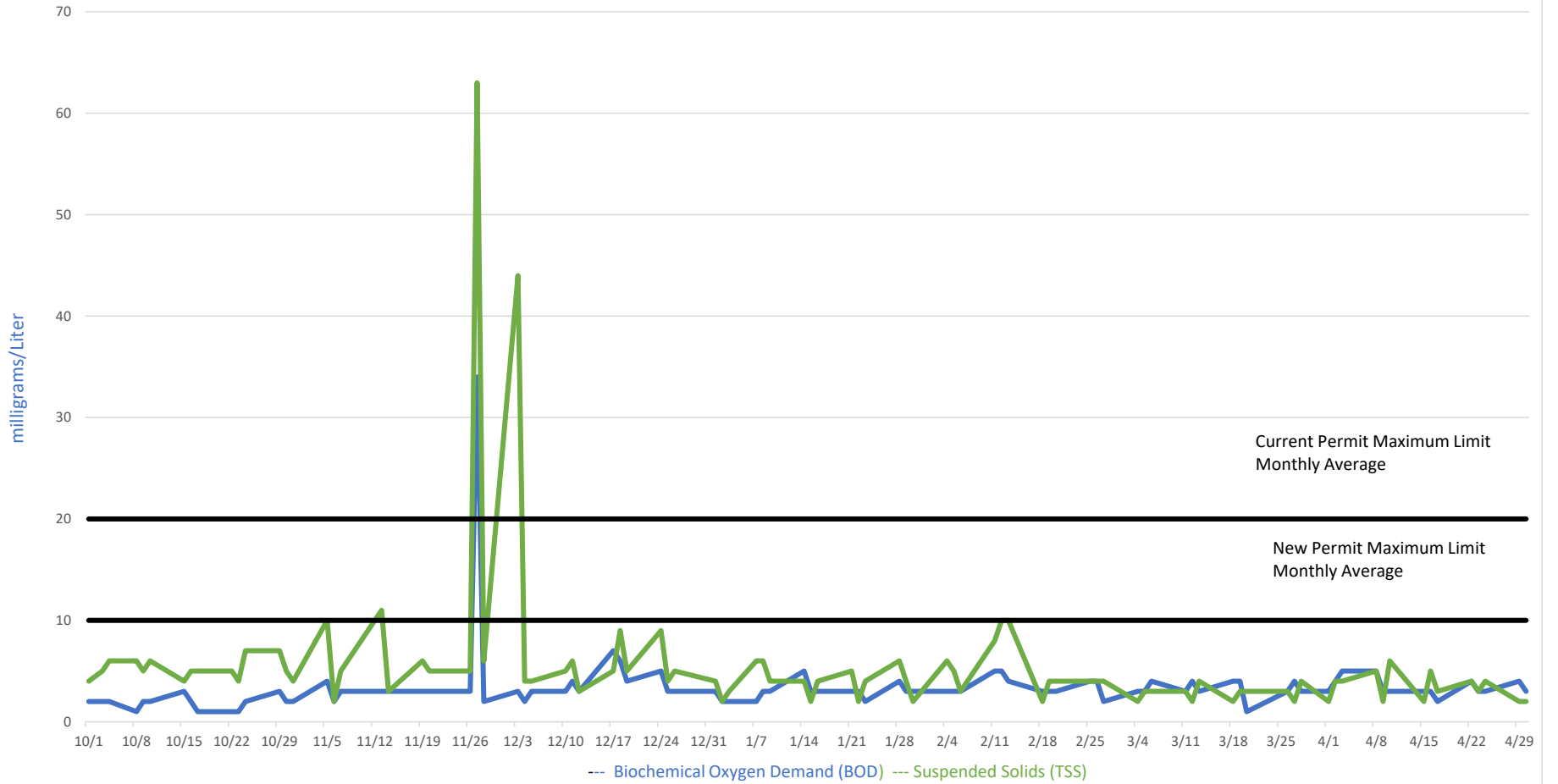
Polymer system control work



Dump Truck tailgate removal



Effluent Water Quality





STAFF REPORT

To: Board of Directors
From: Technical Services Team
Agenda Item: Technical Services Monthly Report
Item No.: 10d
Date: May 3, 2019 (for May 21, 2019 Meeting)

Below is an update of various Technical Services Program efforts:

DEQ Notice of Violation

On May 1, 2019 DEQ Noticed Board President Susan Keil of a violation that was reported to them by an anonymous source. While there was some misinformation built into the Notice, Staff prepared a response and submitted it to DEQ on May 3rd. On May 6th, DEQ responded by closing out the complaint.

See Attachment 1 to this document for:

1. DEQ's Notice of Violation
2. Staff's Response to the Notice of Violation
3. DEQ's Response to Staff's Response

Outreach and Education

The Rex Putnam High School Students have prepared a presentation on the Watershed Health Education Program (WHEP) for the OLWS Board of Directors. This year they were out in the field with Ecology in Classrooms and Outdoors (ECO) and OLWS staff multiple times, as well as having staff in the classroom for presentations on surface water, sewer, and drinking water. Students also toured the drinking water and wastewater reclamation facilities. ECO and OLWS work together with the teacher and principal from Rex Putnam High School to organize the program, which changes a little each year depending on field site availability. Next year we are looking forward to accessing Boardman Wetland with students, and in future years conducting water quality tests, wildlife monitoring, restoration, and plantings. Future partners include the North Clackamas Parks and Recreation District. If you have questions or comments about the WHEP program, please direct them to Lara Christensen.

On Saturday, April 13th, about 10 staff attended the Emergency Water Distribution Exercise at the Concord School in partnership with the Oak Lodge Community Emergency Response Team (OLCERT)

and the Clackamas Fire District #1. Participants practiced collecting emergency water rations and received emergency planning materials.

On April 30th OLWS participated in the Children’s Clean Water Festival Water Festival at Portland Community College’s Sylvania Campus between 9:00 and 1 p.m. OLWS staff from the water, sewer and surface water teams spoke with hundreds of 4th grade students about water health. As part of the event, students from around the region visit a college campus, which provides an experiential pathway for students. At the event OLWS staffs a table focused on treatment of drinking water, wastewater, and surface water. Amongst exhibitors, we provide the only look into whole water cycle treatment for students.

As summer approaches, school year programming is winding down. Partners will be wrapping up their deliverables and as we receive information about student contact hours, homeowner yard restorations, and riparian areas shaded, the information will be shared here.

The North Clackamas Watersheds Council (NCWC) has changed its name by removing “Urban”. Formerly, the North Clackamas Urban Watersheds Council, the new name recognizes the geography of its territory but takes focus away from the urban nature of the watersheds, in part because of the recognition that much of the area is suburban. The NCWC stormwater advisory committee met once in March and will meet just once more to organize the information and data they have gathered as part of their analysis of ways to participate in stormwater needs for their area. The outputs of the committee’s work will support their Executive Director, Neil Schulman, as he participates in the OLWS Surface Water Master Planning process and beyond.

The Clean Rivers Coalition is starting Phase II of its strategic planning with communications firm, BRINK. Phase II of the scope of work will take the research on prioritized pollutants of concern and conduct focus groups using specific messages. Groups selected from different geographical areas with MS4 Permits will weigh in on which messages are more likely to create incentives for behavior change. The goal is to create more awareness of water quality, leading to actions individuals would take to keep water clean. Phase III will help to roll out the developed message campaigns to over 80 partners in order to provide coordinated and actionable implementation of that messaging in communities around Oregon. Partners include multiple districts and government agencies, watershed councils, educational entities and non-profits focused on water health.

Because of the projected summer drought, local water partners will promote water conservation along many avenues. Messaging will roll out on television, radio, and social media platforms through the Regional Water Providers Consortium (drinking water providers), as well as the Regional Coalition of Clean Rivers and Streams (stormwater focused). The update on the water year for April is that our area and the center of the state continues to face an “abnormally dry” season. The website link to drought updates for the country can be visited at:



<https://www.drought.gov/drought/states/oregon?places=97267>.

Permitting - April 2019 Development Activity

	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	2	1	21	5	20
Hours Spent on Development Review	70	20	545	115	769
Hours spent on Utility Permits	25	20	320	40	477
Development Permits Issued	3	0	20	3	18
Utility Permits Issued	2	4	51	4	72
New Sewer Connections	0	4	37	9	69
New Water Services	0	4	-	-	-
Active Erosion Control Permits	31	28	398	43	317
Total Erosion Control Permits Inspected	31	28	398	42	314
Active Construction Permits	27	30	247	20	140
Sanitary SDC Fees Received	\$0.00	\$20,660	\$323,230	\$46,485	\$351,220
Water SDC Fees Received	\$26,070.00	\$22,395	\$319,170	\$22,880	-
Plan Review Fees Received	\$1,735.23	\$1,000	\$67,678	\$6,259	\$16,317
Inspection Fees Received	\$2,032.67	\$2,272	\$65,899	\$4,736	\$22,830

Attachments

1. DEQ Notice of Violation Communication
2. Capital Project Tracker
3. Development Review Status Tracker



Oregon

Kate Brown, Governor

Department of Environmental Quality
Northwest Region Portland Office/Water Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232-4100
(503) 229-5263
FAX (503) 229-6957
TTY 711

May 1, 2019

Oak Lodge Water Services
14496 SE River Road
Oak Grove, OR 97267

RE: Notification of Violation

Dear Susan Keil,

Oregon DEQ has received a complaint about your facility located at 14496 SE River Rd, Oak Grove, Oregon 97267. The decant occurring on this site was observed overflowing during storm events and getting into the storm drain system. The date cited for this violation was on 04/19/2019, and it was reported this has been an on-going occurrence. This is in direct violation of Oregon's environmental laws.

VIOLATION:

Oregon Revised Statute 468B.025 (1) (a)- Cause pollution of any waters of the state or place or cause to be placed any wastes in a location where such wastes are likely to escape or be carried into the waters of the state by any means.

Fulfilling the responsibilities of controlling stormwater pollution is an important obligation. Without implementing pollution controls and conducting proper monitoring of discharges from the site to surface waters or groundwater, you are unable to control pollutants leaving your site. Furthermore, untreated stormwater negatively impacts the health and water quality of the receiving waters.

Corrective Actions Required

- Immediately stop the decant of waste into the current onsite sewage dumping pit shown in the attached photo.
- Install Best Management Practices (BMPs) or fix the current containment so that the pit is not exposed to rainwater or; ensure rainwater that mixes with the waste will not reach any storm drain.
- Have all discussed corrective actions complete and photograph evidence sent to bertilson.brandon@deq.state.or.us by May 15th, 2019.

If any of the facts in this notification are believed to be in error, you may provide information to me at the above e-mail or call me at the phone number listed below. DEQ will consider new information you submit and take appropriate action.

If you fail to respond or take the requested corrective action listed above DEQ will refer this matter to DEQ's Office of Compliance and Enforcement for further action. This may include issuance of a formal enforcement action that includes civil penalties.

DEQ endeavors to assist you in your compliance efforts. Should you have any questions about the content of this letter, feel free contact me by phone 503-229-5937 or by email at bertilson.brandon@deq.state.or.us.

Sincerely,

B Bertilson

Brandon Bertilson
Water Quality Specialist
Oregon Department of Environmental Quality – Northwest Region



May 3, 2019

Oregon Department of Environmental Quality – Northwest Region
700 NE Multnomah Street, Suite 600
Portland, OR 97232-4100

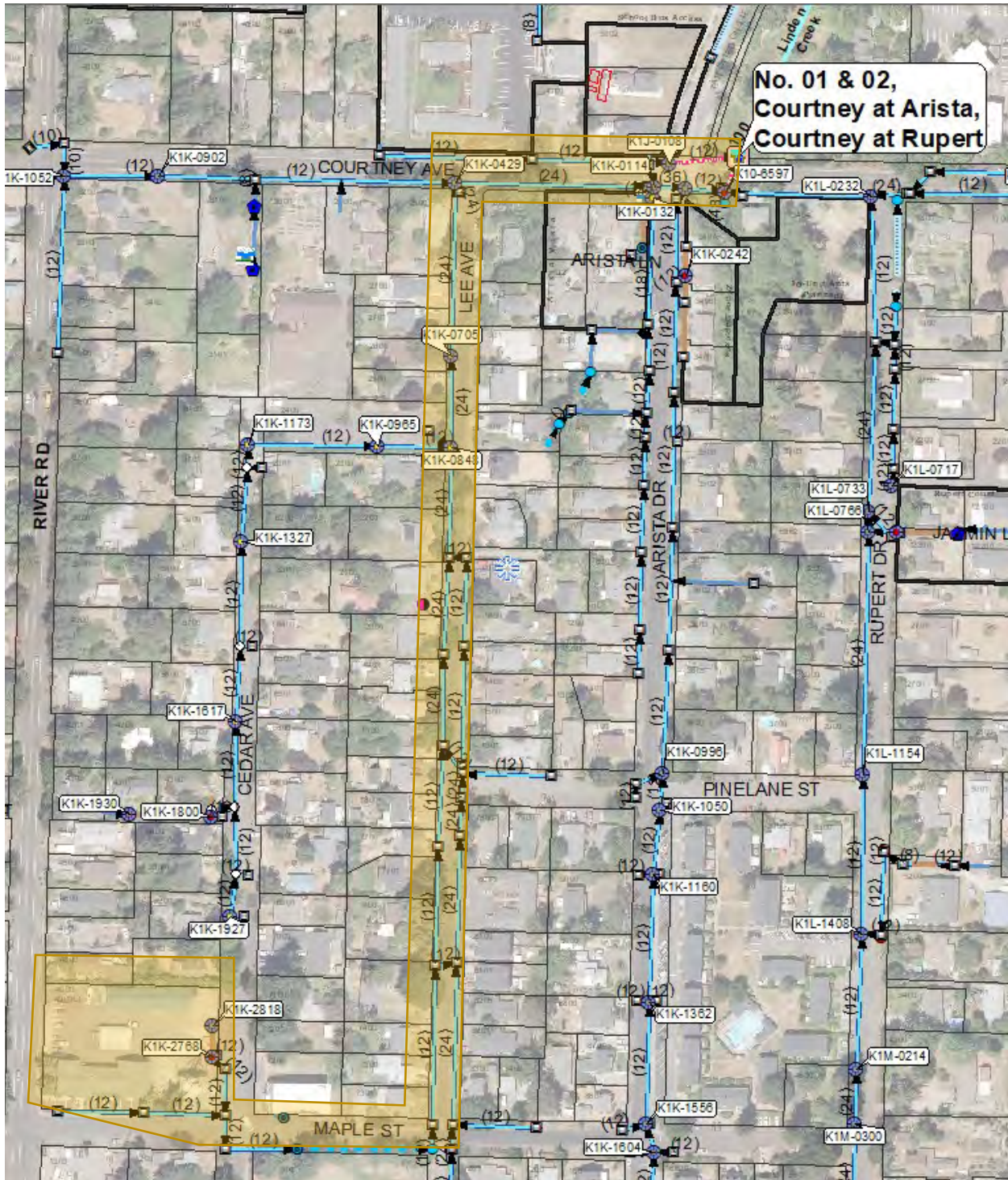
RE: Notification of Violation date May 1, 2019

Dear Mr. Bertilson,

Thank you for your time yesterday on the phone giving me some feedback on what best management practices were going to meet DEQ's expectations. Before I go into what has transpired since our last conversation, I wanted to provide clarity around some of your statements made in the letter.

First, to the knowledge of all the OLWSD staff we asked, this decant has never been used for sanitary sewer waste. If waste is generated from sanitary sewer projects, it is taken directly to our wastewater treatment plant. The District's purpose of this decant is to temporarily hold soil from excavations of water main and water service projects. When a dump truck load of material accumulates, a truck service is called for removal and hauling.

Second, I think it's important to understand what is happening below ground. The manhole you see in the picture you attached is the beginning of a massive underground detention tank. On the downstream side of the tank there is flow control manhole with a snout that keeps most solids in the tank. That tank is continually monitored for its fullness and is cleaned out as needed. For suspended solids that make it out of the tank, there are a series of three catch basins with sumps before this water flows to a roadside ditch. After the ditch, you can see on the next page that there are at least 8 sumped catch basins before this water makes its way to Linden Creek.



Despite everything listed above, the District has ceased use of this decant and will find alternative ways of temporarily storing material generated from excavations. In addition, the District has placed a RainGuard in the manhole frame and bolted a lid down on top of it.



I mentioned on the phone, the District is currently under contract with AKS Engineering to design a larger decant for the District; a project I currently expect will be bid and built this coming fiscal year. Furthermore, the decant in question is already planned to be properly abandoned as a part of this project as future use of this area will likely be additional parking lot for the District.

I hope that this satisfies DEQ and that you will share this information with the person who made the complaint. The District takes these issues seriously and we want to make sure our customers know we take it seriously. And finally, to make sure this is an issue DEQ does not have to deal with again, I will ask our Stormwater Pollution Prevention Technician to pay additional attention to this site and to make sure he lets me know if it is causing issues that he cannot resolve.

Sincerely,

Jason Rice
District Engineer
Oak Lodge Water Services District

Attached: May 1, 2019 DEQ Notice of Violation

CC: Sarah Jo Chaplen, OLWSD General Manager OLWSD
Todd Knapp, OLWSD Field Operations Superintendent
Rick Pauker, OLWSD Pollution Prevention Technician

From: [BERTILSON Brandon](#)
To: [Jason Rice](#)
Subject: RE: Oak Lodge Water Services District NOV
Date: Monday, May 6, 2019 9:13:13 AM

Jason,

Thank you for the response. I apologize I couldn't respond to you last Friday as I was out of the office. This looks good to me and I will file this in our records. I have closed out the complaint.

From: Jason Rice <jason@olwsd.org>
Sent: Friday, May 3, 2019 4:36 PM
To: BERTILSON Brandon <Bertilson.Brandon@deq.state.or.us>
Cc: Sarah Jo Chaplen <sarahjo@olwsd.org>; Todd Knapp <todd@olwsd.org>; Richard Pauker <rick@olwsd.org>
Subject: Oak Lodge Water Services District NOV

Brandon,

Please find the District's repose attached. If you have any follow-up questions or comments, please copy all to this email as I will be out of the office next week.

Thank you and have a good weekend.

Jason Rice, PE
District Engineer

Oak Lodge Water Services District
14611 SE River Road ▪ Oak Grove, Oregon 97267
Office: (503) 353-4202 Cell: (503) 490-0016

Project Status	Address	Type of Development	Notes	Last Updated
Warranty Period	13012 SE Oatfield	Residential Subdivision; 9 lots.	OLWSD Warranty period expires Sept. 2019	5/1/19
Warranty Period	4281 SE Manewal Ln. (Manewal North)	Residential Subdivision: 4 lots.	Oak Lodge Warranty period expires June 2019.	5/1/19
Warranty Period	SE Manewal at SE Towery Ln.	Residential Subdivision; 4-lots	Oak Lodge warranty expires June 2019	5/1/19
Warranty Period	3816 SE Hill Rd. Garland Estates	Residential Subdivision; 8-lots	OLWSD Permit expires March 2019.	5/1/19
Warranty Period	Taxlots 2000 & 2100 located behind 15026 & 15018 SE Linden Ln. (Tilia Ln) Originally "Wanderlust Lane"	Residential Subdivision; 3 lots	Oak Lodge warranty period ends March 2019.	5/1/19
Warranty Period	3128 SE Concord Rd.	Residential Subdivision; 32 lots; Concord Oaks, formerly Concord Vineyards II	Oak Lodge Warranty period expires July 2019	5/1/19
Warranty Period	13013 SE Oatfield	Residential Subdivision; 9 lots.	OLWSD Warranty period expires Sept. 2020	5/1/19
Warranty Period	4282 SE Manewal Ln. (Manewal North)	Residential Subdivision: 4 lots.	Oak Lodge Warranty period expires June 2019.	5/1/19
Warranty Period	SE Manewal at SE Towery Ln.	Residential Subdivision; 4-lots	Oak Lodge warranty expires June 2020	5/1/19
Under Construction	18121 SE River Rd.	Residential Subdivision; 72-lots ; Jennings Lodge Estates	OLWSD Permit expires Sept. 2019	5/1/19
Under Construction	13715 SE River Road	Residential Care Home Expansion 28 Homes. Garden Grove and North Pocket Development	OLWSD permit expires June 2019 (extension).	5/1/19
Under Construction	12705 SE River Rd.	Willamette View Riverview Dining Facility Replacement	Willamette View Riverview Dining Facility Replacement	5/1/19
Under Construction	SE Courtney at SE Rupert	Multi-Family Residential 10-unit apartment	Oak Lodge permit expiration October 2019	5/1/19
Under Construction	3260 SE Oak Grove Blvd	130,000 square foot mini storage facility	OLWSD permits expire May 2019	5/1/19
Under Construction	18107 SE Blanton	Residential Subdivision; 3-lots	OLWSD permit expires July 2019	5/1/19
Under Construction	19421 SE KAY ST	Residential Subdivision; 4 lots	Oak Lodge permits expire Jan. 2020	5/1/19
Under Construction	15314 SE RUPERT DR	Residential Subdivision; 7 lots	OLWSD permits expire March 2019	5/1/19
Under Construction	13809 SE Linden Ln.	Replace existing single family dwelling with duplex.	OLWSD permits expire May 2019	5/1/19
Under Construction	16885 SE McLoughlin	Commercial Structural Alteration (Les Schwab)	Oak Lodge Plan Review expires July 2019	5/1/19
Under Construction	13755_SE_Schroeder	Residential Care Units; Rose Villa "The Oaks" PHASE 2B' NET ZERO ENERGY POCKET NEIGHBORHOOD	Oak Lodge permits expire June 2019 (extension)	5/1/19
Under Construction	22E07CA03003 (SE Allan Rd @ SE Worthington)	Residential subdivision: 2-lots	Oak Lodge permits expire Feb. 2020	5/1/19
Under Construction	4322 SE Pinehurst Ave	Residential Subdivision; 7 lots	Oak Lodge Plan Review expires July 2019	5/1/19
Under Construction	13630 SE Laurie Avenue	Residential Care Auxiliary Structure: Art Studio	Oak Lodge permits expire July 2019	5/1/19
Under Construction	12705 SE River Rd.	Multi-family Adult Care 50 units + Dining	Oak Lodge permits expire July 2019	5/1/19
Under Construction	SE Torbank @ SE River Rd	CC DTD SIDEWALKS PUBLIC IMPROVEMENTS	OLWSD permits expire December 2019	5/1/19
Under Construction	18122 SE River Rd.	Residential Subdivision; 72-lots ; Jennings Lodge Estates	OLWSD Permit expires Sept. 2020	5/1/19
Under Construction	3817 SE Hill Rd. Garland Estates	Residential Subdivision; 8-lots	OLWSD Permit expires March 2019.	5/1/19
Under Construction	13716 SE River Road	Residential Care Home Expansion 28 Homes. Garden Grove and North Pocket Development	OLWSD permit expires June 2019 (extension).	5/1/19
Under Construction	12706 SE River Rd.	Willamette View Riverview Dining Facility Replacement	Oak Lodge permits expire March 2019 (extension)	5/1/19

Project Status	Address	Type of Development	Notes	Last Updated
Under Construction	SE Courtney at SE Rupert	Multi-Family Residential 10-unit apartment	Oak Lodge permit expiration October 2019	5/1/19
Plan Review	15510 SE Wallace Street	Residential Subdivision; 13 lots	OLWSD Water-only. Drains to WES for SS and SWM. Oak Lodge review expires June 2019	5/1/19
Plan Review	17624 SE RIVER RD	Multi-family residential; three (3) 2-family_ dwelling units and two (2) three family dwelling units	Oak Lodge Plan Review expires July 2019	5/1/19
Plan Review	14107 SE Lee Ave	Residential subdivision: 2 lots	Oak Lodge Plan Review expires July 2019	5/1/19
Plan Review	16800 SE McLoughlin	Commercial Structural Alteration	Oak Lodge Plan Review expires July 2019	5/1/19
Plan Review	3622 SE Pinehurst	Residential Subdivision; 7 lots	Water utility only. Oak Lodge review expires August 2019	5/1/19
Plan Review	14497 SE River Rd	Residential Subdivision; 3-lots	Land Use Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Plan Review	14868 SE LEE AVE	Land Use Comments sent to CCDTD. County land use expiration timeline.	Land Use Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Plan Review	4410 SE pinehurst	Residential Subdivision; 4 lots	Water utility only. Oak Lodge review expires August 2019	5/1/19
Plan Review	18225 Portland Ave	Residential Subdivision; unknown lots	In Gladstone and OLWSD. County land use timeline.	5/1/19
Plan Review	16518 SE River Rd.	Head Start School Additions	Land Use Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Plan Review	SE Kellogg @ SE	Road Improvements / CC DTD CIP	Sidewalk, stormwater treatment	5/1/19
Plan Review	SE Park Ave. @ SE River Rd	Road Improvements / CC DTD CIP	Stormwater treatment, roadway expansion, intersection realignment	5/1/19
Plan Review	15601 SE Meadowlark Ln.	2-Parcel Partition	Land Use Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	14710 SE Lee Ave	DESIGN REVIEW – Nonconforming use - Residential	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	17025 SE Oatfield Rd	Residential Subdivision; 2-lots	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	14007 SE Cedar at SE Courtney	Duplex	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	13505 SE River Rd	Rose Villa	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	18013 SE Blanton St.	Zone Change: R10 to R-7	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	14517 SE Keuhls Way	11 apartment units	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	15603 SE Ruby Dr	Residential 3-lot partition	Pre-app Comments sent to CCDTD. County land use expiration timeline.	5/1/19
Pre-Application	13822 SE Oatfield Rd	Road Improvements / CC DTD CIP	Residential zone change from R-10 to R-7 and a 10-lot minor subdivision.	5/1/19

OAK LODGE
WATER SERVICES
AGENDA ITEM

Agenda Item: Call for Public Comment
Item No.: 11
Presenters: N/A

Background:

Members of the public are invited to address the Board on any relevant topic. The Board may elect to limit the total time available for public comment or for any single speaker depending on meeting length.

OAK LODGE
WATER SERVICES
AGENDA ITEM

Agenda Item: Business from the Board
Item No.: 12
Presenters: N/A

Background:

The Board of Directors appoints District representatives from time to time to serve as liaisons or representatives of the District to committees or community groups.

Directors assigned specific roles as representatives of the District are placed on the agenda to report to the Board on the activities, issues, and policy matters related to their assignment.

Thursday, May 02, 2019
6:45 PM – 8:30 PM

Development Services Building
Main Floor Auditorium, Room 115
150 Beaver Creek Road, Oregon City, OR 97045

AGENDA

6:45 p.m. Pledge of Allegiance

Welcome & Introductions

Chair Jim Bernard & Mayor Brian Hodson, Co-Chairs

Housekeeping

- Approval of April 04, 2019 C4 Minutes
- June and July Meetings

Page 03

6:50 p.m. County-wide Housing Needs Assessment Update

- Staff Memo and Supporting Materials

Page 05

7:30 p.m. STIP 100% List

- ODOT Memo

Page 08

8:00 p.m. Retreat Agenda Discussion

- 2019 C4 Retreat Agenda Blueprint

Page 10

8:10 p.m. Updates/Other Business

- Legislative Update
- T2020 Update
- JPACT/MPAC Updates
- Other Business

8:30 p.m. Adjourn

General Information



Current Voting Membership

		C4 Exec	C4 Metro	C4 Rural	JPACT	MPAC	R1ACT
Clackamas County	Chair Jim Bernard	●	●	●			
Clackamas County	Commissioner Paul Savas		●	●	●		●
Canby	Mayor Brian Hodson	●		●			●
CPOs	Laurie Freeman Swanson (Molalla CPO)	●	●	●			
Estacada	Mayor Sean Drinkwine			●			
Fire Districts	Matthew Silva (Estacada Fire District)	●					
Gladstone	Mayor Tammy Stempel		●				
Hamlets	Kenny Sernach (Beavercreek Hamlet)			●			
Happy Valley	Councilor Markley Drake		●				
Johnson City	Vacant						
Lake Oswego	Councilor Theresa Kohlhoff	●	●				
Milwaukie	Mayor Mark Gamba		●			●	
Molalla	Mayor Keith Swigart			●			
Oregon City	Mayor Dan Holladay		●				
Portland	Vacant						
Rivergrove	Mayor Walt Williams		●				
Sandy	Mayor Stan Pulliam			●			
Sanitary Districts	Nancy Gibson (Oak Lodge Water Services)	●					
Tualatin	Councilor Paul Morrison		●				
Water Districts	Hugh Kalani (Clackamas River Water)						
West Linn	Mayor Russ Axelrod		●				
Wilsonville	Mayor Tim Knapp		●		●		

Current Ex-Officio Membership

MPAC Citizen Rep	Vacant
Metro Council	Councilor Christine Lewis
Port of Portland	Emerald Bogue
Rural Transit	Julie Wehling
Urban Transit	Dwight Brashear

Frequently Referenced Committees:

- CTAC:** Clackamas Transportation Advisory Committee (C4 Transportation TAC)
- JPACT:** Joint Policy Advisory Committee on Transportation (Metro)
- MPAC:** Metro Policy Advisory Committee (Metro)
- MTAC:** Metro Technical Advisory Committee (MPAC TAC)
- R1ACT:** Region 1 Advisory Committee on Transportation (ODOT)
- TPAC:** Transportation Policy Advisory Committee (JPACT TAC)

Thursday, April 4, 2019
Development Services Building
 Main Floor Auditorium, Room 115
 150 Beaver Creek Road, Oregon City, OR 97045

Attendance:

Members: **Canby:** Brian Hodson; **CPOs:** Laurie Swanson (Molalla); Martin Meyers (Redland-Viola-Fischers Mill); **Estacada:** Sean Drinkwine; Katy Dunsmuir; **Hamlets:** Kenny Sernach (Beavercreek); Rick Cook (Stafford); **Happy Valley:** Markley Drake; **Lake Oswego:** Theresa Kohlhoff; **Metro:** Christine Lewis; **Molalla:** Keith Swigart; **MPAC Citizen:** Ed Gronke; **Sandy:** Jan Lee (Alt.); **Transit:** Julie Wehling (Canby); Dwight Brashears (SMART), Eve Nilenders (TriMet) (Alt.); **Tualatin:** Paul Morrison; **Water Districts:** Hugh Kalani; **West Linn:** Russ Axelrod; Teri Cummings (Alt.); **Wilsonville:** Tim Knapp

Staff: Trent Wilson (PGA)

Guests: Jaimie Huff (Happy Valley); Mark Ottenad (Wilsonville, SMART); Jeff Gudman (Lake Oswego); John Lewis (Oregon City); Tracy Moreland (BCC); Mike Bezner (DTD) Stephen Williams (DTD); David Marks (CCBA); Aquilla Hurd-Ravich (Tualatin); Tim Heider (PGA); Amy Kyle (PGA); Jamie Harvey (JLA); Dan Johnson (DTD); Roseanne Johnson (HBA); Teresa Christopherson (H3S); Kathy Hyzy (Milwaukie); Eric Underwood (PGE)

The C4 Meeting was recorded and the audio is available on the County's website at <http://www.clackamas.us/c4/meetings.html> . Minutes document action items approved at the meeting.

<u>Agenda Item</u>	<u>Action</u>
Approval of March 7, 2018 C4 Minutes	Approved.
Vehicle Registration Fee Outreach Discussion	County communications and transportation staff shared with C4 members the communication strategy around informing the public about the uses of the recently passed vehicle registration fee. Information was shared about the April 19 countywide public information office meeting, where template materials would be provided to cities who wished to partner with the county on communicating the value of the anticipated revenue for the county and cities.
T2020 Update	County staff shared an update on the T2020 process, which recently reached is maximum corridor list. Future task force meetings will tier the corridors to see where there is

	regional consensus.
Legislative Update re Special Transportation Fund	County transit agencies spoke to the use of Special Transportation Fund (STF) program dollars, and the threat of those dollars being reduced by the state legislature. Agencies and partners requested C4's support to draft a joint letter, if that strategy made sense and was timely.
Retreat Agenda Discussion	County staff shared a retreat agenda blueprint, and noted the upcoming registration period.
Updates/Other Business <ul style="list-style-type: none"> • JPACT/MPAC Updates • Other Business 	JPACT/MPAC updates – JPACT is working on the RFFA process. MPAC is looking at the Parks and Nature Measure expected in November 2019.

Adjourned at 8:40 p.m.

Memorandum

To: C4 Metro Subcommittee
From: Dan Chandler, Assistant County Administrator
Re: Update on Countywide Housing Needs Assessment
Date: May 02, 2019

Overview:

In Summer 2018, the Clackamas County launched a countywide Housing Needs Assessment with ECONorthwest. This was made possible because of the strong partnership established by the cities at C4 and work done by C4 between 2017 and 2018, as well as funds from DLCD which covered the cities financial share of the project.

The HNA will be actually a set of separate analyses – two for the unincorporated county and one for each participating city.

Current status:

ECONorthwest currently working with city and county planning staff on a Buildable Land Inventory (BLI) for each jurisdiction.

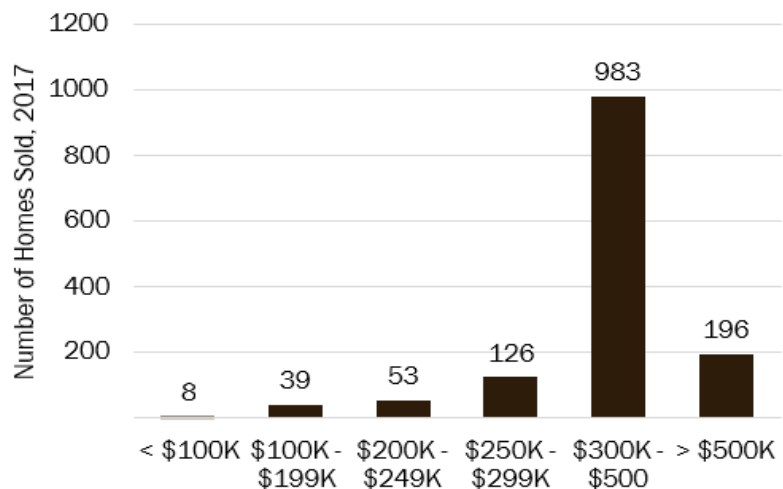
A few early findings:

- One in four households pays over 50% of its monthly income in rent.
- The median home price is unaffordable for people at or near median income.

In 2017, 1,405 homes were sold, 70% of homes in Urban Unincorporated Clackamas County sold between \$300K to \$500K.

Exhibit 37. Distribution of Home Sale Prices, Urban Unincorporated Clackamas County, 2017

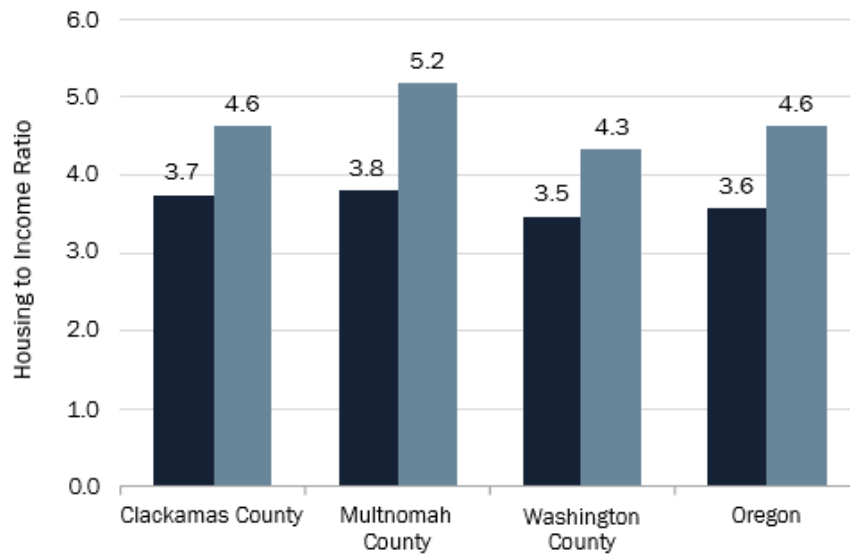
Source: RLIS.



- Since 2000, housing costs in Clackamas County have increased faster than incomes.

Exhibit 40. Change in Ratio of Median Housing Value to Median Household Income, Clackamas County, Multnomah County, Washington County, and Oregon, 2000 to 2012-2016²²

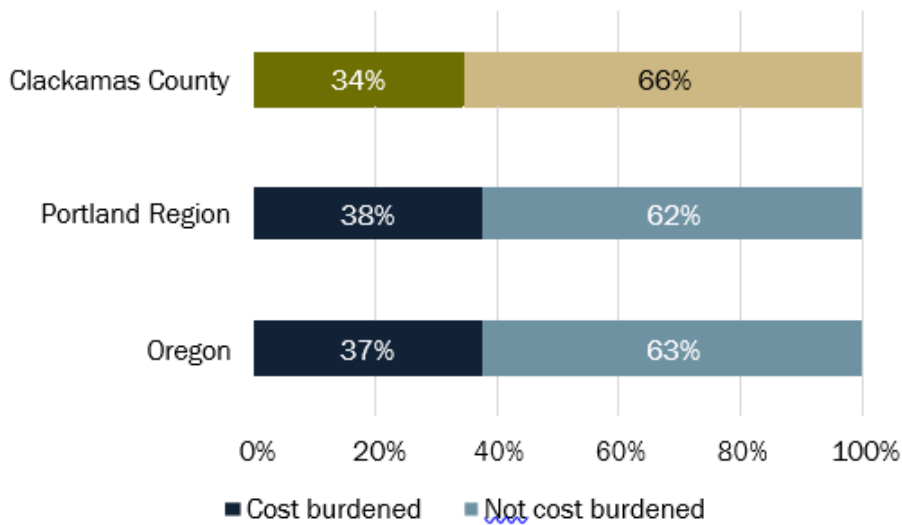
Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012-2016 ACS, Tables B19013 and B25077.



- Overall, about 34% of all households in Clackamas County are cost burdened.

Exhibit 43. Housing Cost Burden, Clackamas County, Portland Region, Oregon, 2012-2016

Source: U.S. Census Bureau, 2012-2016 ACS Tables B25091 and B25070.



- Clackamas County’s population is slightly older than the rest of the Metro area
- Portland State University’s population forecast for Clackamas County shows the share of residents aged 60 years and older growing by 34% from 2020 to 2040.
- There has been relatively little multifamily housing built in unincorporated Clackamas County.
- Opportunities for rental housing are limited, given that 70% of renters live in multifamily housing and little multifamily housing was built since the 2008 recession
- There may be opportunities to encourage development of a wider variety of housing types, such as cottage housing or townhomes.
- More school children are experiencing housing instability and homelessness. The rate of K-12 homeless children increased by 12% from the 2013-2014 school year to the 2014–2015 school year.

Next Steps:

June 14/15 (C4 Retreat): The countywide HNA will be a more complete form, and the project manager from ECONorthwest will be present to address outcomes and questions from the retreat. In addition to a deeper dive into the HNA, the C4 retreat will offer the opportunity to discuss countywide priorities and city partnerships to address housing using the new revenue from the Metro Housing Bond, in light of the HNA.

June/July: The county portion of the HNA will be in adoptable form by the end of June. The datasets and city information will be complete by mid-July.

MEMO

DATE: April 23, 2019
TO: Clackamas County Coordinating Committee (C4)
FROM: Mandy Putney
Region 1 Policy & Development Manager
SUBJECT: 2021-2024 State Transportation Improvement
Program Leverage Funds



Background

The Statewide Transportation Improvement Program, also known as the STIP, is the Oregon Department of Transportation's capital improvement program for state and federally-funded projects. The Fix-It programs fund most of the STIP and include projects that fix or preserve the state's transportation system, including bridges, pavement, culverts, traffic signals, and others. The Oregon Transportation Commission (OTC) and ODOT develop the STIP in coordination with a wide range of stakeholders and the public.

The OTC created three leverage programs (Active Transportation, State Highway and Safety) for the 2021-24 STIP that provide the opportunity to:

- Add features to Fix-It projects
- Improve the state highway system
- Meet community needs not addressed by a Fix-It project
- Maximize resources by leveraging priority improvements

Leverage projects should be consistent with plans and on lists of identified needs. As with the rest of the STIP development process, investments should be documented and considered in a transparent manner, with engagement from the ACT and other stakeholder groups. The availability of partner funds to realize the leverage improvement will also be considered.

Leverage Funds

Additional details about each of the leverage funds are provided below.

Region 1 Active Transportation Leverage (\$7,476,000)

These funds can be used for building, repairing or replacing bikeways or walkways on the state highway system not triggered by the Bike Bill or ADA requirement and therefore not otherwise funded by the project being leveraged. Suggestions include, but are not limited to extending the project boundaries to address a nearby biking or walking need, adding or improving a crossing, installing safety equipment or features, making better connections to public transportation (e.g. bus pullout). Projects must align ADA program guidelines and with the policy framework established by the Oregon Transportation Plan and statewide mode and topic plans.

Region 1 Safety Leverage (\$10,680,000)

The Safety Leverage funds are meant to help improve the safety of the state highway system where the Agency is planning to make a separate Fix-It program investment. The intent is to improve the most important safety issues that are in the general area of a planned Fix-It project. Investment decisions from this Leverage fund will follow the general priorities outlined in the 2016 Transportation Safety Action Plan (TSAP). The funds should be used for engineering countermeasures that can demonstrate a measurable cost-effective benefit. Funds can be used for infrastructure improvements that will reduce

serious/fatal crashes within the Emphasis Areas of the 2016 TSAP and regional safety priority areas, such as top 10% Safety Priority Index System (SPIS) sites, region wide systemic safety features, or other documented crash locations.

Region 1 State Highway Leverage (\$8,483,573)

These funds are used to add enhance highway features to Fix-It projects to increase efficiency and address bottlenecks. Funds cannot be used for active transportation/public transportation features.

Development of Leverage Projects

Region 1 staff, in collaboration with local partners, has been busy scoping candidate projects for the 2021-24 STIP Fix-It lists. About six month ago, 150% lists were developed for each of the program areas: culverts, preservation, operations, All Roads Transportation Safety (ARTS), and bridges. Business cases were prepared for 150% projects, with a scope and cost estimate developed for each one. As part of this work, ODOT and partner agencies were considering how the leverage programs could be used to add features to Fix-It projects. The 150% lists (Fix-It projects and leverage opportunities) have been shared with partners, stakeholders and the ACT.

After review of the project scopes, costs, leverage ideas and program priorities, draft 100% projects lists were prepared and are currently available for review. A public website (www.odotregion1STIP.org) has been created and email updates will be distributed to those that have signed up for our online lists. Partners are also encouraged to forward information to additional networks.

Input from ACT members, partners and stakeholders continues to be requested through May 10, 2019. An updated leverage list will be discussed with the ACT at the group's June 3, 2019 meeting. Additional comments on the Region 1 lists can be made to the OTC once the draft statewide 21-24 STIP is released for public comment and review in summer 2020. The OTC must approve the STIP and submit it to the Federal Highway Administration by September 2020.

Friday, June 14 to Saturday, June 15, 2019

Resort at the Mountain
68010 East Fairway Avenue
Welches, OR 97067

Retreat *DRAFT* Overview

The 2019 C4 Retreat will cover transportation and housing issues. Friday will be devoted to discussing and developing C4's process related to the use of the Strategic Investment Fund (SIF) outlined in the recently passed vehicle registration fee. Saturday will focus on the near-final countywide housing needs assessment (HNA) and the county's engagement with cities for determining use of the funds from the recently passed Metro Housing Bond.

Proposed Sessions (approved by C4)

- Session 1: C4 Business and Housekeeping (*Discussion*)**
Retreat attendees will spend a limited time overviewing the goals of the retreat and any outstanding topics that need attention.
- Session 2: SIF Part I: Recap and Discuss Focus of VRF Strategic Investment Fund (SIF) (*Presentation and Discussion*)**
In discussions leading up to the County's adoption of the countywide VRF on Feb. 21, the county and cities agreed to dedicate 10% (specifically from the county's share) for a new Strategic Investment Fund (SIF) for road transfers and multi-jurisdictional projects. SIF revenue is estimated to be approximately \$1.1 million per year. It is up to C4 to determine specifically how and when to use those funds.
- Session 3: SIF Part II: Develop Recommendations for C4 Decision Process for SIF (*Discussion*)**
Attendees will work toward establishing the process by which C4 makes decisions on the use of SIF dollars.
- Session 4: Update on T2020: Region Transportation Improvement Measure (*Presentation*)**
- Session 5: Countywide Housing Needs Assessment (*Presentation and Discussion*)**
Retreat attendees will discuss the outcomes of the near-final countywide housing needs assessment, reviewing this information in tandem with recommendations from the Housing Affordability and Homelessness Task Force to inform dialogue for Session 6.
- Session 6: Housing Funds Strategy (*Discussion*)**
This session will allow attendees to apply the information from Session 5 to discuss broader partnerships and opportunities throughout the county to help determine where housing investments can be made using revenue from the Metro Housing Bond.
- Session 7: Planning Agenda Topics for Future C4 Meetings**

May 8, 2019

Dear Sarah Jo,

It is with great sadness that I submit my resignation from the Board of Directors for Oak Lodge Water Services effective May 19, 2019.

As you know, our lives have changed dramatically and we are relocating to Arizona.

My service to our community has been true privilege and I am very proud of what OLWSD has accomplished.

I will stop by next week on my days off to say good-bye to staff.

Best wishes to all,

Nancy Gibson

**Sunrise Water Authority
April 24, 2019 Board Meeting
Paul Gornick's Notes**

- **Board chairman called meeting to order, then convened the budget committee. Committee elected presiding officer, approved minutes of the 2018-2019 budget committee meeting, then staff presented budget. Committee discussed proposed budget; no members of public were in attendance to comment. One discussion area was regarding a separate Reserve Account specifically for Cell Tower revenue, and also a discussion of pros and cons of the move to monthly billing. Committee approved budget and budget committee was adjourned.**
- **Board passed the consent agenda which included acceptance of the water system at Crossroads Subdivision and Scouters Mountain Phase 1A Subdivision.**
- **Board approved financial statements for March 2019.**
- **Board discussed a Declaration of Service Restriction (for elevations above 470 feet), and potential legal implications of a restriction, then set over discussion for the following month.**
- **Board discussed Clackamas River Water Providers messaging for late summer curtailment. The consensus was that the while the core of the message was good, the messaging was too wordy and likely to not to do a good job of engaging customers.**
- **General Manager gave his update report – Reservoir #11 roof construction is expected to be complete by early May, and there has been only one minor change order. The new Records Management Specialist starts work April 25. Email accounts for Board members have been set up, and GM cautioned Board Members about public records issues and inadvertently creating a quorum with email.**
- **The engineering manager was not in attendance, and Board had no questions for GM about his reports.**
- **Board discussed the future calendar and gave their liaison reports, and meeting was adjourned.**



Board of Commissioners Regular Meeting and Budget Committee Meeting
Wednesday, April 24, 2019 – 6:00 p.m.
10602 SE 129th Avenue, Happy Valley, Oregon 97086

AGENDA

PUBLIC COMMENT

Please sign the attendance sheet. Members of the public are welcome to speak for a maximum of three minutes. Public comment provided at the beginning of the agenda will be reserved for comment on special presentations, letters and complaints. Public comment related to specific agenda items must be held until the board addresses that item.

CONVENE BUDGET COMMITTEE MEETING

1. Open the Budget Committee Meeting
2. Election of Presiding Officer
3. Approval of FY 2018-19 Budget Committee Meeting Minutes
4. FY 2019-20 Budget Presentation and Discussion
5. Open Committee Discussion & Public Comment
6. Motion to Adopt Approved FY 2019-20 Budget
7. Adjourn Budget Committee Meeting

CONVENE REGULAR MEETING

CALL REGULAR MEETING TO ORDER

Pledge of Allegiance
Approval of Agenda

1. CONSENT AGENDA

- 1.1 Approval of March 2019 Minutes
 - A) Work Session: March 13, 2019
 - B) Regular Meeting: March 27, 2019
- 1.2 Acceptance of Water Mains and Related Facilities for Crossroads Subdivision
- 1.3 Acceptance of Water Mains and Related Facilities for Scouters Mountain Phase 1A Subdivision

2. BUSINESS ITEMS

- 2.1 Financial Statements
- 2.2 Formal Declaration of Service Restriction (Above Elevation 470 Feet)
- 2.3 Messaging Late Summer “Curtailment”

3. STAFF REPORTS

- 3.1 Manager’s Update

3.2 Engineering & Construction Reports

3.3 Operational Reports

4. BOARD BUSINESS

4.1 Board Calendar

4.2 Liaison Reports

4.3 Information Items

4.4 Future Agenda Items

POSTED FRIDAY, APRIL 19, 2019 PER REQUIREMENTS.

The meeting site is accessible to persons with disabilities. Requests for an interpreter for the hearing impaired should be directed to Cindy Wolff at 503-761-0220 or cwolff@sunrisewater.com at least 48-hours in advance.



WORK SESSION MINUTES

A work session of the Sunrise Water Authority Board of Commissioners was held on **Wednesday, March 13, 2019 at 6:00 p.m.** at Sunrise Water Authority, 10602 SE 129th Avenue, Happy Valley, Oregon 97086.

Board Present: Ernie Platt, Chair; Chris Hawes, Vice Chair, Eric Hofeld, Secretary; Kevin Bailey; Gary Barth; Wayne Barstow; Andy Coate.

Board Absent: none

Staff Present: Wade Hathhorn, General Manager; Denise Bergstrom, Finance Director; Cindy Wolff, Administrative Assistant

Visitors Present: none

1. Call Meeting to Order

Platt called the meeting to order at 6:00 p.m.

2. Flag Salute

Platt announced that Coate would be here but was stuck in traffic. He reminded everyone that this is a public meeting.

Hathhorn explained that the purpose of the work session is to get everyone up to speed and talk a bit about the future. Coate entered at 6:04p.m. Hathhorn gave a history of how Sunrise Water Authority came to be, including the merger of Damascus and Mt Scott Water Districts; its authority status; the water supply agreements over time; non-potable water; the development of Damascus; and the restatement of the NCCWC IGA. Hathhorn explained the water rights, peak demand and MGD used by each NCCWC agency. He provided a background on the CRWSC.

3. Review of Strategic Plan

a. Future Source of Supply

Bergstrom distributed “NCCWC Related Water Systems” diagram. Hathhorn distributed “Existing Water Systems” schematic and “Current Supply-Demand” and “Future Supply-Demand” diagrams. He described the intricacies of the system and pumping water, referencing the “Existing Water Systems” schematic. He then referred to the Supply-Demand diagrams and described the various inter-ties and future needs of each agency.

Hathhorn distributed the “Build-Out with Rockcreek Pump Station” diagram. He pointed out all of the infrastructure that was labeled by elevation. He explained the infrastructure needs to serve the build-out between Sunnyside/172nd to the county line. He explained the issues with serving water to the elevations in which Happy Valley would like to build.

Hathhorn explained the upgrades that would be required on transmission lines to serve future demands. Barstow asked why another plant couldn’t be built. Hathhorn referred back to water rights, explaining that the state wouldn’t allow for another intake on the river. There was discussion about how to obtain the upgraded transmission lines. Barstow asked about the use of wells. Hathhorn explained that we have wells through Damascus, but groundwater is depleting. Coate asked how much time we have to build this infrastructure. Hathhorn said the need isn’t measured in time, it’s by connections and we’re about 7,000 connections from that.

Hathhorn explained that peak winter demand is about 3.5 MGD but summer is 12 MGD due to summer watering. He explained that if it weren't for summer watering we would have adequate water supply. Hawes commented that even if you continued to wash your car more often in the summer and fill a pool, you still won't get to the demand we're talking about with watering lawns.

Hathhorn distributed maps of current and future pressure zones. Hathhorn explained that the long term plan for Damascus is to build Reservoir 12 and knock Sunnyside Reservoir down, and anything above it would go to an expanded and rebuilt Sunridge Reservoir.

B. 20-Year Capital Plan

Hathhorn distributed a summary spreadsheet of the 20-Year Capital Improvement Plan, and explained that we're starting to prepare for Reservoir 12 and a pump station. Hawes asked if the capital plan is in today's dollars. Hathhorn said yes. Barth asked about financing. Hathhorn said it will be cash financing. Barstow asked if there's a plan to increase rates and SDCs. Hathhorn said yes, and he'd be discussing that next.

E. Financial Plan & Rates

Hathhorn distributed the rates and 20-Year Projection of Cash Reserves. Hathhorn explained that the difference between the two graphs is that one was with no rate increases and the other shows a \$.10/CCF increase each year. He noted the minor increase noted on the latter graph puts us in a much better position to get through the 20-year capital plan without taking out any bonds. Hathhorn noted that in four years the current debt service will be paid off, which will also help with the outcome. There was a discussion among the Board about financing versus rate increases. Platt asked what Hathhorn's recommendation was for how to re-evaluate the needs. Hathhorn summarized that ultimately the Board needs to decide. Hofeld brought up the prioritizing of replacing class 50 DI pipe, stating that he'd like to see the replacements broken out by year. Hathhorn said it isn't by year, it really depends on the ERUs – the increase in connections is what drives the need for system improvements.

Following a question from Hawes, there was a short discussion about ASR wells. Hathhorn explained that Sunrise has a license to do up to 600 million gallons in a total of five wells. He described the unpredictability of the ASR wells compared to a storage reservoir.

Hathhorn distributed "Alternate Water Supply Study."

C. Asset Management & Resiliency Planning

D. Technology Trends

Hathhorn distributed an article on technology for the Board's information.

Platt adjourned the meeting at 8:51 p.m.

ERNIE PLATT, CHAIR

ERIC HOFELD, SECRETARY

OAK LODGE
WATER SERVICES
AGENDA ITEM

Agenda Item: Executive Session
Item No.: 13
Presenters: N/A

Background:

Convene Executive Session under ORS 196.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions, ORS 192.660 2(f) to consider information or records that are exempt by law from public inspection and ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.



AGENDA ITEM

Agenda Item: Adjourn Executive Session
Item No.: 14
Presenters: N/A

Background:

Adjourn Executive Session and make any necessary motions as a result of Executive Session discussions.

Interim
updated list.

Oak Lodge ~~er~~ Services
OLWS Board Member Liaison Assignments 2018-19

Board/Committee	Current Primary	Current Alternate	Meeting Schedule
Clackamas River Water	Lynn Fisher	Paul Gornick	Monthly - Second Thursday, 6 p.m.
Sunrise Water Authority	Paul Gornick	Kevin Williams	Monthly - Fourth Wednesday, 6 p.m.
C-4	Nancy Gibson ^{Gornick} Paul Gornick	Susan Keil	Monthly - First Thursday, 6:45 p.m.
Regional Water Providers Consortium	Nancy Gibson Paul Gornick	Kevin Williams	Triannually - First Wednesday, 6:30 p.m. (Three times/one year)
Oak Grove Community Council	Lynn Fisher	Sue Keil	Monthly - Fourth Wednesday, 7:00 p.m.
CRBC	Nancy Gibson	Sue Keil	Monthly - Third Thursday, 6:00 p.m.
SDAO	All		Varies
MPAC	Nancy Gibson	Kevin Williams	Second & Fourth Wednesdays, 5 p.m.
Plus the C4 Metro Subcommittee Meeting			Plus Wednesdays, 7:30 a.m.
AWWA	All		Varies
Jennings Lodge CPO	Kevin Williams	Nancy Gibson	Monthly - Fourth Tuesdays, 7:00 p.m.
North Clackamas County Water Commission (NCCWC)	Nancy Gibson ^{Paul Gornick} Kevin Williams	Paul Gornick	Quarterly
Chamber of Commerce	Susan Keil		Monthly - Third Wednesdays, 11:45 a.m.????
North Clackamas Parks & Recreation District	Lynn Fisher		Not currently meeting
Master Planning CAC	Lynn Fisher		Not currently meeting
New Concord Task Force	Lynn Fisher (representing DAB and parks)		Quarterly
Healthy Watersheds	Kevin Williams		

- Oak Grove Lake isvego - Bike Fed Advice "0400" [need to add to this list]

05/21/19



Portland Parks & Recreation Healthy Parks, Healthy Portland

Phone: 503-823-7529 1120 SW Fifth Avenue, Portland, OR 97204
More Contact Info (<http://www.portlandoregon.gov/parks/article/39578>)

How to ID Tree-of-Heaven

by Patrick Key, Urban Forestry Tree Plan Coordinator and AmeriCorps Member

Patrick.Key@portlandoregon.gov (<http://www.portlandoregon.gov/mailto:patrick.key@portlandoregon.gov>)



Ailanthus growing along a fence (photo by Johnson Creek Watershed).

Ailanthus altissima has many different names, including tree-of-heaven, stink tree, and Chinese sumac. In China, it is called chouchun, which literally translates as "foul smelling tree." Whatever you call it, this invasive tree has become a big problem in our region. Originally, from China and Taiwan, it proliferates and grows rapidly, often before people realize that it is a problem. Learning to identify this invader is the first step in controlling its spread.

Tree identification, in general, can be a complicated and sometimes difficult process. Luckily, the tree-of-heaven has a some very obvious characteristics that can make recognizing it easier.

The leaves of Ailanthus are a great way to identify this problem tree. The leaves can grow to be one to three feet long and are compound, meaning that each leaf consists of a number of leaflets. In this case, the compound leaves have 11 or more pointed leaflets. The pointed shape helps to differentiate tree-of-heaven from other trees that grow in our area that also have compound leaves. Taking a closer look at the leaflet's shape will prevent confusing Ailanthus with black walnut (*Juglans nigra*). The leaflets have an unequal base with two to four teeth. These teeth often have one to four glands. These glands help to give the tree-of-heaven its unpleasant aroma.



Leaflets with notches, or teeth, at leaflet base (photo by National Parks Service).

With or without its leaves, the smell of broken tissue of this species can be a clue to its identity. The smell can come from the glands at the base of the leaves, but also from broken twigs. This means that the smell can help to identify this species, all year long. Some people describe the smell as rancid peanut butter or well-worn gym socks. However you describe the smell, Ailanthus lives up to its Chinese name.

During the winter months, the bark and leaf scars are the best ways to identify tree-of-heaven. The bark can be light brown to grey, and smooth in young trees. In later years, the bark turns a darker grey and becomes rough. The leaf scars result from the tree dropping its leaves and are located where large leaves attach to the branches. They are characteristically heart-shaped due to the shape of the petiole.



Smooth bark of young Ailanthus (photo by Iowa State University).



Darker and rougher bark of older Ailanthus (photo by Brandeis University).

The seed clusters of this species can be another indicator to determine species. Tree-of-heaven is very prolific and a mature female can produce between 300,000 and 350,000 fertile seeds each year. This is part of the reason that this species spreads so rapidly. The seeds are twisted samaras, or wing-shaped. They are similar to the seeds that maples produce, but are single seeds versus the maple's dual seed samaras. They often turn a reddish color as they mature, and are clustered in large groups. The seeds are dispersed during winter months, so they are a good way to identify Ailanthus once it has lost its leaves.



Ailanthus seed clusters (photo by Bill Johnson).

You can use these characteristics to identify Ailanthus, which is the first step to controlling its spread and the damage that it can do to both urban and natural areas. Keep an eye out for a second blog post about tree-of-heaven, with a focus on control methods. Also, check out Tree-of-Heaven Eradication Now! (TEN!) at [tenpdx.org](http://www.tenpdx.org) (<http://www.tenpdx.org/>) for more information and resources.

References:

- Ailanthus altissima. Wikipedia. https://en.wikipedia.org/wiki/Ailanthus_altissima (https://en.wikipedia.org/wiki/Ailanthus_altissima)
- Alien Plant Invader: Tree-of-Heaven. City of Portland Bureau of Environmental Services. <https://www.portlandoregon.gov/bes/article/504479> (<http://www.portlandoregon.gov/bes/article/504479>)
- Journey with Nature: Tree of Heaven. The Nature Conservancy. http://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/indiana/journeywithnature/tree_of_heaven-1.xml (<http://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/indiana/journeywithnature/tree-of-heaven-1.xml>)

05/21/19

Sounding alarm on black locust Invasive weed can soon become trees overtaking neighborhood



Lydia Casey of Clark County looks over a roughly 1- to 2-month-old black locust tree growing along Northeast St. Johns Road. They're fast-growing and hard-to-kill weeds, and Casey has been trying to help her neighbors fight their spread. (Amanda Cowan/The Columbian)

By **Andy Matarrese**, Columbian Breaking News Reporter

Published: October 14 2015 6:00 AM

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Battling black locust

In young black locust trees, the bark is smooth and green. In older trees, it's brown and deeply furrowed. The plant's seedlings and sprouts have long paired thorns at the base of each row of leaf stems. The plant's leaves alternate along stems and are composed of seven to 21 smaller, oval-shaped leaf segments, or leaflets. Its fruit pods look like pea pods with brown, leathery skin and hold about four to eight seeds. Its flowers bloom in drooping clusters in May and June. It's irritating, but black locust isn't one of the county's higher weed management priorities, said Mike Monfort, the lead field inspector for Clark County Vegetation Management. The county will do preemptive work to slash black locust for road rights-of-way or construction projects, but the county doesn't mandate controls like it does for other weeds. For homeowners, he said, the county's

Once you know what to look for, it seems like they're everywhere, coming for people's backyards and gardens, and they can't be killed by normal means.

Lydia Casey, with her knife, jug of herbicide and Q-tip swabs, is trying to fight the menace's spread, one black locust tree at a time.

Black locust trees are a tenacious, hard-to-kill plant and invasive weed in Southwest Washington, and in Casey's experience, most people don't know what they're dealing with until they're near-overrun.

Casey, a master gardener, has made it a small personal crusade around her Andresen-St. Johns neighborhood to root out black locust.

Once she learned about it several months ago, she said she started seeing it all over.

She works house to house helping neighbors control their black locust. Many of them, she said, didn't know what this pesky weed was until they reached out to her.

"I've talked to everybody and their brother, and when they see it, they call me," she said.

"You can't just cut it down," she said. "Cut it down and you'll get 15 more."

Beyond the young plants' thorny shoots, part of what makes locust such a

and help
local causes raise

\$1.2 Million

Thursday,
September 20th

givemore24.org

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happy to go out to homes and offer advice. The extension office and its master gardeners program also provide guidance. There are several resources that county landowners grappling with black locust trees or other unwanted plants can contact:

- WSU Extension Clark County: 360-397-6060.
- Clark County Vegetation Management: 360-397-6140.
- Vancouver Urban Forestry: 360-487-8308.

Homeowners can usually handle smaller black locust plants on their own. When they get tree-size, it gets complicated. And expensive.

The Vancouver Watersheds Alliance offers grant help that can be used to help defray costs for cutting down nuisance trees in Vancouver. It can be contacted at 360-852-9189. Charles Brun, horticulture adviser with the extension service, said he's heard of people working with live edge furniture builders to remove offending black locust trees as a

up unexpectedly, she said.

They have a habit of being the first plant in a cleared area, and they can crowd out other plants, compounding the problem, Johnson said.

Charles Brun, horticulture adviser with the extension service, said he doesn't think there are more growing now than have previously. Still, he said, once you know what to look for, you'll start seeing it everywhere.

"I've seen entire neighborhoods be taken over by these trees," he said.

They grow from seeds and sprout from underground shoots, and spread fast.

Damaging the tree, mature or young, just puts it into survival mode, prompting it to send up new sprouts from the root system or stump.

When people call the county's vegetation management office about black locust, they're often asking for help after failing to fight it off on their own, wondering how one "dead" plant turned into eight, said Mike Monfort, the office's lead field inspector.

If any root retains a flicker of life, he said, the plant can grow back, and that's why almost any practical management plan will likely require some herbicides.

"It's a challenge. That's a kind way of putting it," Monfort said.

Once a landowner finds black locust, it's better to act sooner than later, Brun said. They grow fast. In less than two months, a locust can grow to a bush more than 6 feet tall with inch-long thorns.

"As soon as you see them, start to consider some kind of management program. If you simply cut them they're going to resprout, and then they're going to spread," he said.

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September Invasive Weed of the Month: Japanese Knotweed

by Cathy McQueeney on Sep 5, 2017 in Weeds

Japanese knotweed (*Fallopia japonica*) has been called a "nightmare" and a "botanical bully," and is one of the 100 worst global invaders. These characterizations give you a pretty good idea of just how unwelcome this invasive weed is in our community.

Japanese knotweed is fast growing and hardy, native to Japan, China, and the Korean peninsula, and was introduced to the United States in the 1800's as an attractive ornamental. But don't let the heart-shaped leaves, bamboo-like stems, and pretty, small white flowers fool you! It is a menace with many infestations in Oregon, including much of Clackamas County.

Also known as *Mexican bamboo*, *elephant ear bamboo*, and *fleeceflower*, Japanese knotweed is an Oregon Class B noxious weed. This means it is a weed of economic importance which is regionally abundant, but may have limited distribution in some Oregon counties. It also means that the propagation, transport, and sale of this plant are prohibited by law.

Japanese knotweed is an herbaceous perennial. It is most frequently found along streams and rivers, where root fragments, seeds, or pieces of the plant's green stalks are washed downstream by the current, creating new infestations. It is also commonly found yards and gardens, where unsuspecting homeowners unwittingly planted knotweed, not realizing its potential for damage. From these introductions it continues to spread to roadsides, forest edges, and vacant lots.

This fast-growing invasive weed can have annual growth of up to 10 feet. Stems are green to reddish brown and hollow, segmented similar to bamboo, but are much weaker. It has



We're on Facebook



Clackamas SWCD intro



Events



4:00 pm Board of Directors Meeting

4:00 pm Budget Hearing

[View Calendar](#)

Topics

edges, and vacant lots.

This fast-growing invasive weed can have annual growth of up to 10 feet. Stems are green to reddish-brown and hollow, segmented similar to bamboo, but are much weaker. It has alternate, leathery, thick, triangular-shaped leaves. Flowers are greenish-white to cream in large plume-like clusters at the ends of the stems. They bloom from late July to October.

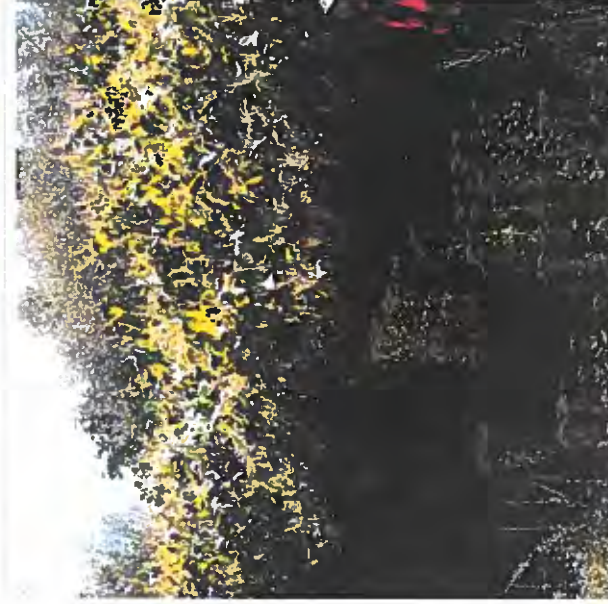
Why Should I Care About Japanese Knotweed?

Japanese knotweed spreads quickly along streambanks and in wetlands where it forms tall, dense stands that compete for light and resources. This harms our native plants which provide valuable food and habitat for pollinators and wildlife.

Knotweed also competes with important native streamside vegetation. Unlike our native riparian plants, knotweed dies back each winter leaving streamside soils exposed. This leads to increased erosion of the streambank, which in turn damages fish habitat and the nutrient cycles within streams. Salmon are particularly impacted by the damage done by Japanese knotweed.

Knotweed grows not only from seed, but also by root and stem fragments. Even the smallest fragment of a stem or root from Japanese knotweed can yield an entirely new colony downstream. To make matters worse, Japanese knotweed will grow even more quickly and densely in response to cutting, so many well-meaning landowners have unknowingly increased its spread in their attempts to control it.

Additionally, Japanese knotweed decreases property values from the potential of asphalt, concrete, or foundation damage from the rhizome, as well as the long term investment in management of the plants.



WeedWise staff Jeff Lesh with flowering knotweed.

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How Can I Control Japanese Knotweed?

Getting rid of Japanese knotweed is not easy and requires a persistent effort to be successful.

Manual and mechanical approaches for controlling knotweed combine cutting, covering, and digging. These approaches focus on starving the knotweed of sunlight and removing as much material as possible. These approaches are very labor intensive and require regular and repeated effort for success. Due to the massive time and effort involved with these practices, they are only recommended for very small infestations.



Knotweed emerging in the spring

When cutting or digging out Japanese knotweed, plants should be bagged up and disposed of as trash. They can also be piled up and dried before burning, but a barrier should be placed between plants and the ground to prevent re-rooting. Pulled or dug knotweed should not be composted as this can spread it to new areas.

For larger knotweed patches, herbicides are one of the few tools that can be effective. Even with herbicides, careful timing is important to ensure success. September is a perfect time to control Japanese knotweed. Herbicide applications should be timed just as its leaves are starting to turn from green to yellow. During this time, the knotweed plants are reallocating their above ground growth back down into its roots system. This reallocation makes it more susceptible to the effects of herbicides. A carefully timed herbicide application can provide superior control to any other control methods. A landowner guide to controlling knotweed is [available](#) to learn more about these strategies.

Successful control of this invasive weed will take more than one year. While there are mechanical or manual control options for small patches, large sites will almost certainly

Tree of Heaven (*Ailanthus altissima*)

Also known as Chinese sumac and stinking sumac.

Prohibited nuisance plant in the cities of Portland and Salem, Oregon.

Listed as a Weed of Concern in San Mateo Count, California.

Threat: Prolific seed producer that grows rapidly to overrun native vegetation • Can form impenetrable thickets • Produces toxins in the soil that prevent other plants from becoming established

- Root system is aggressive enough to damage sewers and foundations.

Description: Fast-growing deciduous tree 80 feet tall or more

- Bark is smooth and pale grey, twigs are light brown, with alternating leaves
- Large compound leaves grow up to 4 feet long and bear 11 to 25 leaflets, which each have one to several glandular teeth near their base
- Clusters of small, yellow-green flowers appear near the branch tips in late spring, and female trees produce seeds in late summer
- Seeds ripen into flat, twisted papery samaras that twirl as they fall to the ground
- All parts of the tree have a strong, somewhat offensive odor.



History: Native to central China and brought to the United States in the early 1800's.

Spread: Reproduces both from seeds and vegetative sprouts, re-sprouts easily from cut stumps, and produces suckers from roots • A single tree can produce from 325,000 to 350,000 seeds each year, which are easily spread by wind.

Control: Elimination requires diligence • Remove young plants before taproot is established, and pull young seedlings when soil is moist to ensure complete root removal • Establishment of heavy native vegetation cover will discourage seedlings • Target large female trees to reduce seed volume • Tree cutting is often counter-productive, since plant responds with stump sprouts and root suckers • Repeated cutting frequently over years may exhaust plant reserves • Herbicides are effective if used correctly, especially when treating the trunk by one of several means • Contact Oregon Department of Agriculture for updates on the proper use of herbicides to control tree of heaven.

Alternatives: There are many varieties of pine (native and horticultural) that will grow quickly to provide shade and are not invasive. Consult your local nursery for appropriate, non-invasive alternatives.

For more information:

Alien Plant Working Group- www.nps.gov/plants/alien/fact/aial1.htm

The Nature Conservancy, The Global Invasive Species Initiative- <http://tncweeds.ucdavis.edu/esadocs/documnts/ailaalt.rtf>

Oregon Department of Agriculture- http://egov.oregon.gov/ODA/PLANT/docs/pdf/weed_2005policy2.pdf



4 COUNTY
Cooperative Weed
Management Area

Prepared by Julie Reilly, Tualatin Hills Park & Recreation District, as a project for the Clackamas, Clark, Multnomah, and Washington Counties Cooperative Weed Management Area.
Designed: Environmental Services, City of Portland. ES 0701

Japanese knotweed

Plants

OVERVIEW



PEOPLE ALSO SEARCH FOR

Reynoutria japonica, synonyms Fallopija japonica and Polygonum cuspidatum, is a large species of herbaceous perennial plant of the knotweed and buckwheat family Polygonaceae. It is commonly known as Asian knotweed or Japanese knotweed. It is native to East Asia in Japan, China and Korea. [Wikipedia](#)

Scientific name: Fallopija japonica

Higher classification: [Fallopia](#)

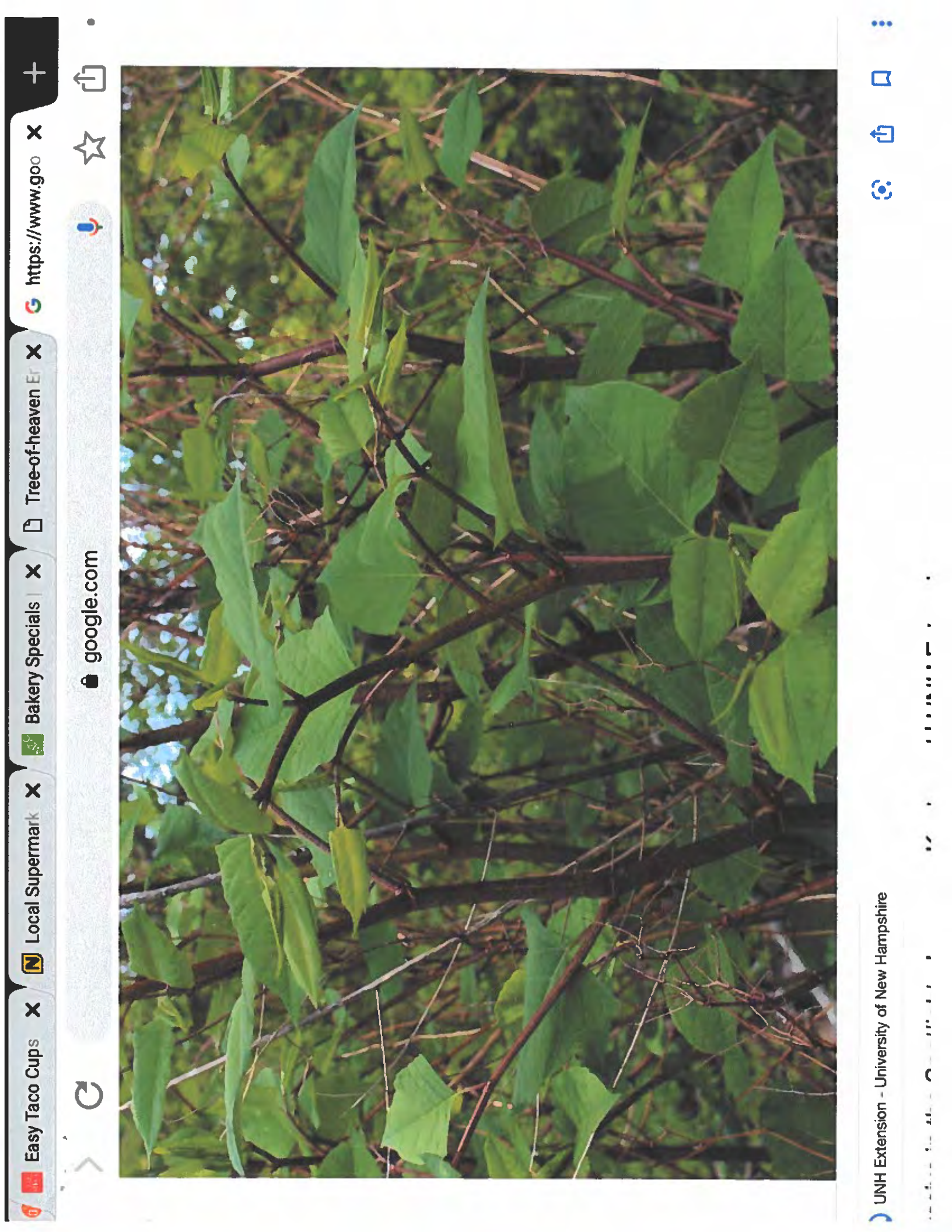
Did you know: Japanese knotweed can grow 4 inches per day during the summer. [softschools.com](#)

More about Japanese knotweed

Feedback

People also ask

How dangerous is Japanese knotweed?





Nuisance Plant List

503) 786-7630

The City encourages landowners and land stewards to identify and remove nuisance plants, especially from Water Quality Resources (WQRs) and Habitat Conservation Areas (HCAs).

Nuisance plants are those that threaten the health and vitality of native plant and animal communities. Nuisance plants are usually invasive, nonnative species that have been introduced into native ecosystems, intentionally or accidentally. They often outcompete native species, taking advantage of the absence of natural competitors in their new surroundings, especially where sites have been disturbed.

Removal of nuisance plants does not usually require any permit, unless significant earth disturbance will be involved and an erosion control permit is required. Adequate replanting and monitoring can ensure that nuisance plants are eradicated or at least reduced to a nonthreatening level.

There are many nuisance plants identified as part of the Milwaukie Native Plant List. The following photos are of species that are either most common in Milwaukie or that present the greatest threat to our native plant communities. For a more complete list of nuisance plants, see the Milwaukie Native Plant List, which is available online at <http://www.milwaukieoregon.gov/planning/natural-resources-milwaukie-native-plant-list>. For other pictures of

Milwaukie's Most (Un)Wanted Nuisance Plants REMOVE THESE IF FOUND!



HIMALAYAN BLACKBERRY (RUBUS ARMENIACUS)



City of Milwaukie Nuis

PLANNING DEPARTMENT - PLANNING@MILWAUKIEOR



SPURGE LAUREL (DAPHNE LAUREOLA)



TRAVELER'S JOY (CLEMATIS VITALBA)



YELLOW FLAG IRIS (IRIS PSEUDACORUS)



JAPANESE KNOTWEED (FALLOPIA JAPONICA)

plants: <http://plants.usda.gov/gallery.html>.

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