



**Oak Lodge Water District Office
14496 SE River Road
Oak Grove, OR 97267
January 16, 2018 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
 - November and December 2017 Financial Reports
 - Approval of November and December 2017 Check Run
 - December 19, 2017 Board Meeting Minutes
4. Annual January Board Selection of Board Officers
5. Registered Agent Designation and Resolution 18-01
6. Acceptance of the Audited Financial Report from January 1 to June 30, 2017
7. Initial Appointment of Budget Committee Members
8. First Reading of Rules and Regulations - Ordinance 18-01
9. Department Reports
 - Finance
 - Field Operations
 - Plant Operations
 - Technical Services
10. Call for Public Comment

11. Business from the Board

12. 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: January 16, 2018

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. November and December 2017 Financial Reports
 - o Approval of November and December 2017 Check Run
2. December 19, 2017 Board Meeting 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 _____



MONTHLY FINANCIAL REPORT

To: Board Directors
From: Kelly Stacey, Finance Director
Agenda Item: Nov/Dec 2017 Financial Reports
Item No.: 3a
Date: January 16, 2018

Reports:

- November Monthly Overview
- December Monthly Overview
- Monthly Cash and Investment Balances
- Staff Report with Monthly Checks and Electronic Withdrawals

**Oak Lodge Water Services
Monthly Overview
November 2017**

This report summarized the revenues and expenditures for November 2017. 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 \$11,944,317.18 as of November 30, 2017; consisting of \$1,297,827.00 in checking, and \$10,646,490.18 in the State Local Government Investment Pool (LGIP).

The District's checks, electronic withdrawals and bank drafts for November 2017, total \$863,672.62.

Water sales revenue for the month of November 2017 is \$288,699. **Wastewater** sales revenue for the month of November 2017 is \$658,331 plus \$24,501 in SDCs, plan reviews and inspections. **Watershed protection** sales revenue for the month of November 2017 is \$130,166 plus \$2,756 in plan review and inspections. Total revenue for services provided for the month of November 2017 totals \$1,104,453.

Except for the liquid cash and investment numbers, the amounts listed on this summary are estimates. There may be items from the old system that are not yet posted and reconciled. These give a good feel of how we are doing during this transition to the Accela software. We were not able to load the 2017/2018 budget into the Incode or Eden software. I am working to have the new reports from Accela with accurate budget-to-actual comparisons as quickly as possible. Thank you for your patience.

Oak Lodge Water Services

Account Balances As of:

November 30, 2017

Interest Rate

Account

Wells Fargo Bank Checking-	0.00%	\$313,266.44
Wells Fargo Bank Checking	0.00%	\$984,560.56
LGIP 5289 Water General	1.45%	\$1,894,796.75
LGIP 5790 Sanitary	1.45%	\$2,122,494.81
LGIP 3968 Sanitary GO Bond Debt Svc	1.45%	\$1,571,173.90
LGIP 3869 Sanitary Debt Svc	1.45%	\$1,265,435.67
LGIP 5002 Sanitary General	1.45%	\$3,792,589.05
Total		<u>\$11,944,317.18</u>

**Oak Lodge Water Services
Monthly Overview
December 2017**

This report summarized the revenues and expenditures for December 2017. 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 \$11,788,700.93 as of December 31, 2017; consisting of \$1,471,862.74 in checking, and \$10,316,838.19 in the State Local Government Investment Pool (LGIP).

The District's checks, electronic withdrawals and bank drafts for December 2017, total \$1,751,533.09.

Water sales revenue for the month of December 2017 is \$262,436. **Wastewater** sales revenue for the month of December 2017 is \$618,622 plus \$6,021 for plan reviews and inspections. **Watershed protection** sales revenue for the month of December 2017 is \$10,378 plus \$2,756 for plan reviews and inspections. Total revenue for services provided for the month of December 2017 totals \$900,213.

The liquid cash and investment numbers, as well as all the withdrawals are actual numbers since we now have payroll live in Accela. However, the sales amounts listed on this summary are estimates. There may be items from the old system that are not yet posted and reconciled. The numbers are close enough to give a good feel of how we are doing during this transition to the Accela software. As we move into the new year and a new budget season, it is the plan to have all the modules up-to-date by the March meeting. Thank you for your patience.

Oak Lodge Water Services

Account Balances As of:

December 31, 2017

Interest Rate

Account

Wells Fargo Bank Checking	0.00%	\$ 447,090.74
Wells Fargo Bank Checking	0.00%	\$ 1,024,772.00
LGIP 5289 Water General	1.62%	\$ 1,937,657.07
LGIP 5790 Sanitary	1.62%	\$ 2,244,562.24
LGIP 3968 Sanitary GO Bond Debt Svc	1.62%	\$ 1,042,793.58
LGIP 3869 Sanitary Debt Svc	1.62%	\$ 1,267,174.29
LGIP 5002 Sanitary General	1.62%	\$ 3,824,651.01
Total		<u>\$ 11,788,700.93</u>



STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Checks for Nov and Dec 2017
Item No.: 3c
Date: January 16, 2017

Background

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

Issue

The District needs formal authorization of November and December 2017 checks numbered 40224 through 40520, which include accounts payable well as electronic withdrawals (excluding November payroll), totaling \$2,602,046.89. November payroll checks and drafts (processed through Incode) include checks 39369 through 39378 and ETFs totaling \$155,821.00. Attached you will find a report showing all checks and electronic withdrawals for November and December 2017 and a separate report showing November payroll withdrawals. (0 under check number signifies ACH) Note: There were 2 voided checks.

Recommendations

It is recommended to the Board that checks numbered 40224 through 40520, checks 39369 through 39378 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 Check by Date report November and December
2. Incode Bank Transaction Report November

Bank Reconciliation

Checks by Date

User: kelly
 Printed: 01/10/2018 - 2:04PM
 Cleared and Not Cleared Checks
 Print Void Checks



Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
0	11/2/2017	Wells Fargo Bank		AP			4,293.47
0	11/2/2017	Wells Fargo Bank, N.A. (182)		AP			2,862.31
0	11/2/2017	Openedge		AP			976.66
0	11/2/2017	Authorize.net		AP			177.63
40224	11/2/2017	Accela		AP			7,100.00
40225	11/2/2017	Ace Hardware #11075		AP			221.46
40226	11/2/2017	ADT Security Services		AP			499.77
40227	11/2/2017	AFLAC		AP			1,042.36
40228	11/2/2017	Answernet		AP			182.22
40229	11/2/2017	AT&T		AP			3,203.40
40230	11/2/2017	EDWARD AVERILL		AP			160.42
40231	11/2/2017	AWWA		AP			2,047.00
40232	11/2/2017	Bachman Paving Company		AP			6,660.00
40233	11/2/2017	Daniel Bedell		AP			750.00
40234	11/2/2017	BTL NW		AP			158.83
40235	11/2/2017	Bullard Law		AP			4,574.00
40236	11/2/2017	Cable Huston Benedict Et Al		AP			12,675.00
40237	11/2/2017	Carlson Testing, Inc.		AP			598.50
40238	11/2/2017	Century Link		AP			1,388.86
40239	11/2/2017	Lara Christensen		AP			21.94
40240	11/2/2017	Cintas Corporation - 463		AP			83.65
40241	11/2/2017	Clackamas County		AP			6,796.47
40242	11/2/2017	Clackamas County		AP			579.04
40243	11/2/2017	Clackamas Landscape		AP			150.00
40244	11/2/2017	Coastal Farm & Home Supply		AP	Void		575.96
40245	11/2/2017	Cochran Electric		AP			3,000.00
40246	11/2/2017	Comcast Cable		AP			419.37
40247	11/2/2017	Community Newspapers		AP			36.83
40248	11/2/2017	Contractor Supply		AP			128.98
40249	11/2/2017	Convergence Networks		AP			7,182.00
40250	11/2/2017	Crystal Greens Landscape, Inc.		AP			360.00
40251	11/2/2017	CTX-Xerox		AP			341.19
40252	11/2/2017	Cues, Inc		AP			2,249.65
40253	11/2/2017	D&H Flagging Inc.		AP			531.13
40254	11/2/2017	DMS Architects, Inc.		AP			2,260.50
40255	11/2/2017	Express Employment		AP			2,340.00
40256	11/2/2017	Flashnews		AP			169.00
40257	11/2/2017	Maggie Gannon		AP			196.16
40258	11/2/2017	Grainger, Inc.		AP			195.07
40259	11/2/2017	H.D. Fowler Company		AP			3,311.07
40260	11/2/2017	Image Pressworks		AP			259.33
40261	11/2/2017	Integrated Power Services		AP			5,988.35
40262	11/2/2017	J. Thayer Company		AP			202.25
40263	11/2/2017	James W Fowler Co		AP			79,671.75
40264	11/2/2017	Kaiser Permanente		AP			95.00
40265	11/2/2017	Lord & Associates, Inc.		AP			3,935.50

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
40266	11/2/2017	Measure-Tech		AP			361.19
40267	11/2/2017	MARTIN MEYERS		AP			8.49
40268	11/2/2017	Napa Auto Parts - Store #07078		AP			5.30
40269	11/2/2017	NCCWC		AP			113,330.23
40270	11/2/2017	NCUWC		AP			6,573.45
40271	11/2/2017	Northstar Chemical, Inc.		AP			488.90
40272	11/2/2017	Northwest Natural		AP			404.27
40273	11/2/2017	OCD Automation, Inc.		AP			1,020.00
40274	11/2/2017	One Call Concepts, Inc.		AP			366.96
40275	11/2/2017	Oregon Deq		AP			16,709.00
40276	11/2/2017	Owen Equipment		AP			2,933.61
40277	11/2/2017	Palmers Auto Repair		AP			146.32
40278	11/2/2017	Pauly, Rogers And Co., PC		AP			8,850.00
40279	11/2/2017	PNCWA - LWR Columbia Sect		AP			500.00
40280	11/2/2017	Portland General Electric		AP			9,205.82
40281	11/2/2017	Portland Road and Driveway Co., Inc		AP			200.00
40282	11/2/2017	Relay Resources		AP			530.40
40283	11/2/2017	Ricoh Americas Corporation		AP			399.09
40284	11/2/2017	Sanitech LLC		AP			4,650.00
40285	11/2/2017	Sensus Metering Systems		AP			1,715.95
40286	11/2/2017	Heather Standing		AP			135.57
40287	11/2/2017	Traver's Cleaning Service Inc.		AP			375.00
40288	11/2/2017	Tyler Technologies, Inc.		AP			260.00
40289	11/2/2017	Unifirst Corporation		AP			1,330.45
40290	11/2/2017	Verizon Wireless		AP			1,112.14
40291	11/2/2017	Water Environment Services		AP			139.05
40292	11/2/2017	Western Exterminator Company		AP			168.00
40293	11/8/2017	Western Exterminator Company		AP			86.91
40294	11/20/2017	A and A Drilling Service, Inc		AP			750.00
40295	11/20/2017	Ace Hardware #11075		AP			411.89
40296	11/20/2017	Alexin Analytical Laboratories		AP	Void		1,039.67
40297	11/20/2017	Applied Industrial Technologies		AP			107.68
40298	11/20/2017	Bachman Paving Company		AP			5,061.00
40299	11/20/2017	BMS Technologies		AP			5,087.37
40300	11/20/2017	Carlson Testing, Inc.		AP			399.00
40301	11/20/2017	Cintas Corporation		AP			154.92
40302	11/20/2017	Cintas Corporation - 463		AP			83.65
40303	11/20/2017	City Of Gladstone		AP			4,854.23
40304	11/20/2017	City Of Milwaukie		AP			1,374.68
40305	11/20/2017	Comcast Cable		AP			419.37
40306	11/20/2017	Community Newspapers		AP			13.15
40307	11/20/2017	Consolidated Supply Co.		AP			94,305.92
40308	11/20/2017	Correct Equipment, Inc.		AP			2,307.43
40309	11/20/2017	Costco Wholesale		AP			394.21
40310	11/20/2017	Cues, Inc		AP			456.26
40311	11/20/2017	D&H Flaggging Inc.		AP			1,463.88
40312	11/20/2017	Delta Industries, Inc		AP			16,135.74
40313	11/20/2017	DMS Architects, Inc.		AP			7,946.94
40314	11/20/2017	Express Employment		AP			1,800.00
40315	11/20/2017	Ferguson Waterworks		AP			36.84
40316	11/20/2017	Nancy Gibson		AP			500.00
40317	11/20/2017	Grainger, Inc.		AP			28.40
40318	11/20/2017	J. Thayer Company		AP			435.66
40319	11/20/2017	James W Fowler Co		AP			107,949.02
40320	11/20/2017	Madison Biosolids, Inc.		AP			2,102.01
40321	11/20/2017	Maverick Welding Supplies Inc		AP			21.03

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
40322	11/20/2017	Napa Auto Parts - Store #07078		AP			20.67
40323	11/20/2017	NCCWC		AP			74,116.26
40324	11/20/2017	Ness Campbell Crane and Rigging		AP			900.00
40325	11/20/2017	Net Assets Corporation		AP			495.00
40326	11/20/2017	Northstar Chemical, Inc.		AP			511.00
40327	11/20/2017	OCD Automation, Inc.		AP			975.00
40328	11/20/2017	Olson Bros. Service, Inc.		AP			970.37
40329	11/20/2017	Oregon Health Authority		AP			630.00
40330	11/20/2017	Palmers Auto Repair		AP			1,719.71
40331	11/20/2017	Portland Engineering Inc		AP			120.00
40332	11/20/2017	Portland General Electric		AP			19,966.76
40333	11/20/2017	Relay Resources		AP			528.96
40334	11/20/2017	Rescue Rooter		AP			3,080.00
40335	11/20/2017	RH2 Engineering, Inc.		AP			358.75
40336	11/20/2017	Luke & Stephanie Shepard		AP			101.05
40337	11/20/2017	Society for Human Resource Management		AP			99.50
40338	11/20/2017	Tice Electric Company		AP			1,245.05
40339	11/20/2017	Total Building Maintenance		AP			375.00
40340	11/20/2017	Unifirst Corporation		AP			798.44
40341	11/20/2017	US Bank Equipment Finance		AP			220.00
40342	11/20/2017	Verizon Wireless		AP			454.81
40343	11/20/2017	Waste Management Of Oregon		AP			2,454.19
40344	11/20/2017	Wright Imaging		AP			811.80
40345	11/20/2017	Xerox Corporation		AP			36.10
0	12/1/2017	Oregon Department Of Revenue		AP			120.00
0	12/1/2017	Wells Fargo Remittance Center		AP			8,828.38
40346	12/1/2017	Ace Hardware #11075		AP			33.94
40347	12/1/2017	AFLAC		AP			547.86
40348	12/1/2017	Alexin Analytical Laboratories		AP			527.00
40349	12/1/2017	Answernet		AP			166.22
40350	12/1/2017	Apex Labs		AP			4,591.00
40351	12/1/2017	AT&T		AP			501.07
40352	12/1/2017	Aleah Binkowski-Burk		AP			31.13
40353	12/1/2017	Brown And Caldwell		AP			608.44
40354	12/1/2017	BTL NW		AP			155.82
40355	12/1/2017	Cable Huston Benedict Et Al		AP			16,141.09
40356	12/1/2017	Cascade Print Source		AP			149.90
40357	12/1/2017	Century Link		AP			688.93
40358	12/1/2017	Cessco, Inc		AP			594.00
40359	12/1/2017	Cintas Corporation		AP			167.21
40360	12/1/2017	Cintas Corporation - 463		AP			83.65
40361	12/1/2017	Clackamas County		AP			1,380.01
40362	12/1/2017	Clackamas County		AP			442.46
40363	12/1/2017	Clackamas County Sheriff		AP			150.00
40364	12/1/2017	Clackamas River Water		AP			109.45
40365	12/1/2017	Coastal Farm & Home Supply		AP			156.00
40366	12/1/2017	Consolidated Supply Co.		AP			8,715.02
40367	12/1/2017	Convergence Networks		AP			6,859.80
40368	12/1/2017	Craig Blackman Trucking		AP			2,455.99
40369	12/1/2017	Crystal Greens Landscape, Inc.		AP			360.00
40370	12/1/2017	Detemple Company, Inc.		AP			1,051.00
40371	12/1/2017	Express Employment		AP			1,440.00
40372	12/1/2017	Ferguson Waterworks		AP			1,550.96
40373	12/1/2017	Govt. Finance Officers Assoc.		AP			160.00
40374	12/1/2017	HDR Engineering, Inc.		AP			2,262.20
40375	12/1/2017	Mail Finance		AP			599.43

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
40376	12/1/2017	Sue Melone		AP			741.36
40377	12/1/2017	Metereaders, LLC		AP			5,677.73
40378	12/1/2017	Northwest Natural		AP			535.91
40379	12/1/2017	OCD Automation, Inc.		AP			4,400.00
40380	12/1/2017	Olson Bros. Service, Inc.		AP			1,981.17
40381	12/1/2017	One Call Concepts, Inc.		AP			271.92
40382	12/1/2017	Oregon State Treasury		AP			200.00
40383	12/1/2017	Oregonian Publishing Company		AP			133.64
40384	12/1/2017	Pape Machinery		AP			794.98
40385	12/1/2017	Paul Brong Machine Works LLC		AP			96.00
40386	12/1/2017	Polydyne, Inc.		AP			39.86
40387	12/1/2017	Porter Yett Company		AP			678.30
40388	12/1/2017	Portland General Electric		AP			6,410.70
40389	12/1/2017	Relay Resources		AP			290.48
40390	12/1/2017	Jason Rice		AP			88.81
40391	12/1/2017	Ricoh Americas Corporation		AP			157.54
40392	12/1/2017	River City Environmental		AP			495.00
40393	12/1/2017	SDIS		AP			7,170.71
40394	12/1/2017	Secure Pacific Corporation		AP			142.50
40395	12/1/2017	Tyler Technologies, Inc.		AP			34,087.99
40396	12/1/2017	Unifirst Corporation		AP			390.97
40397	12/1/2017	Verizon Wireless		AP			1,434.94
40398	12/1/2017	Wesco Marketing		AP			98.00
40399	12/1/2017	WS Investments LLC		AP			141.79
0	12/15/2017	Oregon Dept of Rev-Garn		AP			712.94
0	12/15/2017	IRS Dept of The Treasury		AP			30,690.43
0	12/15/2017	Public Employees		AP			24,503.68
0	12/15/2017	Nationwide Retirement Solutions		AP			2,405.08
0	12/15/2017	Oregon Department Of Revenue		AP			7,927.45
0	12/15/2017	VALIC c/o JP Morgan Chase		AP			4,280.00
0	12/15/2017		DD 00001.12.2017	PR			66,781.62
40403	12/15/2017	JOHN KROGSTAD		PR			2,063.20
40404	12/15/2017	TIMOTHY SEXTON		PR			34.99
40405	12/15/2017	CLAY YOHN		PR			284.52
40406	12/15/2017	AFLAC		AP			930.58
40407	12/15/2017	AFSCME Council 75		AP			1,093.00
40408	12/15/2017	Clackamas Comm. Federal CU		AP			382.50
40409	12/20/2017	A and A Drilling Service, Inc		AP			593.92
40410	12/20/2017	Accela		AP			7,000.00
40411	12/20/2017	Ace Hardware #11075		AP			412.01
40412	12/20/2017	AFSCME Council 75		AP			3,064.84
40413	12/20/2017	AHA Consulting		AP			3,200.00
40414	12/20/2017	Alexin Analytical Laboratories		AP			1,612.00
40415	12/20/2017	American Backflow Services		AP			30.00
40416	12/20/2017	Apex Labs		AP			3,649.00
40417	12/20/2017	BMS Technologies		AP			5,786.20
40418	12/20/2017	BTL NW		AP			155.95
40419	12/20/2017	Bullard Law		AP			21,618.00
40420	12/20/2017	Cable Huston Benedict Et Al		AP			4,079.78
40421	12/20/2017	Carlson Testing, Inc.		AP			214.50
40422	12/20/2017	Century Link		AP			789.39
40423	12/20/2017	Cintas Corporation - 463		AP			167.30
40424	12/20/2017	City Of Milwaukie		AP			1,374.68
40425	12/20/2017	Coastal Farm & Home Supply		AP			279.94
40426	12/20/2017	Comcast Cable		AP			419.37
40427	12/20/2017	Contractor Supply		AP			117.76

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
40428	12/20/2017	Correct Equipment, Inc.		AP			1,815.66
40429	12/20/2017	Craig Blackman Trucking		AP			3,658.01
40430	12/20/2017	Crystal Greens Landscape, Inc.		AP			360.00
40431	12/20/2017	DMS Architects, Inc.		AP			2,006.56
40432	12/20/2017	Dr. Lance F. Harris D.C.		AP			90.00
40433	12/20/2017	Express Employment		AP			2,390.63
40434	12/20/2017	Ferguson Waterworks		AP			888.00
40435	12/20/2017	HDR Engineering, Inc.		AP			2,754.44
40436	12/20/2017	J. Thayer Company		AP			1,078.01
40437	12/20/2017	James W Fowler Co		AP			126,805.05
40438	12/20/2017	Kaiser Permanente		AP			38,968.98
40439	12/20/2017	Keller Supply Company		AP			23.26
40440	12/20/2017	Law Office Of Eileen Eakins, LLC		AP			220.00
40441	12/20/2017	Lord & Associates, Inc.		AP			744.50
40442	12/20/2017	Madison Biosolids, Inc.		AP			2,968.67
40443	12/20/2017	Napa Auto Parts - Store #07078		AP			19.77
40444	12/20/2017	Net Assets Corporation		AP			496.00
40445	12/20/2017	North Sky Communications		AP			22,505.00
40446	12/20/2017	Northstar Chemical, Inc.		AP			594.30
40447	12/20/2017	NW Pump & Equipment Co		AP			480.00
40448	12/20/2017	Olson Bros. Service, Inc.		AP			2,425.93
40449	12/20/2017	Oregon Health Authority		AP			1,045.00
40450	12/20/2017	Oregon State Treasury		AP			3,917.30
40451	12/20/2017	Oregonian Publishing Company		AP			133.64
40452	12/20/2017	Pape Machinery		AP			4,107.77
40453	12/20/2017	Portland Engineering Inc		AP			120.00
40454	12/20/2017	Portland General Electric		AP			22,923.34
40455	12/20/2017	PR Diamond Products Inc		AP			135.00
40456	12/20/2017	Relay Resources		AP			1,090.21
40457	12/20/2017	RH2 Engineering, Inc.		AP			1,793.75
40458	12/20/2017	Ricoh Americas Corporation		AP			188.00
40459	12/20/2017	Rockwood Water Pud		AP			500.00
40460	12/20/2017	Sanitech LLC		AP			5,250.00
40461	12/20/2017	SDIS		AP			27,162.29
40462	12/20/2017	Dave Seifert		AP			210.00
40463	12/20/2017	Staples Advantage		AP			292.88
40464	12/20/2017	Strate Line Inc		AP			5,650.00
40465	12/20/2017	Tice Electric Company		AP			1,327.98
40466	12/20/2017	Total Building Maintenance		AP			375.00
40467	12/20/2017	Traver's Cleaning Service Inc.		AP			35.00
40468	12/20/2017	Tyler Technologies, Inc.		AP			260.00
40469	12/20/2017	Unifirst Corporation		AP			1,546.17
40470	12/20/2017	US Bank Equipment Finance		AP			220.00
40471	12/20/2017	Verizon Wireless		AP			564.85
40472	12/20/2017	Waste Management Of Oregon		AP			2,214.44
40473	12/20/2017	Water Environment Services		AP			139.05
40474	12/20/2017	Western Exterminator Company		AP			167.00
40475	12/20/2017	Whitney Equipment Company		AP			4,288.51
40476	12/20/2017	Xerox Corporation		AP			30.45
40477	12/20/2017	ZB, National Association		AP			1,000.00
40478	12/21/2017	Oregon Health Authority		AP			140.00
40479	12/28/2017	JOHN KROGSTAD		PR			2,063.20
40480	12/28/2017	TIMOTHY SEXTON		PR			1,097.40
40481	12/28/2017	CLAY YOHN		PR			295.68
0	12/29/2017	Chevron U.S.A. Inc.		AP			85.54
0	12/29/2017	VALIC c/o JP Morgan Chase		AP			2,255.00

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
0	12/29/2017	Nationwide Retirement Solutions		AP			2,205.08
0	12/29/2017	Corporate Trust Services		AP			345,725.00
0	12/29/2017	Openedge		AP			2,549.91
0	12/29/2017	IRS Dept of The Treasury		AP			31,689.02
0	12/29/2017	Wells Fargo Bank		AP			4,081.82
0	12/29/2017	Wells Fargo Remittance Center		AP			1,409.30
0	12/29/2017	Oregon Dept of Rev-Garn		AP			682.34
0	12/29/2017	Oregon Department Of Revenue		AP			8,414.84
0	12/29/2017	Pitney Bowes, Inc.		AP			200.00
0	12/29/2017	Wells Fargo Bank, N.A. (182)		AP			3,904.39
0	12/29/2017	The Bank Of New York Mellon		AP			657,459.82
0	12/29/2017	Public Employees		AP			27,247.37
0	12/29/2017	Authorize.net		AP			310.67
0	12/29/2017		DD 00002.12.2017	PR			70,222.27
40482	12/29/2017	A Worksafe Service, Inc.		AP			1,275.00
40483	12/29/2017	Accela		AP			11,100.00
40484	12/29/2017	Ace Hardware #11075		AP			205.36
40485	12/29/2017	AFLAC		AP			671.51
40486	12/29/2017	AFSCME Council 75		AP			858.85
40487	12/29/2017	Answernet		AP			191.77
40488	12/29/2017	AT&T		AP			101.31
40489	12/29/2017	Bachman Paving Company		AP			3,604.00
40490	12/29/2017	Brown & Brown Northwest		AP			12,250.00
40491	12/29/2017	Century Link		AP			675.36
40492	12/29/2017	Cintas Corporation		AP			268.75
40493	12/29/2017	Cintas Corporation - 463		AP			83.65
40494	12/29/2017	Clackamas Comm. Federal CU		AP			262.50
40495	12/29/2017	Consolidated Supply Co.		AP			2,077.84
40496	12/29/2017	Convergence Networks		AP			3,812.80
40497	12/29/2017	Crystal Greens Landscape, Inc.		AP			360.00
40498	12/29/2017	D&H Flagging Inc.		AP			449.00
40499	12/29/2017	Detemple Company, Inc.		AP			1,051.00
40500	12/29/2017	Evoqua Water Technologies LLC		AP			500.00
40501	12/29/2017	Express Employment		AP			1,800.00
40502	12/29/2017	Field Instruments & Controls		AP			2,250.65
40503	12/29/2017	Grainger, Inc.		AP			1,246.97
40504	12/29/2017	H.D. Fowler Company		AP			7,762.30
40505	12/29/2017	Metereaders, LLC		AP			2,393.70
40506	12/29/2017	Northstar Chemical, Inc.		AP			560.30
40507	12/29/2017	OCD Automation, Inc.		AP			5,200.00
40508	12/29/2017	Olson Bros. Service, Inc.		AP			230.95
40509	12/29/2017	Oregon Deq		AP			160.00
40510	12/29/2017	Oregon Secretary Of State		AP			250.00
40511	12/29/2017	Oregon State Administrative Svcs		AP			1,000.00
40512	12/29/2017	PFM Financial Advisors LLC		AP			25,000.00
40513	12/29/2017	Polydyne, Inc.		AP			3,828.00
40514	12/29/2017	Portland General Electric		AP			1,958.73
40515	12/29/2017	Staples Advantage		AP			124.16
40516	12/29/2017	Technology Integration Group		AP			6,816.00
40517	12/29/2017	Top Industrial Supply		AP			28.56
40518	12/29/2017	Wilcox & Flegel		AP			208.21
40519	12/29/2017	Wonderware Pac West		AP			8,960.00
40520	12/29/2017	Xylem Water Solutions USA Inc		AP			36.80

Check No	Check Date	Name	Comment	Module	Void	Clear Date	Amount
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Total Void Check Count:	2
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Total Void Check Amount:	1,615.63
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Total Valid Check Count:	321
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Total Valid Check Amount:	2,602,046.89
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Total Check Count:	323
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Total Check Amount:	2,603,662.52
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OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES
Minutes
Board of Directors – Special Meeting
December 17, 2017

Board of Directors - Members Present:

Jim Martin, Chair
Susan Keil, Vice Chair
Lynn Fisher, Director
Nancy Gibson, Director
Kevin Williams, 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
Markus Mead, Development Review Specialist
David Mendenhall, Plant Superintendent
Kelly Stacey, Finance Director
Todd Knapp, Field Operations Superintendent
Tommy Brooks, Cable Huston LLP, District Counsel,

Visitors Present:

Dave Phelps, OLWS Budget Committee
David Gray, Local Resident
Terry Gibson, OLWS Budget Committee
Paul Gornick, OLWS Budget Committee
Eric Hofeld, Sunrise Water District Representative
Ernie Plat, Local Resident.

REGULAR MEETING

Call to Order and Flag Salute

Board Chair Jim Martin called the regular meeting to order at 6:00 p.m. and General Manager Sarah Jo Chaplen led the pledge of allegiance.

1. Call for Public Testimony

After the pledge, Chair Martin called for public testimony. There was none.

2. Consent Agenda

- December 5, 2017 Special Board Meeting Minutes

Several corrections were posted to the November 21, 2017 Board Meeting Minutes, including an update of the spelling of Eric Hofeld, his title as representative of Sunrise Water District, and the addition of Grover Bornefeld's last name.

Director Gibson moved to approve the consent agenda with the corrections as noted. Director Williams seconded the motion.

Ayes: 4

Nays: None

Abstain due to absence from November Board meeting: 1

Motion carried: 4-0

3. Insurance Placement for Property and Liability

General Manager Sarah Jo Chaplen presented the placement of Insurance for Property and Liability to the Board of Directors, recommending to the Board that OLWS votes for the next year to go through Brown and Brown for placement of insurance with Special Districts. She recommends that the Board accept the negotiated two-year contract with a fixed fee which avoids the typical second year percentage increase for the agent's work. She also requests that the Board approve her to sign the form pertaining to a "Longevity credit and rate lock" for Special Districts to achieve a refund/reimbursement to members in the case that OLWS does not continue insurance placement with Special Districts for the following year. Through this change, the Board noted that there will be a cost savings in this insurance placement due to consolidation of the two districts.

Vice Chair Keil moved that the Board authorize the General Manager to sign the Broker Services Agreement with Brown and Brown, to finalize costs for the District's insurance with SDIS for 2018, and to sign the Longevity Credit and Rate Lock Agreement with SDIS.

Director Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

4. Process for Appointing Board and Officer Vacancies; Officer Election for Board Secretary and Treasurer Positions

General Manager Sarah Jo Chaplen updated the Board that she and the District's Legal Counsel Tommy Brooks have been reviewing the differences and similarities between the sewer and water "rules of the game" (statutes) as they apply to General Governance. Her recommendations include: each year in January the District will reappoint the Officers for the Board; that the head person be named President; the Secretary should be a Board member rather than the General Manager; there should be a Treasurer; that one individual could hold more than one position. Her recommendation for the meeting is that the Board appoints a Secretary and Treasurer and change the head position title to President. The Board asked what the new roles would entail. G.M. Chaplen replied that the Treasurer would have anything that was financial related issues under their purview and would be a support to staff with regards to financial information including the budget. The Secretary

would be responsible for signing Resolutions and Ordinances along with the President of the Board, codifying official decisions that the Board had made. Possibly the Secretary and Vice Chair position or Secretary and Treasurer could be the same person. Board comments included: the former OLWD had a President, Secretary, Treasurer and rotated the Board members through the roles – this ensured that each member received the same Board development as the others; recommendation to combine the Secretary and Vice President title/role; President is the title within the statute, the Chair is the “role” of the President; the Vice President acts as the President in the absence of the President. Question about the role of the Treasurer received the answer that there may be some Districts that do not have a staff and that the Treasurer would act in the financial capacity of duties of a Treasurer. Question about what #5 means –Tommy Brooks replied that in statute the District will appoint Officers in January but that the District has the right to change the Officers as needed, but not to take them off the Board completely.

First motion:

Director Gibson moved that the Board:

- 1. Appoint new Officers at the first business meeting in January.**
- 2. These offices will include:**
 - i) President, ii) Secretary/Vice President, and iii) Treasurer.**
- 3. For vacancies on the Board the remainder of the governing body appoints a person to fill the vacancy until June 30 of the year following the next regular district election. At the next regular district-election a new successor will be chosen to fill out only the remaining years of the vacant term.**
- 4. For vacancies in an office the remainder of the governing body will appoint a Board member to fill the office at the beginning of the next Business meeting.**
- 5. An Officer change can occur at any time for any reason with a majority vote of the governing body.**

Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Second motion:

Director Gibson moved that the Board appoint a Secretary, and a Treasurer at the December 19, 2017 Board meeting. At the January 16, 2018 Board meeting, in its new annual tradition, the Board will again select all Officers as required.

Vice Chair Keil seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

Clarification of the second motion: G.M. Chaplen asked for clarification of the Secretary/Vice President and Treasurer. **The Board moved to keep Sue Keil in her current role of Vice Chair and to have her take on the title/duties of Secretary/Vice President through the January 2018 meeting; Director Williams moved to nominate Director Fisher to the role of Treasurer.**

Director Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

5. Attorney Appointment for North Clackamas County Water Commission Intergovernmental Agreement Work

G.M. Chaplen shared the information that the firm of Cable Huston opted to represent the North Clackamas County Water Commission rather than individual Commission members and because of this conflict of interest therefore would not be able to represent OLWS for the upcoming Intergovernmental Agreement Work. She recommended that OLWS engage Eileen Eakins, LLC to represent the District for the upcoming IGA work. The Board commented on the good work that Eileen has done for the District in the past.

Director Gibson moved that the Board authorize the General Manager to sign a letter of engagement with the Law Office of Eileen Eakins, LLC for the Oak Lodge Water Services District.

Director Williams seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

6. Designating Budget Officer and Establish Budget Committee - Resolution 17-16

G.M. Chaplen recommended the Board designate Finance Director Kelly Stacey as the official budget officer for the next year and requested the Board agree to stagger the terms of the Budget Officers as presented. There are no terms limits on being a Budget Officer, so they will be able to be reappointed as desired when their term expires.

Director Williams moved to approve Resolution 17-16 Designating Budget Officer and Establishing the Budget Committee.

Director Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

7. Budget Calendar Adoption

Finance Director Kelly Stacey presented the Budget Schedule for the preparation of the fiscal year 2018-19 OLWS Budget. The orientation meeting would be on March 20, the first actual meeting will be on April 3 and then the Committee would meet every Tuesday and Thursday until the Budget is ready for adoption.

Vice Chair Keil moved to approve the proposed budget schedule for the the fiscal year 2018/2019 budget.

Director Gibson seconded the motion.

Ayes: 5

Nays: None

Motion carried: 5-0

8. Budget Overview

Finance Director Kelly Stacey presented the 2018/2019 Budget Overview from detailed prepared slides (see attached slides in the December Board Packet). Important points and discussion points include: the fact that the Budget Committee is equal to the Board during the budget deliberation process; Debt Service is a very significant part of the Budget; Watershed Protection fee has no SDC charge associated with it at this point; Board encouraged looking at SDC's overall; overview looks at projected rate increase – based in part on the required ratio for OLWS' debt service coverage; there will be a rate study in conjunction with the water master plan and the Board suggested OLWS look at rate projections for the wastewater as well; OLWS as compared with other local jurisdictions is right in the middle; some areas of the budget cannot be influenced and others can (refer to slide). She left the Budget Committee with three questions: As a budget committee member, what information would you like? What information is needed to perform your duties? What data is helpful for you in your decision making?

A Budget Committee member from the audience requested a copy of the current adopted budget for review of line items.

9. Department Reports

- **Finance:**

Finance Director Kelly Stacey shared information from her Finance Department Report, including: payroll in Accela is live; the historical update of Accela is in process; there will be two parallels for Utility Billing to insure that records and billing will be correct; go live for billing in Accela is still March/April. Audit is in good standing and in process. Bond refunding is prepared for closing, scheduled for December 20, 2017. The Board asked if the rates were as good as we could get with regards to the volatility of the rates, and the staff responded that the numbers were fixed at a very good time and are fixed at that good rate. She will have November and December finances available for the January 2018 meeting.

- **Field Operations:**

Field Operations Superintendent Todd Knapp reported on field operations for water and sewer. Water crew observed a demo of an asphalt milling attachment for the backhoe and are thinking about borrowing City of Milwaukie's before requesting to purchase. No water main breaks in November, but there will be several in the next report. Annual numbers for cleaning and TV inspections are still on track although they were lower for the month. No other information to add to his printed report.

- **Plant Operations:**

Plant Superintendent David Mendenhall commented on it being a busy season for staff and that some have been gone for November. The RAS pump installation project

went well and is now completed. Plant solids are back in line with regards to their pH and cavitation. Lower pH corrodes the pumps and baffles more quickly. With a higher quality out put the equipment should last longer, including the reducer cone. The Board asked whether the plant was “ready” for winter weather, including the possibility of snowmelt and staff responded that the low level of solids in the plant would help with any larger amount of water coming into the system after high levels of precipitation. He highlighted the high levels of influent coming into the system when the rainfall is higher, and pointed out that water quality is still good when rainfall is up.

- **Technical Services:**

District Engineer Jason Rice was out for this meeting, and Development Specialist Markus Mead presented in his place. On the agenda were several Stormwater Detention Agreements needing formal approval/signatures, having been recommended for approval by the Development Specialist Markus Mead. District Counsel Tommy Brooks stepped up to share information about the Rose Villa Stormwater Detention Agreements since G.M. Chaplen had a conflict of interest (her parents will be moving into Rose Villa in the future). He recommended that the chair of the Board consider and sign the agreement in her place, but Jim Martin also expressed a conflict of interest (his sister is at Rose Villa). Vice Chair Keil agreed to sign the documents, having no conflict of interest. Markus Mead presented information about the documents, including that there will be others in the future.

Director Gibson moved, due to conflicts of interest, the Vice President/Secretary be authorized to sign the agreements for the Rose Villa Stormwater Detention Documents on behalf of Oak Lodge Water Services. Director Williams seconded.

Ayes: 4

Nays: None

Abstain due to conflict of interest: 1

Motion carried: 4-0

Markus Mead shared that the Water Master Plan RFP is nearly complete and will be released shortly after he returns. The on-call contract needs to be renewed, because it will be expiring soon. The water building expansion is still moving forward, and issues are being investigated, for example the necessary building permits which will be needed for expansion. The outreach and education portion of the report is included in the Board packet. The permitting requests have continued to be high although the season has shifted. The Board asked about the Development Tracker and how long projects stay on the tracker even when they might be no longer moving forward. Staff responded that projects are removed after they are certain that they are not happening. This sometimes shows a delay in communication from developers to the District, since there is no requirement to notify the District if a project is not happening.

10. Call for Public Comment

Public asked about Item #6 from the minutes – has the second reading of the District Rules and Regulations occurred? G.M. Chaplen responded – the first public hearing will happen in January because enough discussion about the Rules & Regulations occurred during the November Board meeting that staff needed to hold the first public hearing again. The second public hearing will likely take place in February.

There were no other public comments.

11. Business from the Board

Director Williams reported there was no Jennings Lodge CPO meeting to attend in December.

Director Gibson reported due to health issues that she did not attend C4, or the North Clackamas County Water Commission Executive Council meeting, but she did check in with the Chair and the NCCWC meeting focused on the strategic planning goals. She also had to miss the C4 Executive Committee meeting at the last minute.

Director Fisher attended the Oak Grove Community Council meeting and heard three major presentations. The first concerned the sidewalk along Torbank to close to the Trolley Trail. Marylhurst School presented their interest around leasing the Concord School building. The third presentation focused on the library settlement and that Gladstone needs to vote on if they can change to use funds for building a library.

12. 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.

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

Convene Executive Session at 7:48 p.m., all Board members present.

The District's attorney presented information to the Board describing potential ambiguities in state statute regarding the qualifications of Board members.

Members of the Board inquired about their obligation to make a determination about the candidates and the attorney responded.

Members of the Board inquired about the process for obtaining an opinion from the attorney general.

Came out of Executive Session 8:19 p.m. Restarted Regular Board Session.

There was a unanimous Board approval for the motion made by Kevin Williams and seconded by Lynn Fisher. The motion was to ask the District's attorney to submit a

question to the State attorney general regarding what are the minimum qualifications for a potential Board member to run for office given the conflicting requirements between Water Districts and Sanitary District's authorizing acts/statutes. The General Manager was given the direction to work with the District's attorney to clarify the eligibility requirements for Board members.

14. Adjourn

Chair Martin adjourned the regular meeting at 8:21 p.m.

Respectfully submitted,

Sarah Jo Chaplen
General Manager

Date: _____

Jim Martin
Chair, Board of Directors

Date: _____

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Sarah Jo Chaplen, General Manager
Agenda Item: Annual January Board Selection of Board Officers
Item No.: 4
Date: January 16, 2018

Action Requested

Board perform its annual selection of Board Officers for the following positions: President, Secretary/ Vice-President and Treasurer.

Background

As a consolidated special district, Oak Lodge Water Services District (OLWSD) has the powers and authorities granted to both Water Districts and Sanitary Districts pursuant to ORS Chapter 264 and ORS Chapter 450, respectively. Both statutes provide that Officer elections shall occur at the first business meeting in January. The Board in a motion on December 19th, 2017 identified and reaffirmed the Board Officer positions to be filled as the following: President, Secretary/ Vice-President and Treasurer.

Suggested Board Motion

"I move that the Board appoint the following Board member as President."

"I move that the Board appoint the following Board member as Secretary/ Vice-President", and

"I move that the Board appoint the following Board member as Treasurer."



STAFF REPORT

To: Board of Directors
From: Sarah Jo Chaplen
Agenda Item: Registered Agent Designation and Resolution 18-01
Item No.: 5
Date: January 16, 2018

Background:

ORS 198.340 requires the designation of a Registered Agent for special districts:

“(1) A special district shall designate a registered office and a registered agent. The registered agent shall be an agent of the district upon whom any process, notice or demand required or permitted by law to be served upon the district may be served. A registered agent shall be an individual resident of this state whose address is identical with the registered office of the district. The registered office may be, but need not be, the same as the place of business of the special district.

(2) The district may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State and county clerk of each county in which located a statement setting forth:

(a) The name of the district.

(b) If the address of its registered office is changed, the address to which the registered office is to be changed.

(c) If its registered agent is changed, the name of its successor registered agent.

(d) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(e) That such change was authorized by resolution duly adopted by the district board.

(3) The statement shall be subscribed and sworn to by the secretary, financial officer or chairperson of the district board. [1971 c.267 §7]”

Action Required:

That the Board approve Resolution No. 18-01 designating Sarah Jo Chaplen as the Registered Agent for the Oak Lodge Water Services District.

Sample Motion:

“I move to approve Resolution No. 18-01 designating Sarah Jo Chaplen as the Registered Agent for the Oak Lodge Water Services District.”

BEFORE THE BOARD OF DIRECTORS
OF
OAK LODGE WATER SERVICES DISTRICT

In the Matter of Designating a
Registered Agent and a
Registered Office

RESOLUTION NO. 18-01

THIS MATTER came before the Board of Directors of Oak Lodge Water Services District, a sanitary and water district organized under Oregon Revised Statutes (ORS) Chapter 450 and Chapter 264, regarding the change in a Designation of a Registered Agent pursuant to ORS Chapter 198.

WHEREAS, ORS Chapter 198 requires special districts to designate a Registered Agent of the District whom any process, notice or demand required or permitted by law to be served upon the District may be served, and

WHEREAS, ORS Chapter 198 requires the Registered Agent to be an individual resident of the State of Oregon, with a business office identical to the business address of the District's Registered Office, and

WHEREAS, ORS Chapter 198 requires the adoption of a resolution authorizing the change in designation of a Registered Agent, and

WHEREAS, The Board of Director of Oak Lodge Water Services District has found it necessary to change the designated Registered Agent; now therefore,

Be it Resolved, That the Board of Directors of Oak Lodge Water Services District hereby removes the designation of Jason Rice as the District's Registered Agent, designates Sarah Jo Chaplen as the District's successor Registered Agent, and authorizes the Board President to certify the designation of the Registered Agent to the Secretary of State, and

Be it further Resolved, That the Board of Directors of Oak Lodge Water Services District hereby now confirms the designation of the District's Registered Office as: 14496 SE River Road, Oak Grove, OR 97267-1198.

ADOPTED this 16th day of January 2018.

OAK LODGE WATER SERVICES
DISTRICT

By: _____
, Board President

By: _____
, Secretary

**NOTICE OF DESIGNATION
OF SPECIAL DISTRICT
REGISTERED OFFICE AND REGISTERED AGENT**

I, _____, President of the Board, of this district, a municipal corporation, organized under the provisions of ORS Chapter 198, certify that:

1. Pursuant to a resolution of the District Board, duly adopted, the Registered Office of this District is:

14496 SE River Rd, Oak Grove, OR 97267

(Street Address of Registered Office, City, Zip)

2. The Registered Agent in Oregon at such Registered Office is:

Sarah Jo Chaplen

(Street Address of Registered Office, City, Zip)

IN WITNESS WHEREOF,

This District has caused this instrument to be executed in its name by the President of the Board of the District on this 18th day of April 2017.

Oak Lodge Water Services District

(Name of District)

By: President of the Board

STATE OF OREGON)
) ss.
County of Clackamas County)

Signed before me on _____ by:

Notary Public – Oregon: _____

My Commission Expires: _____

INSTRUCTIONS: A new form must be filed each time a change is made in either the registered agent or the registered office. There is no fee for filing this form.

Please send the form to:

Secretary of State - Archives Division
800 Summer Street NE
Salem, Oregon 97310



STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Acceptance of the Audited Financial Report from January 1 to June 30, 2017
Item No.: 6
Date: January 16, 2018

Background

Governmental entities are required to have an annual review of their financial records to ensure compliance with generally accepted accounting practices (GAAP). This is commonly referred to as the annual audit.

Pauly, Rogers, and Company, P.C of Tigard, Oregon performed the audit for the District. The six-month audit for January 1, 2017 through June 30, 2017 shows the revenues and expenditures for the first 6 months of Oak Water Services. As a new entity, the District was not required to have a budget for this six-month period. It is recommended the Board act to accept the audit to acknowledge they have received and reviewed it.

Staff Recommendation

It is recommended the Board accept the audit as submitted, and approve the report to be forwarded on to the Oregon Secretary of State Audit Division.

Suggested Motion

"I move to accept the audit as submitted and approve the report to be forwarded to the Oregon Secretary of State Audit Division."

Attachments

1. Communication to the Governing Body from Kenny Allen, CPA, Pauly, Rogers, and Co., PC.
2. Oak Lodge Water Services Financial Report for the six months ended June 30, 2017

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE SIX MONTHS ENDED JUNE 30, 2017



12700 SW 72nd Ave.
Tigard, OR 97223



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 29, 2017

To the Board of Directors
Oak Lodge Water Services
Clackamas County, Oregon

We have audited the basic financial statements of Oak Lodge Water Services for the six months ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any internal control related matters that are required to be communicated under professional standards.

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Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a "clean" opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the basic financial statements were Management's estimate of Accounts Receivable and Capital Asset Depreciation, which is(are) based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

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Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accounts and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 75 – ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

This Statement is effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for

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postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2017



12700 SW 72nd Ave.
Tigard, OR 97223

OAK LODGE WATER SERVICES
Oak Grove, Oregon

FOR THE SIX MONTHS ENDED JUNE 30, 2017

FINANCIAL REPORT

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OAK LODGE WATER SERVICES

Oak Grove, Oregon

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OAK LODGE WATER SERVICES

Oak Grove, Oregon

JUNE 30, 2017

<u>Board of Directors</u>	<u>Term Expiration</u>
Nancy Gibson	July 2021
Lynn Fisher	July 2021
Jim Martin	July 2021
Susan Keil	July 2019
Kevin Williams	July 2019

All board members receive mail at the address below.

Registered Agent

Sarah Jo Chaplen
14496 S.E. River Road
Oak Grove, OR 97267

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PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 29, 2017

To the Board of Commissioners
Oak Lodge Water Services
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the Oak Lodge Water Services as of and for the six months ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of Oak Lodge Water Services, as of June 30, 2017, and the changes in financial position and cash flows, thereof for the six months then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Schedule of the Proportionate Share of the Net Pension Liability and Contributions presented as Required Supplementary Information, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Oak Lodge Water Services' financial statements. The supplementary information, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The listing of board members, located before the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 29, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

Oak Lodge Water Services District

Management's Discussion and Analysis

Six Months Ended June 30, 2017

As management of the Oak Lodge Water Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal six months ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the notes to the financial statements.

Financial Highlights

- At June 30, 2017, the District's assets exceeded its liabilities by \$58,092,971 (net position)
- The District has \$77,062,885 invested in capital assets, net of accumulated depreciation
- The combined ending fund balances of \$12,474,186
- The District's 6-months operating revenues were \$6,529,550
- The District's 6-months operating expenses (excluding depreciation) were \$3,853,832

Overview of the Financial Statements

The District is a self-supporting entity and follows enterprise fund reporting, and accordingly the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The District's annual report consists of the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows. The Statement of Net Position presents the current and long-term portions of assets and liabilities separately and may provide a useful indicator of whether the financial position of the District is improving or deteriorating. However, the implementation of GASB 68 (establishing financial reporting standards for employers and public pension plans) during the fiscal year 2015 may cause unusual fluctuations in Net Position from year to year and may need closer examination to determine any changes to the actual financial position of the District. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's assets changed as a result of current year operations. Again, GASB 68, which also establishes how pension expense is recognized, could possibly cause large variations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. Thus, there are transactions included that do not affect cash until future fiscal periods. The Statement of Cash Flows presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34. Budgetary schedules are included later in the financial report.

The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

Financial Summary

The following schedule presents a summary of revenues, expenses and increase in net position for the District for the fiscal 6 months ended June 30, 2017.

	<u>2017</u>
OPERATING REVENUES:	
Water Service	\$ 1,713,872
Sanitary Service	4,467,149
Other Operating Revenues	<u>348,529</u>
Total Operating Revenues	6,529,550
OPERATING EXPENSES:	
Personnel Services	1,778,026
Materials and Services	2,075,806
Depreciation	<u>1,192,754</u>
Total Operating Expenses	<u>5,046,586</u>
Net Operating Income (Loss)	<u>1,482,964</u>
NON-OPERATING REVENUE (EXPENSE):	
Interest Income	61,462
Other Revenue	77,870
Unrealized Gain (Loss) on Investment in NCCWC	(65,832)
Interest Expense	<u>(794,934)</u>
Total Non-Operating Revenue (Expense)	<u>(721,434)</u>
Change in Net Position	761,530
Beginning Net Position	<u>57,331,441</u>
Ending Net Position	<u><u>58,092,971</u></u>

The District's operating revenue was \$6,529,550 for the six months ending June 30, 2017. With the consolidation of the water and sanitary services into one new district on January 2017 there are not comparisons from year to year. Excluding depreciation, expenses were \$3,853,832. Personnel services are affected by the reporting requirement of GASB 68 (Please refer to Notes to Basic Financial Statements Note 7 for additional details on the Defined Benefit Pension Plan).

Total assets, liabilities and net position were as follows:

	<u>2017</u>
ASSETS:	
Current Assets	\$ 13,188,027
Investment in NCCWC	11,671,766
Capital Assets (Net)	<u>77,062,885</u>
Total Assets	<u><u>101,922,678</u></u>
DEFERRED OUTFLOWS-Pension related	2,794,898
LIABILITIES AND NET POSITION:	
Current Liabilities	\$ 3,604,084
Net Pension Liability	5,170,996
Bonds Payable, Less Current Portion	<u>37,532,395</u>
DEFERRED INFLOWS-Pension related	317,130
Total Liabilities & Deferred Inflows	<u><u>46,624,605</u></u>
Net Position	
Invested in Capital Assets	\$ 39,095,496
Restricted	590,483
Unrestricted	<u>18,406,992</u>
Total Net Position	<u><u>58,092,971</u></u>
Total Liabilities and Net Position	<u><u>\$ 104,717,576</u></u>

Net position serves as one useful indicator of a government's financial condition. With the advent of GASB 68 this number may see greater fluctuations from year to year and needs to be examined closely before coming to solid conclusions. Please refer to Notes to Basic Financial Statements Note 7 for additional details on the Defined Benefit Pension Plan. The assets of the District exceeded liabilities by \$58,092,971 as of June 30, 2017. The largest portion of net position (67.3%) reflects the investment in capital assets. \$590,483 is cash resources that are restricted as a result of legal loan reserve requirements. The remaining \$18,406,992 of the District's net position is unrestricted and may be used to meet the District's ongoing operations.

Fund Analysis

Moving forward the new District, will have three main funds, distinguishing the three separate revenue streams. They are the Drinking Water fund, the Wastewater Fund and the Watershed Protection fund. All revenue related to the particular function is incorporated into its fund including system develop charges where charged. Likewise, all expenses are incorporated as well, including capital. This is a change from the prior districts, but keeps the revenues separated for use in the fund where it is generated. The combined year end fund balance was \$10,461,969, excluding the Debt Service funds. As a new District, there was not a budget was not subject to Oregon Budget Law for the 6 months from January 1 to June 30, 2017.

Capital Assets

As of June 30, 2017, the District had \$77,062,885 invested in a broad range of capital assets, including land, buildings, machinery, wastewater reclamation facility, sewer and water distribution systems and various equipment. This amount is net of accumulated depreciation. See Note 5 to the financial statements for additional information on capital assets.

Debt Administration

In 2010 the former Sanitary District raised \$51,000,000 in debt to finance the renovation of its water reclamation facility. June 30, 2017 the District's outstanding debt was \$39,806,726. Additional information regarding the District's debt can be found in Note 6 to this financial statement.

Economic Factors and Next Year's Budget and Rates

The Oak Lodge Water Services District is a new consolidated district derived from the former Oak Lodge Sanitary District and Oak Lodge Water District on January 1, 2017. The next few years will set the base for saving the rate payers future rate increases through joint administrative functions and economies of size. The new District plans to continue to fund future capital improvements with monies already on hand. During the 2017-2018 fiscal year the District will be updating the water masterplan, including a rate study for both water distribution and system development fees. This will set the methodology for setting future rates for water functions.

Requests for Information

This financial report is designed to provide a general overview of the Oak Lodge Water Service District's finances for parties interested in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be address to Sarah Jo Chaplen, the General Manager, at 14496 SE River Road, Milwaukie, Oregon, 97267.

BASIC FINANCIAL STATEMENTS

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

STATEMENT OF NET POSITION

June 30, 2017

	2017
ASSETS:	
Current:	
Cash and Cash Equivalents	\$ 10,097,417
Restricted Cash	590,483
Accounts Receivable:	
Water (Net)	703,679
Sanitary (Net)	1,613,782
Other	47,715
Prepaid Expenses	21,492
Inventory	113,459
Total Current Assets	13,188,027
Non-Current:	
Investment In NCCWC	11,671,766
Capital Assets (Net)	77,062,885
Total Non-Current Assets	88,734,651
Total Assets	101,922,678
DEFERRED OUTFLOWS:	
Pension Related Deferrals	2,794,898
LIABILITIES:	
Current Liabilities:	
Accounts Payable	555,206
Payroll Liabilities	153,135
Deposits Payable	5,500
Accrued Interest	422,506
Accrued Compensated Absences	193,406
Current Portion of Bonds Payable	2,274,331
Total Current Liabilities	3,604,084
Long-Term Liabilities:	
Net Pension Liability	5,170,996
Bonds Payable, Less Current Portion	37,532,395
Total Long-Term Liabilities	42,703,391
Total Liabilities	46,307,475
DEFERRED INFLOWS:	
Net Pension Related Deferrals	317,130
NET POSITION:	
Net Investment in Capital Assets	37,256,159
Restricted	590,483
Unrestricted	20,246,329
Total Net Position	58,092,971
Total Liabilities, Deferred Inflows and Net Position	\$ 104,717,576

The accompanying notes are an integral part of this statement.

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For 6 Months Ended June 30, 2017

	<u>2017</u>
OPERATING REVENUES:	
Water Service	\$ 1,713,872
Sanitary Service	4,467,149
Other Operating Revenues	<u>348,529</u>
Total Operating Revenues	<u>6,529,550</u>
OPERATING EXPENSES:	
Personal Services	1,840,139
Materials and Services	2,013,693
Depreciation	<u>1,192,754</u>
Total Operating Expenses	<u>5,046,586</u>
Operating Income	<u>1,482,964</u>
NON-OPERATING REVENUE (EXPENSE):	
Interest Income	61,462
Other Revenue	77,870
Unrealized Gain (Loss) on Investment in NCCWC	(65,832)
Interest Expense	<u>(794,934)</u>
Total Non-Operating Revenue (Expense)	<u>(721,434)</u>
Change in Net Position	761,530
Beginning Net Position	<u>57,331,441</u>
Ending Net Position	<u><u>\$ 58,092,971</u></u>

The accompanying notes are an integral part of this statement.

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

STATEMENT OF CASH FLOWS
For the 6 Months Ended June 30, 2017

	2017
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 6,294,956
Cash Paid to Suppliers	(1,951,507)
Cash Paid to Employees	(1,995,392)
Net Cash Provided (Used) by Operating Activities	2,348,057
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(1,097,296)
Interest Paid on Long-Term Debt	(592,987)
Principal Payments on Bonds	(1,431,710)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,121,993)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Other Revenue	77,870
Net Cash Provided (Used) by Non-Capital Financing Activities	77,870
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	61,462
Net Cash Provided (Used) by Investing Activities	61,462
Net Increase (Decrease) in Cash	(634,604)
Cash and Cash Equivalents - Beginning of Year	11,322,504
Cash and Cash Equivalents - End of Year	\$ 10,687,900
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income	\$ 1,482,964
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	1,192,754
Pension Estimate	(242,058)
Decrease (Increase) in Accounts Receivable	(234,594)
Decrease (Increase) in Prepaid Insurance	(21,492)
Decrease (Increase) in Inventory	51,696
Increase (Decrease) in Accounts Payable	26,482
Increase (Decrease) in Deposits Payable	5,500
Increase (Decrease) in Payroll Liabilities	24,692
Increase (Decrease) in Accrued Compensated Absences	62,113
Net Cash Provided (Used) By Operating Activities	\$ 2,348,057

Non-cash transactions:

The Investment in Commission decreased by \$65,832. This is the District's share of the gain/loss in joint venture.

The accompanying notes are an integral part of this statement.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Oak Lodge Water Services (the District) is a special service district organized and operating under Oregon Revised Statutes, Chapter 450, and numerous other applicable statutes for purposes of providing sanitary sewer and surface water management services. The District's geographical boundaries encompass approximately six and one-half square miles in a highly urbanized area of largely unincorporated Clackamas County and comprise less than ten percent of the population of Clackamas County. The District also provides some services to individual governmental entities located outside of the District's geographical boundaries, including the City of Gladstone, City of Milwaukie, and Clackamas County Service District No. 1. These cross-jurisdictional services are provided through intergovernmental agreements with the entities.

The District is governed by a five member Board of Directors. The daily management of the District is under the supervision of the General Manager, who is appointed by the Board of Directors. The District is the level of government financially accountable for all District operations; therefore, District related activity is included in the District's financial statements. There are various governmental agencies and service districts that provide services within the District's boundaries; however, the District is not financially accountable for these entities, and accordingly, their financial information is not included in the District's financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

For financial reporting purposes, the District reports its operations on an enterprise fund basis. Enterprise funds (a proprietary fund type) are accounted for on a flow of economic resources measurement focus. This measurement focus provides that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with operations are included on the Statements of Net Position.

The accrual basis of accounting is utilized by the District for financial reporting. Under the accrual basis of accounting, income is recorded when earned and expenses are recorded at the time liabilities are incurred. The Statements of Revenues, Expenses, and Changes in Net Position present increases (income) and decreases (expenses) in District net position.

Operating and Non-Operating Revenues and Expenses

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations, primarily the provision of services related to the collection and treatment of wastewater and services related to the management of surface water.

Operating revenues include service charges and related fees for the provision of sanitary sewer service and surface water management as well as miscellaneous fees interconnected to the District's ongoing operations. Operating expenses include all necessary costs related to the performance and administration of the District's ongoing activities as well as depreciation expense on the District's capital assets.

Non-operating revenues and expenses include rental income, amortized debt premium proceeds or discount costs, interest income or loss, and income or loss derived from the disposal of capital assets. Capital contributions include system development fees and related items associated with new connections to the District's collection and treatment facilities. Capital contributions also include capital grant contribution expenditures that fund capital projects in which the District has a programmatic interest but fails to retain actual ownership of infrastructure. Non-exchange transactions, in which the District receives value without giving equal value in exchange, comprise developer contributions.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Deposits and Investments

Cash and Cash Equivalents - Cash and cash equivalents are considered to be cash on hand, cash on deposit, cash in restricted accounts, and positions in a cash and investment pool that has the same characteristics as a demand deposit (resources can be deposited or withdrawn without notice or penalty). Cash equivalents include investments in the State of Oregon Local Government Investment Pool (LGIP); the District's position in the LGIP approximates the fair value of the pool shares.

Cash and Cash Equivalents – Restricted – Cash and cash equivalents whose use is restricted to specific purposes by bond indenture are segregated on the Statements of Net Position; specifically, restrictions may comprise unspent debt proceeds raised to finance water reclamation facility renovations, money market demand deposits related to construction retainage escrow liabilities, and debt financing reserve requirements stipulated by debt financing agreements.

Investments – Current investments are investments that mature within twelve months. Non-current investments are investments that mature after twelve or more months. Investments are reported at fair market value; fair market value is generally based on market prices.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables

Water service charges, sanitary sewer service charges and surface water management service charges are billed, in arrears, to residential, commercial, and industrial customers. To effectively balance workload, maintain reasonable overhead, and cost-effectively manage the number of customer accounts billed, customer accounts are divided into two billing cycles with each cycle billed bimonthly on an alternating month basis. All service charges are due fifteen days from the last day of the billing period. Service charges not paid by the fifteenth day of the following month are subject to an interest penalty in the amount of one percent per month on the unpaid balance or twelve percent per annum.

System development fees are generally due upon receipt of the service. However, in the event a customer cannot pay the District's system development fee(s), Oregon Revised Statutes provide for time payment. The District grants customers who request time payment the options provided by law, including the opportunity to execute a promissory note with the District. Other fees, including inspections, licenses, real property title search fees, reimbursements, and miscellaneous items are generally due upon receipt of invoice.

Concentrations of credit risk with respect to receivables are limited due to the large number of customers comprising the District's customer base and the District's authority per Oregon Revised Statutes (ORS) 454.225 to collect delinquent service charges through a special assessment against property owner's real estate.

In June, each year, accounts with balances exceeding \$200, and more than 120 days past due, are certified to the Clackamas County's Assessor under authority provided by ORS 454.225 and placed on the property tax role as a special assessment. In addition to the service charges and accrued interest penalties, accounts certified are assessed a \$50 processing fee to help defray administrative expenses. Nevertheless, the District is still subject to uncollectible revenues due to federal and state bankruptcy rules and regulations shielding debtors from creditors and Clackamas County's property tax and special assessment payment discounts. Receivables, therefore, are reported net of an allowance for doubtful accounts; the District's allowance for doubtful accounts is based on amounts subject to bankruptcy and the District's proportionate share of Clackamas County's property tax and special assessment payment discounts issued to property owners who pay at least two-thirds of their property tax and special assessment bills by November 15 each year.

Inventories

Inventory of materials is valued at the lower of cost or market, with cost determined on a weighted average basis, and is reported as an expenditure as used.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets primarily include land, buildings, drainage systems, machinery and equipment, vehicles, and similar items, including intellectual property, with a cost of \$5,000 or more, and an expected useful life greater than one year. The District capitalizes some assets with a cost less than \$5,000 which the District has decided to inventory in its capital asset ledger. The cost of capital assets acquired and/or constructed includes all expenses incurred in the acquisition or construction of the asset, including capital project master planning, engineering design, legal services, and interest accrued during construction. Capital assets acquired and/or constructed are capitalized and recorded at cost (or estimated historical cost). Capital assets donated to the District are capitalized and recorded at their fair market value at the time of their donation. Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets. The cost of normal maintenance and repairs that do not add to the value of capital assets or materially extend capital assets' estimated useful life are expensed in the fiscal year incurred.

Capital assets' estimated useful lives in years are as follows:

Building and Improvements:	10 to 50 years
Infrastructure:	33 to 50 years
Equipment:	5 to 10 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accrued Compensated Absences Liabilities

Employees earn sick, vacation, and personal holiday leave through their employment with the District. Accumulated sick leave is not limited to a specific number of hours. Accumulated vacation leave is limited to a maximum of two-hundred twenty hours. Accumulated personal holiday leave is limited to twenty-four hours. Employees may also earn compensatory leave in lieu of overtime pay for hours worked in excess of eight hours per work day or forty hours per work week but accumulated compensatory leave is limited to a maximum of forty hours. The District does not recognize an expense or accrue a liability for accumulated sick leave, personal holiday leave, and compensatory leave because employees do not receive compensation for unused sick leave hours if they separate from service with the District, personal holiday leave is subject to expiration after the last day of each calendar year, and unused compensatory leave is limited to payment within the fiscal year in which it is earned. The District does recognize an expense and accrue a liability for accumulated vacation leave hours because employees receive compensation for unspent vacation leave hours if they separate from service with the District.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

Long-term debt is reported net of premiums and discounts. Premiums and discounts are amortized over the term life of the debt to maturity.

Net Position

Net position is the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources. Net position has three components, including net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets consists of all capital assets, net of accumulated depreciation, reduced by outstanding debt attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of resources that are subject to constraints by external parties, including lenders, grantors, contributors, laws, regulations, and enabling legislation. Amounts reported correspond to legal loan reserves of the district's long term debt.

Unrestricted net position consists of all other resources that are available for meeting financial obligations of the district.

Employee Retirement Plan

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of OPERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with the accrual basis of accounting, except that capital outlay is expensed when purchased, depreciation and amortization are not recorded, developer contributions are not recorded, debt is recorded as resources when received, pension costs are not recorded until paid, and debt payments are recorded as expenses when paid. A preliminary budget is prepared and presented to a Budget Committee, which is comprised of the Board of Directors and an equal number of non-elected citizens. After public meetings, the Budget Committee forwards its approved budget to the District's Board of Directors. The Board conducts a public hearing, adopts the final budget and makes appropriations prior to the beginning of the fiscal year.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Appropriations are made by fund at the major function level (personal services, materials and services, operating contingencies, transfers to other funds, capital outlay, and debt service) for each fund. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular Board meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board of Directors.

Original and supplemental budgets may be modified by the use of appropriation transfers between levels of control. Such transfers require approval by the Board of Directors. Appropriations lapse on June 30 of each fiscal year.

The District was exempt from Oregon Budget law due to consolidation commencing in the current period.

3. CASH AND INVESTMENTS

State statutes govern the District's cash management policies, because the District does not have an official investment policy. Statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2017, (recorded at fair value) consisted of:

Deposits With Financial Institutions:

Petty Cash	\$	1,235
Demand Deposits:		
Checking		823,165
Investments		9,863,500
Total	\$	10,687,900

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)	
		Less than 3	More than 3
State Treasurer's Investment Pool	\$ 9,863,500	\$ 9,863,500	\$ -
Total	\$ 9,863,500	\$ 9,863,500	\$ -

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, the District will not be able to recover the value of its deposits and collateral securities in the possession of the financial institution. The District does not have a deposit policy for custodial credit risk. The District's demand deposit accounts, and time and saving deposit accounts with financial institutions are each insured by the Federal Depository Insurance Corporation (FDIC) up to a maximum of \$250,000. To provide additional security, where balances exceed \$250,000, Oregon statutes require depositories qualified to hold public funds to participate in the Oregon Public Funds Collateralization Program in which depositories become part of a multiple financial institution collateral pool and are required to pledge as collateral securities with a value at least equal to their maximum liability towards protecting public funds in the event one or more of the participating depositories' fail. Securities are held in the safekeeping of a custodian chosen by the state.

The Oregon Public Funds Collateralization Program determines each depository's maximum liability from the depository's capitalization category set forth by the FDIC. The program is intended to eliminate custodial credit risk and make loss very unlikely but does not actually guarantee absolute total safety. As of June 30, 2017, the District held \$823,165 (book balance) in deposits with a bank balance of \$1,051,424; of this amount, \$301,783 was insured by the FDIC. The remaining amount is collateralized under the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes restrict the District to specific types of investments, including general obligations of the United States Government and its agencies, obligations of the State of Oregon that have a rating of A or better, obligations of the States of California, Idaho, and Washington that have a rating of AA or better, A-1 or better rated commercial paper, banker's acceptances, Aa rated corporate bonds, A rated corporate bonds of certain holding companies in the State of Oregon, time deposits, repurchase agreements, and Oregon's Local Government Investment Pool (LGIP).

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

The District's investment policy is consistent with Oregon's restrictions on investments. At June 30, 2017, the District had no investments, other than deposit investments in the LGIP.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District's investment policy limits investment in a single security type or with a single financial institution to no more than eighty percent of the District's total portfolio, with the exception of commercial paper and the LGIP. Investments in commercial paper and corporate notes are limited to no more than thirty-five percent of the District's total portfolio at the time of investment, and investment in commercial paper and corporate notes of a single holding or single issuer is further limited to no more than five percent of the District's total portfolio. Investments in the LGIP may exceed eighty percent of the District's total portfolio as the Oregon Short-Term Fund (the Fund) utilizes a variety of investment vehicles and financial institutions. At June 30, 2017, the District's deposit and investment types, as a percentage of the District's total deposit and investment portfolio, included public funds deposit accounts (8%) and the Local Government Investment Pool (92%).

Deposit Risk

Interest rate risk is the risk of loss attributable to liquidating investments prior to maturity but subsequent to periods of increasing interest rates. The District's investment policy is to match investment activity to cash flow requirements and invest to maturity in an effort to avoid loss through untimely conversion of investments to cash. The District's investment policy further limits investments to financial securities with maturity terms of eighteen months or less to minimize exposure to fair value losses arising from increasing interest rates. At June 30, 2017, the District had no investments, other than deposit investments in the LGIP.

4. RECEIVABLES

Accounts Receivable

The District bills residential water and sanitary users every other month and commercial users every month. The water service receivable is \$879,679 and the offsetting allowance for doubtful accounts is \$176,000. Therefore the net receivable for water service is \$703,679 at June 30, 2017. The sanitary service receivable is \$1,613,782.

Amounts Due from Other Funds

An amount due to the water general fund from the sanitary general fund in the amount of \$89,574 is recorded. The amount due is the result of payroll expenditures related to sanitary employees paid by the water general fund. The total amount is billed to the sanitary general fund and will be paid in the following fiscal year.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in Capital Assets for the six months ended June 30, 2017 are summarized below:

	Balance 12/31/16	Additions	Deletions	Balance 6/30/2017
Non-Depreciable:				
Land	\$ 2,082,060	\$ -	\$ -	\$ 2,082,060
Construction in Process	1,133,232	866,840	156,192	1,843,880
Total Non-Depreciable	3,215,292	866,840	156,192	3,925,940
Depreciable:				
Buildings and Improvements	46,322,497	18,345	-	46,340,842
Water Systems	15,267,844	44,082	-	15,311,926
Sanitary Systems	14,387,392	166,607	-	14,553,999
Equipment	27,809,726	157,614	-	27,967,340
Total Depreciable	103,787,459	386,648	-	104,174,107
Total Capital Assets	107,002,751	1,253,488	156,192	108,100,047
Accumulated Depreciation:				
Buildings and Improvements	7,723,241	506,178	-	8,229,419
Water Systems	8,240,835	94,639	-	8,335,474
Sanitary Systems	6,867,544	113,209	-	6,980,753
Equipment	7,012,788	478,728	-	7,491,516
Total Accumulated Depreciation	29,844,408	\$ 1,192,754	\$ -	31,037,162
Capital Assets, Net	\$ 77,158,343			\$ 77,062,885

6. LONG-TERM DEBT

Changes in Accrued Compensated Absences Liability

The District estimates one-hundred percent of its total accrued compensated absences leave liability, including salary and related payroll expenses, is current and due within one fiscal year, and accordingly, reports total accrued compensated absences leave liability as a current liability. Accrued compensated leave liability is combined with other accrued salary costs and reported together in the Statements of Net Position as accrued liabilities.

The District's accrued compensated absences liability balance changed as follows:

	Balance December 31, 2016	Additions	Deletions	Balance June 30, 2017
Accrued Compensated Leave Liability	\$ 244,104	\$ 193,406	\$ 244,104	\$ 193,406

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

Changes in long-term liabilities for the fiscal year ended June 30, 2017 were as follows:

	Balance December 31, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
Bonds Payable:					
General Obligation Bonds	\$ 18,540,000	\$ -	\$ 995,000	\$ 17,545,000	\$ 1,035,000
Infrastructure Financing Authority Bonds	\$ 5,955,056	\$ -	\$ -	\$ 5,955,056	\$ 353,965
Clean Water State Revolving Funds Loan	\$ 16,410,077	\$ -	\$ 424,221	\$ 15,985,856	\$ 860,388
Less Deferred Amounts:					
General Obligation Bond Premium	\$ 333,303	\$ -	\$ 12,489	\$ 320,814	\$ 24,978
Total	<u>\$ 41,238,436</u>	<u>\$ -</u>	<u>\$ 1,431,710</u>	<u>\$ 39,806,726</u>	<u>\$ 2,274,331</u>

Bonds Payable

On November 3, 2009 the District's citizenry passed Measure 3-348 authorizing the District to issue general obligation bonds for up to \$44,000,000 in debt financing. General obligation bond debt financing generally secures better financing terms than revenue bond debt financing alone because general obligation bonds are authorized by the citizenry and may be repaid through property tax assessments. The District intends to repay all debt financing related to wastewater facilities through sanitary sewer service charge revenue; however, with the authority granted by its citizenry,

The District may repay general obligation bond debt through property tax levies in the event sanitary sewer service charge revenue does not support debt repayment and covenant obligations of the District.

On May 13, 2010 the District issued \$24,000,000 in general obligations bonds. The debt was issued at a premium in the amount of \$499,083. The premium is being amortized straight-line over the debt issue's term to maturity. The bonds will be repaid over a twenty year term to maturity and the range of coupon rates associated with the bond series is 2% to 4%. The total interest cost of the entire bond series to maturity is 3.72%.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year	Principal	Interest
2017-2018	1,035,000	691,450
2018-2019	1,080,000	660,400
2019-2020	1,120,000	617,200
2020-2021	1,165,000	572,400
2021-2022	1,210,000	525,800
2022-2027	6,910,000	1,860,400
2027-2032	5,025,000	408,400
Total	<u>\$ 17,545,000</u>	<u>\$ 5,336,050</u>

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

Loans Payable

On August 31, 2010 the State of Oregon Infrastructure Financing Authority Program loaned the District \$8,000,000 which originated from the state's issuance of Recovery Zone Economic Development Bonds. These are also known as United States Build America Bonds. The bonds are property-tax backed bonds. The debt was issued at a premium in the amount of \$23,749. The premium is being amortized straight-line over the debt issue's term to maturity. The bonds will be repaid over a twenty year term to maturity and the range of interest rates associated with the bond series is 2% to 2.84%. Of the amount borrowed 87% of the debt qualifies for a 45% interest subsidy from the United States Treasury. The total net interest cost of the entire bond series to maturity is 2.71%.

Annual debt service requirements for recovery zone economic development bonds are as follows:

Year	Principal	Interest
2017-2018	353,965	303,495
2018-2019	360,936	290,561
2019-2020	368,042	277,011
2020-2021	375,267	262,827
2021-2022	387,716	247,614
2022-2027	2,125,954	923,694
2027-2032	1,983,176	287,749
Total	<u>\$ 5,955,056</u>	<u>\$ 2,592,951</u>

In fiscal year 2011 the District was awarded loans up to \$19,409,645 by the State of Oregon Department of Environmental Quality Clean Water State Revolving Fund Loan Program for Intended-Use Plans. The District accepted and received \$19,000,000 of the proceeds and declined the remaining amount that was available. The loans will be repaid over a twenty year term to maturity and the range of interest rates associated with the loan series is 0% to 2.65% plus an annual administrative fee of 0.50% of the principal balance. The total net interest cost of the entire loan series to maturity, including the administrative fee, is 2.45%.

Annual debt service requirements for Clean Water State Revolving Fund loans are as follows:

Year	Principal	Interest
2017-2018	860,388	313,608
2018-2019	876,670	297,326
2019-2020	893,387	280,609
2020-2021	910,550	263,446
2021-2022	928,171	245,825
2022-2027	4,922,057	947,923
2027-2032	5,438,664	431,316
2033	1,155,969	18,046
Total	<u>\$ 15,985,856</u>	<u>\$ 2,798,099</u>

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

The Clean Water State Revolving Fund program receives capitalization grants through the Catalog of Federal Assistance (CFDA) No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency (EPA). The program is further subject to U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" implementing the Single Audit Act of 1996 ("Circular A-133"). As a sub-recipient of a federal grant, the District is subject to Circular A-133 to the extent its loan proceeds include federal capitalization grant funds. Of the amount borrowed through the Clean Water State Revolving Fund, \$12,573,566 or 66% of the funds comprised federal capitalization grant funds, whereas the remaining \$6,426,434 of the \$19,000,000 borrowed through the Clean Water State Revolving Fund comprised state funds.

The Clean Water State Revolving Fund program has a loan reserve requirement in which the District must place in reserve an amount equal to one-half the average annual debt service. As a result the District has established a legal reserve amount of \$590,483 to satisfy the Clean Water State Revolving Fund legal loan reserve requirements. This amount is reflected in the categories of Cash and Cash Equivalents – Restricted and Net Position – Restricted on the face of the District's Statements of Net Position.

The Clean Water State Revolving Fund program also maintains a debt service coverage requirement in which the District must maintain wastewater rates and charge fees in connection with the operation of the facility that are adequate to generate net operating revenues in each fiscal year sufficient to pay all revenue backed debt service requirements.

Net operating revenues are defined as gross revenue less operating expenses. Operating expenses are defined as direct and indirect expenses related to the operation, maintenance, and repair activities of the District, including but not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the District. Operating expenses include an appropriate amount for reserves for repair and replacement of facilities and equipment based on management's estimates of expected useful life of capital assets.

Under the terms of the agreement debt service coverage must be equal to the debt service coverage factor of 105% multiplied by the debt service payments due under the Clean Water State Revolving Fund loan agreement plus any amount that the program determines is inadequately secured or otherwise may adversely affect the ability of the District to repay the loan. General obligation bond debt and recovery zone economic development bond loans are secured by property tax revenue, but the District has pledged to repay them with service charge revenue, so it is being considered by the program when calculating the debt service coverage ratios. Therefore all debt service is considered when reviewing whether revenues are sufficient to cover all other debt service and meet a reserve requirement for repair and replacement. See Page 75 to find the District's Program Compliance Information on Debt Service Coverage.

In the 6 months ended June 30, 2017, the District's gross revenues did not meet its debt service coverage requirements. The District relied on working capital to cover the financial shortfall. The District believes its budget and rates for fiscal year 2018 will provide sufficient new gross revenues to meet its debt service coverage requirements. Refer to page 38 to review the computation of legal debt service coverage.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were \$242,058, excluding amounts to fund employer specific liabilities. At June 30, 2017, the District reported a net pension liability of \$5,170,996 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the District's proportion was .034 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 171,079	\$ -
Changes in assumptions	1,102,849	-
Net difference between projected and actual earnings on pension plan investments	1,021,571	-
Net changes in proportionate share	-	213,041
Differences between District contributions and proportionate share of contributions	50,361	104,089
Subtotal - Amortized Deferrals (below)	2,345,860	317,130
District contributions subsequent to measuring date	449,038	-
Deferred outflow (inflow) of resources	\$ 2,794,898	\$ 317,130

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2017	\$ 341,048
2018	341,048
2019	722,304
2020	551,519
2021	72,811
Thereafter	-
Total	\$ 2,028,730

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/PERS/Documents/Financials/CAFR/2016-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent (reduced from 2.75 percent)
Investment rate of return	7.5 percent (reduced from 7.75 percent)
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent)
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with <i>Moro</i> decision, blend based on service

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.
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Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Re	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
Assumed Inflation		2.75%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
District's proportionate share of the net pension liability	\$ 8,349,434	\$ 5,170,993	\$ 2,514,377

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan that is invested in the IAP. The District does not make this contribution on behalf of its employees.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

8. RISK MANAGEMENT

The District is subject to the risk of loss related to torts, theft or damage to and destruction of assets, errors and omissions and natural disasters. The District purchases commercial insurance for all significant risks of loss. There was no significant reduction in the District's major categories of insurance coverage and settlements have not exceeded insurance coverage for each of the past three years. Note the District's insurance company has the right to assess additional amounts.

9. CONSOLIDATION

Measure 3-474 on the May 2016 Primary Election asked voters to decide whether Oak Lodge Sanitary District and Oak Lodge Water District should consolidate as jointly proposed by their elected board of directors. The purpose of the consolidation is to combine administrative operations and reduce administrative tasks previously being performed by both Districts for nearly the same rate payers with the ultimate goal of significant long-term savings. There was a 54.17% voter turnout and 72.58% of those voters voted in favor of the consolidation. The consolidation took affect at the close of business on December 31, 2016. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of Oak Lodge Water District were transferred to Oak Lodge Water Services at the close of business; effective January 1, 2017, surface water management, sanitary sewer service, and water service are now the responsibility of Oak Lodge Water Services.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. CONSOLIDATION (CONTINUED)

The following is the Statement of Net Position of the entity as of the date of merger:

ASSETS:			
Current:	Cash and Cash Equivalents	\$	11,322,504
	Accounts Receivable		2,130,582
	Inventory		165,155
	Total Current Assets		13,618,241
Non-Current:	Investment In NCCWC		11,737,598
	Capital Assets (Net)		77,158,343
	Total Non-Current Assets		88,895,941
	Total Assets		102,514,182
DEFERRED OUTFLOWS:	Pension Related Deferrals		2,552,840
LIABILITIES:			
Current:	Accounts Payable		528,724
	Payroll Liabilities		128,443
	Accrued Interest		220,559
	Bonds Payable, Current Portion		2,201,371
	Accrued Compensated Absences		131,293
	Total Current Liabilities		3,210,390
Long-Term Liabilities	Net Pension Liability		5,170,996
	Bonds Payable, Net of Current Portion		39,037,065
	Total Liabilities		47,418,451
DEFERRED INFLOWS:	Net Pension Related Deferrals		317,130
NET POSITION:	Net Investment in Capital Assets		35,919,907
	Restricted		590,483
	Unrestricted		20,821,051
	Total Net Position	\$	57,331,441

10. JOINT VENTURE

In partnership with Sunrise Water Authority, the North Clackamas County Water Commission was organized under Oregon Revised Statutes Chapter 190. The Commission was established to provide joint ownership and operations for the supply, pumping, treatment, storage, and transmission of municipal, industrial, and agricultural waters. Each partner shall have the right to call upon the System for the treatment of raw water up to that portion of the then existing design capacity of the system as shall equal the requesting partner's undivided interest in the System. Each partner shall be obligated to pay for the water supplied or purchased, by the System and delivered to the partners. The District had water purchases of \$506,957 for the period January 1, 2017 through June 30, 2017.

The Commission completed construction of a slow sand filter water treatment plant in fiscal year 1998-99. The District's investment in the Commission is \$11,671,766. The partner's currently own interest in the Commission, as follows: Sunrise Water Authority, 48%; City of Gladstone 10%; and Oak Lodge, 42%. The partners may terminate the agreement with one-year notice. Upon such notice, the property will be purchased by the non-terminating party (if they desire) or sold to some other entity.

OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. JOINT VENTURE (CONTINUED)

The North Clackamas County Water Commission issues a publicly available financial report which may be obtained by writing NCCWC, 14496 SE River Road, Milwaukie, OR 97267.

11. EQUITY

Equity at June 30, 2017, utilizing the accounting methods and principles of the District is comprised of the following:

	<u>2017</u>
Ending Fund Balances:	
Water General	\$ 654,389
Water SDC Improvement	180,917
Water Capital Expenditure	1,380,151
Water Reserve	837,289
Sanitary General	1,978,569
Sanitary Capital Improvement	3,000,558
Sanitary SDC	470,801
Sanitary Loans Debt Service	1,226,946
Sanitary GO Bond Debt Service	785,271
Sanitary SWM Improvement	1,959,295
Less: Accrued Absences	(193,406)
Net Pension Liability	(5,170,996)
Deferred Inflows	(317,130)
Accrued Interest	(422,506)
Long-Term Debt	(39,806,726)
Plus: Investment in NCCWC	11,671,766
Net Capital Assets	77,062,885
Deferred Outflows	2,794,898
Total Equity	<u>\$ 58,092,971</u>

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REQUIRED SUPPLEMENTARY INFORMATION

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the 6 Months Ended June 30, 2017**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) OLWS's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.03 %	\$ 5,170,996	\$ 1,393,268	3.7 %	80.5 %

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$ 242,058	\$ 242,058	\$ -	\$ 1,407,981	17.2 %

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

BUDGETARY REPORTING

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

COMBINING BALANCE SHEET - ALL FUNDS (BUDGETARY BASIS)

June 30, 2017

	WATER GENERAL FUND	WATER SDC IMPROVEMENT FUND	WATER CAPITAL EXPENDITURE FUND	WATER RESERVE FUND	SANITARY GENERAL FUND
ASSETS:					
Current:					
Cash and Investments	\$ 145,223	\$ 180,917	\$ 1,529,410	\$ 837,289	\$ 543,571
Receivables:					
Water	703,679	-	-	-	-
Sanitary	-	-	-	-	1,613,782
Other	452	-	-	-	37,084
Due from Other Funds	89,574	-	-	-	-
Prepaid Expenses	21,492	-	-	-	-
Inventory	113,459	-	-	-	-
	<u>1,073,879</u>	<u>180,917</u>	<u>1,529,410</u>	<u>837,289</u>	<u>2,194,437</u>
Total Assets	\$ 1,073,879	\$ 180,917	\$ 1,529,410	\$ 837,289	\$ 2,194,437
LIABILITIES AND FUND EQUITY:					
Current Liabilities:					
Accounts Payable	\$ 265,003	\$ -	\$ 149,259	\$ -	\$ 122,146
Deposits Payable	5,500	-	-	-	-
Due to Other Funds	-	-	-	-	89,574
Payroll Liabilities	148,987	-	-	-	4,148
	<u>419,490</u>	<u>-</u>	<u>149,259</u>	<u>-</u>	<u>215,868</u>
Total Liabilities	419,490	-	149,259	-	215,868
District Equity:					
Fund Balance:					
District Equity	654,389	180,917	1,380,151	837,289	1,978,569
	<u>654,389</u>	<u>180,917</u>	<u>1,380,151</u>	<u>837,289</u>	<u>1,978,569</u>
Total District Equity	654,389	180,917	1,380,151	837,289	1,978,569
Total Liabilities and Fund Balance	\$ 1,073,879	\$ 180,917	\$ 1,529,410	\$ 837,289	\$ 2,194,437

SANITARY CAPITAL IMPROVEMENT FUND	SANITARY SDC IMPROVEMENT FUND	SANITARY LOANS DEBT SERVICE FUND	SANITARY GO BOND DEBT SERVICE FUND	SANITARY SWM IMPROVEMENT FUND	TOTAL
\$ 3,008,529	\$ 460,622	\$ 1,226,946	\$ 785,271	\$ 1,970,122	\$ 10,687,900
-	-	-	-	-	703,679
-	10,179	-	-	-	1,613,782
-	-	-	-	-	47,715
-	-	-	-	-	89,574
-	-	-	-	-	21,492
-	-	-	-	-	113,459
<u>\$ 3,008,529</u>	<u>\$ 470,801</u>	<u>\$ 1,226,946</u>	<u>\$ 785,271</u>	<u>\$ 1,970,122</u>	<u>\$ 13,277,601</u>
\$ 7,971	\$ -	\$ -	\$ -	\$ 10,827	\$ 555,206
-	-	-	-	-	5,500
-	-	-	-	-	89,574
-	-	-	-	-	153,135
<u>7,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,827</u>	<u>803,415</u>
<u>3,000,558</u>	<u>470,801</u>	<u>1,226,946</u>	<u>785,271</u>	<u>1,959,295</u>	<u>12,474,186</u>
<u>3,000,558</u>	<u>470,801</u>	<u>1,226,946</u>	<u>785,271</u>	<u>1,959,295</u>	<u>12,474,186</u>
<u>\$ 3,008,529</u>	<u>\$ 470,801</u>	<u>\$ 1,226,946</u>	<u>\$ 785,271</u>	<u>\$ 1,970,122</u>	<u>\$ 13,277,601</u>

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

	<u>WATER GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Water Sales	\$ 1,679,713	\$ -	\$ -	\$ 1,679,713
Penalty Charges	12,309	-	-	12,309
CRW Water Sales	11,010	-	-	11,010
Service Installations	10,840	-	-	10,840
Contract Service	32,590	-	-	32,590
Interest	5,577	-	-	5,577
Rents and Leases	38,280	-	-	38,280
Miscellaneous Sales & Charges	4,655	-	-	4,655
	<u>1,794,974</u>	<u>-</u>	<u>-</u>	<u>1,794,974</u>
EXPENDITURES:				
Personal Services	928,947	-	-	(928,947)
Materials and Services	1,052,588	-	-	(1,052,588)
Capital Outlay	150,149	-	-	(150,149)
Contingency	-	-	-	-
	<u>2,131,684</u>	<u>-</u>	<u>-</u>	<u>(2,131,684)</u>
Excess of Revenues Over, (Under) Expenditures	(336,710)	-	-	(336,710)
Other Financing Sources, (Uses):				
Transfers Out	(700,000)	-	-	(700,000)
	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>700,000</u>
Net Change in Fund Balance	(1,036,710)	-	-	(1,036,710)
Beginning Fund Balance	1,691,099	-	-	1,691,099
Ending Fund Balance	<u>\$ 654,389</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 654,389</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>WATER SDC IMPROVEMENT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
System Development Reimbursement	\$ 99,410	\$ -	\$ -	\$ 99,410
Interest	515	-	-	515
Total Revenues	<u>99,925</u>	<u>-</u>	<u>-</u>	<u>99,925</u>
Other Financing Sources, (Uses):				
Transfers Out	<u>(170,000)</u>	<u>-</u>	<u>-</u>	<u>(170,000)</u>
Net Change in Fund Balance	(70,075)	-	-	(70,075)
Beginning Fund Balance	<u>250,992</u>	<u>-</u>	<u>-</u>	<u>250,992</u>
Ending Fund Balance	<u><u>\$ 180,917</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,917</u></u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

	<u>WATER CAPITAL EXPENDITURE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Interest	\$ 7,396	\$ -	\$ -	\$ 7,380
Total Revenues	<u>7,396</u>	<u>-</u>	<u>-</u>	<u>7,380</u>
EXPENDITURES:				
Capital Outlay	<u>531,253</u>	<u>-</u>	<u>-</u>	<u>(531,253)</u>
Total Expenditures	<u>531,253</u>	<u>-</u>	<u>-</u>	<u>(531,253)</u>
Excess of Revenues Over, (Under) Expenditures	(523,857)	-	-	(523,857)
Other Financing Sources, (Uses):				
Transfers In	<u>670,000</u>	<u>-</u>	<u>-</u>	<u>670,000</u>
Net Change in Fund Balance	146,143	-	-	146,143
Beginning Fund Balance	<u>1,234,008</u>	<u>-</u>	<u>-</u>	<u>1,233,973</u>
Ending Fund Balance	<u><u>\$ 1,380,151</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,380,151</u></u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

	<u>WATER RESERVE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Interest	\$ 3,836	\$ -	\$ -	\$ 3,836
Total Revenues	<u>3,836</u>	<u>-</u>	<u>-</u>	<u>3,836</u>
Other Financing Sources, (Uses):				
Transfers In	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Net Change in Fund Balance	203,836	-	-	203,836
Beginning Fund Balance	<u>633,453</u>	<u>-</u>	<u>-</u>	<u>633,453</u>
Ending Fund Balance	<u>\$ 837,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 837,289</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>SANITARY GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Sanitary Sewer Service	\$ 3,811,467	\$ -	\$ -	\$ 3,811,467
Surface Water Management Services	655,682	-	-	655,682
Inspection Fees, Licenses, and Miscellaneous	36,207	-	-	36,207
Rental Income	7,000	-	-	7,000
Total Revenues	4,510,356	-	-	4,510,356
EXPENDITURES:				
Personal Services	1,091,137	-	-	(1,091,137)
Material and Services	910,855	-	-	(910,855)
Total Expenditures	2,001,992	-	-	(2,001,992)
Excess of Revenues Over, (Under) Expenditures	2,508,364	-	-	2,508,364
Other Financing Sources, (Uses):				
Transfers Out	(2,319,743)	-	-	(2,319,743)
Net Change in Fund Balance	188,621	-	-	188,621
Beginning Fund Balance	1,789,948	-	-	1,789,948
Ending Fund Balance	<u>\$ 1,978,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,978,569</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>SANITARY CAPITAL IMPROVEMENT FUND</u>				
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>VARIANCE TO FINAL POSITIVE (NEGATIVE)</u>
REVENUES:				
Interest	\$ 16,041	\$ -	\$ -	16,041
Total Revenues	<u>16,041</u>	<u>-</u>	<u>-</u>	<u>16,041</u>
EXPENDITURES:				
Capital Outlay	<u>130,558</u>	<u>-</u>	<u>-</u>	<u>(130,558)</u>
Total Expenditures	<u>130,558</u>	<u>-</u>	<u>-</u>	<u>130,558</u>
Excess of Revenues Over, (Under) Expenditures	(114,517)	-	-	(114,517)
Other Financing Sources, (Uses):				
Transfers In	<u>576,233</u>	<u>-</u>	<u>-</u>	<u>576,233</u>
Net Change in Fund Balance	461,716	-	-	461,716
Beginning Fund Balance	<u>2,538,842</u>	<u>-</u>	<u>-</u>	<u>2,538,842</u>
Ending Fund Balance	<u>\$ 3,000,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,558</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>SANITARY SDC IMPROVEMENT FUND</u>				VARIANCE TO FINAL BUDGET (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
System Development Fees	\$ 208,257	\$ -	\$ -	\$ 208,257
Interest on Account Receivables	411	-	-	411
Interest	1,637	-	-	1,637
Total Revenues	<u>210,305</u>	<u>-</u>	<u>-</u>	<u>210,305</u>
Net Change in Fund Balance	210,305	-	-	210,305
Beginning Fund Balance	<u>260,496</u>	<u>-</u>	<u>-</u>	<u>260,496</u>
Ending Fund Balance	<u>\$ 470,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,801</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>SANITARY LOANS DEBT SERVICE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Interest	\$ 8,217	\$ -	\$ -	8,217
Total Revenues	<u>8,217</u>	<u>-</u>	<u>-</u>	<u>8,217</u>
EXPENDITURES:				
Debt Service:				
Principal	424,221	-	-	(424,221)
Interest	<u>244,827</u>	<u>-</u>	<u>-</u>	<u>(244,827)</u>
Total Expenditures	<u>669,048</u>	<u>-</u>	<u>-</u>	<u>669,048</u>
Excess of Revenues Over, (Under) Expenditures	(660,831)	-	-	(660,831)
Other Financing Sources, (Uses):				
Transfers In	<u>288,961</u>	<u>-</u>	<u>-</u>	<u>288,961</u>
Net Change in Fund Balance	(371,870)	-	-	(371,870)
Beginning Fund Balance	<u>1,598,816</u>	<u>-</u>	<u>-</u>	<u>1,598,816</u>
Ending Fund Balance	<u>\$ 1,226,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226,946</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

<u>SANITARY GO BOND DEBT SERVICE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ACTUAL</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	
REVENUES:				
Interest	\$ 6,348	\$ -	\$ -	\$ 6,348
Total Revenues	<u>6,348</u>	<u>-</u>	<u>-</u>	<u>6,348</u>
EXPENDITURES:				
Debt Service:				
Principal	995,000	-	-	(995,000)
Interest	<u>360,650</u>	<u>-</u>	<u>-</u>	<u>(360,650)</u>
Total Expenditures	<u>1,355,650</u>	<u>-</u>	<u>-</u>	<u>1,355,650</u>
Excess of Revenues Over, (Under) Expenditures	(1,349,302)	-	-	(1,349,302)
Other Financing Sources, (Uses):				
Transfers In	<u>1,061,793</u>	<u>-</u>	<u>-</u>	<u>1,061,793</u>
Net Change in Fund Balance	(287,509)	-	-	(287,509)
Beginning Fund Balance	<u>1,072,780</u>	<u>-</u>	<u>-</u>	<u>1,072,780</u>
Ending Fund Balance	<u>\$ 785,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 785,271</u>

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

**OAK LODGE WATER SERVICES
CLACKAMAS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET (BUDGETARY BASIS)
For 6 Months Ended June 30, 2017**

SANITARY SURFACE WATER MANAGEMENT IMPROVEMENT FUND

	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Interest	\$ 11,484	\$ -	\$ -	\$ 11,484
Total Revenues	11,484	-	-	11,484
EXPENDITURES:				
Capital Outlay	335,586	-	-	(335,586)
Excess of Revenues Over, (Under) Expenditures	(324,102)	-	-	(324,102)
Other Financing Sources, (Uses):				
Transfers In	392,756	-	-	
Net Change in Fund Balance	68,654	-	-	68,654
Beginning Fund Balance	1,890,641	-	-	1,890,641
Ending Fund Balance	\$ 1,959,295	\$ -	\$ -	\$ 1,959,295

Note - the District was exempt from Oregon Budget law in the six month period ending June 30, 2017 due to the merger of the Water and Sewer. See the Notes for further information.

PROGRAM COMPLIANCE INFORMATION—COVERAGES COMPUTATION
State of Oregon Department of Environmental Quality (DEQ)
Clean Water State Revolving Fund (CWSRF) Loans

**OAK LODGE WATER SERVICES DISTRICT
CLACKAMAS COUNTY, OREGON**

**PROGRAM COMPLIANCE INFORMATION - COVERAGE COMPUTATION
DEBT SERVICE COVERAGE INFORMATION - BUDGETARY BASIS
State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loans
For 6 Months Ended June 30, 2017**

	2017
¹ Gross revenues	
Sanitary sewer service	\$ 3,814,663
Sundry revenue	28,280
Interest on deposits and investments	32,243
System development fees	208,668
Total Gross Revenues	4,083,854
² Operating expenses	
Personal services	854,155
Materials and services	774,874
³ Reserve for repair and replacement	863,161
Total operating expenses	2,492,189
Net operating revenues available for debt service	1,591,665
⁴ Debt service	
⁵ General Obligation (GO) Bonds	1,355,650
⁶ Infrastructure Finance Authority (IFA) Loans	-
⁷ DEQ CWSRF Loans	669,048
Total debt service	2,024,698
Net revenue available after debt service (working capital required)	\$ (433,033)
Minimum Net Operating Revenues Requirement under DEQ CWSRF Loans	
All debt service (excluding debt service on CWSRF Loans)	\$ 1,355,650
All other financial obligations of prior lien obligations	-
105% of DEQ loan debt service	702,500
Minimum Net Operating Revenues	\$ 2,058,150
Net operating revenue available for debt service	\$ 1,591,665
⁸ Remaining revenue available (working capital required)	\$ (466,485)
Coverage requirement met (more or equal to \$0) - Yes or No	No

¹ Gross revenues reported reflect activities in the wastewater programs. Gross revenues includes system development charges but does not reflect developer contributions and capital grants.

² Operating expenses reported reflect activities in the wastewater program, including both direct and indirect activities necessary for wastewater program operations.

Operating expenses reported on a budgetary basis does not include depreciation which is a Generally Accepted Accounting Principle (GAAP) expense which requires expensing capital costs over time by spreading capital costs over the capital assets' estimated useful lives.

³ Per DEQ Loan the definition of operating expense includes a reasonable allocation of revenue towards reserves for the repair and replacement of sanitary sewer capital assets based on their expected lives.

The reserve for repair and replacement amount is an allocation of sanitary sewer revenue generated in the general fund which is estimated to have been transferred to the sanitary sewer capital improvement fund for ongoing repair and replacement of existing capital assets.

⁴ The District expects to pay all debt service with revenues, including working capital, of its sanitary sewer system.

⁵ General Obligation (GO) Bonds. Series 2010A. GO Bonds are property-tax backed debt. The District did not pledge sanitary sewer revenue to pay GC Bond debt service.

⁶ Infrastructure Finance Authority (IFA) Loans. IFA Loans are property-tax backed debt. The District did not pledge sanitary sewer revenue to pay IFA Loan debt service.

⁷ State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loans. CWSRF Loans are revenue backed debt. In CWSRF Loan Agreements the District pledged its revenue to pay CWSRF Loan debt service. The pledge is superior to all other claims and liens to the fullest extent permitted by ORS 287A.310

⁸ Net revenue available **(working capital required)** for other purposes reflects budgetary retained earnings available or working capital required for reserves and other future expenditures.

Source: Oak Lodge Water Service District Records

INDEPENDENT AUDITORS' REPORT
Required by Oregon State Regulations



PAULY, ROGERS AND Co., P.C.
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November 29, 2017

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Oak Lodge Water Services as of and for the six months ended June 30, 2017, and have issued our report thereon dated November 29, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

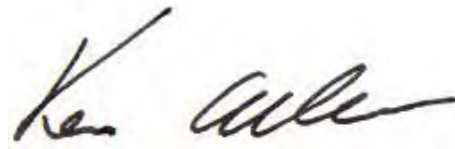
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Oak Lodge Water Services was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is written in a cursive style with a large, sweeping initial "K".

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Sarah Jo Chaplen, General Manager
Agenda Item: Initial Appointment of Budget Committee Members
Item No.: 7
Date: January 16, 2018

Action Requested

Staff seeks a decision from the Board appointing Budget Committee members to staggered terms for the Oak Lodge Water Services District (“District”) Budget Committee.

Background

The District’s Budget Committee terms need to be staggered as outlined in detail within the Local Budget Law to avoid the entire Budget Committee turning over at the same time. The District’s Budget Committee consists of the five members of the District Board and five electors of the District. The initial staggering of the terms as required by the Local Budget Law is to be as follows: two will serve a three-year term, two will serve a two-year term and one will serve a one-year term. As future openings occur, the Budget Committee terms will be for three years.

Willing Budget Committee members can be reappointed by the Board due to there being no term limits upon their service to the District.

The District has been fortunate in managing to attract more electors willing to serve than is actually required to constitute an official Budget Committee. Consequently, there is also an alternate member willing to attend Budget Committee meetings and in reserve to be appointed as a Budget Committee member should an unexpected absence of a sitting Budget Committee member need to be filled at any time during the budget development process.

The Board previously direct the District’s General Manager to speak with potential Budget Committee members and to bring a recommendation of appointments to the Board so that the full committee could be seated prior to February 1, 2018. The General Manager is now recommending the following slate of individuals to serve the following terms:

Position No. 1. John W. Klum, Chair—two years

Position No 2. Eugene Whitley, Secretary—one year
Position No 3. Dave Phelps, three years
Position No 4. Steven Cade, three years
Position No 5. Paul Gornick, two years

The General Manager is further recommending that Terry Gibson be allowed to participate as an alternative to be available for appointment to the Budget Committee if the need arises.

Suggested Board Motion

“I move that the Board appoint the following people to the Budget Committee for these terms:

*Position No. 1. John W. Klum, Chair—two years
Position No 2. Eugene Whitley, Secretary—one year
Position No 3. Dave Phelps, three years
Position No 4. Steven Cade, three years
Position No 5. Paul Gornick, two years
Alternate Member: Terry Gibson”*

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Jason Rice, District Engineer
Agenda Item: First Reading of OLWSD Rules and Regulations
Item No.: 8
Date: January 16, 2017

History

November 21, 2017

The proposed Oak Lodge Water Services District Rules and Regulations (attachment 1) were discussed with the Board. Specific areas of focus were around:

1. Ownership of sanitary sewer laterals in the Right-of-Way
 - Discussion was continued to a later date.
2. Recreational Vehicles (RV's) and Accessory Dwelling Units (ADU's) System Development Charges (SDC's) Equivalent Dwelling Units (EDU's) for Sanitary
 - Proposed language of 1 unit per RV or ADU was accepted
3. Utility Billing Low Income Program
 - Proposed language was accepted; however, the program's success would be analyzed each year as it was approved via the Budget

December 5, 2017

A conversation with the Board continued around Ownership of sanitary sewer laterals in the Right-of-Way concluded with the Board's direction to maintain ownership of laterals in the Right-of-Way just as the Sanitary District had done so in the past. As a part of this decision, lateral replacements schedules were also discussed. Currently, the District is replacing approximately 15 laterals per year. However, that number is expected to rise over the next 30 years. Staff will monitor the replacement schedule and anticipate the District's need in the Capital Improvement Plan.

Background

As the Oak Lodge Sanitary District and the Oak Lodge Water District began consolidating, it was identified that a new combined set of Rules and Regulations would be needed. At this time, the District employed a temporary Project Manager, Greg Jones, a former employee of the City of Portland to head this project up. Greg coordinated staff meetings between various departments to get a draft ready for Legal Review by Cable Huston.

The goals of the Rules and Regulations were to enable the District to:

- apply standardized practices across all three utilities
- enforce State and Federal permits
- process day-to-day activities (such as billing) in a consistent manner
- document large scale policy

The Board may notice that most of what exists within the proposed Rules and Regulations (attachment 1) is a blend of the two former Districts' Rules and Regulations. The few changes that did occur are where the two former Districts varied from one another.

Ideally, this document would be revisited by staff and the Board every 4-5 years to ensure current practices match the document text. However, since this District is still developing many of its policies and procedures, it is expected the first full review could happen as early as one year from the original adoption.

Concurrence

- Changes from both Administrative and Operations Departmental Staff were incorporated into this document.
- Staff has received and incorporated comments from Legal Counsel.
- Adopting the ordinance requires two public readings with the associated public hearings.

Suggested Board Motion

"I move that the Board conduct the first reading of Ordinance 18-01 by title only and conduct a public hearing."

Attachments

1. Proposed District Rules and Regulations
2. Ordinance 18-01 – Adopting the OLWSD Rules and Regulations after the Second Reading

Oak Lodge Water Services District
Rules and Regulations
January 11, 2018

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DEFINITIONS **2**

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§ 2 CONTRACT FOR SERVICE Error! Bookmark not defined.

§ 3 RATES, FEES AND OTHER CHARGES Error! Bookmark not defined.

§ 4 BILLING, PAYMENT & TERMINATION Error! Bookmark not defined.

§ 5 PERMITS AND CONNECTIONS Error! Bookmark not defined.

§ 6 WATER SERVICE CONNECTIONS Error! Bookmark not defined.

§ 7 SANITARY SEWER: GENERAL DISCHARGE PROHIBITIONS Error! Bookmark not defined.

§ 8 INDUSTRIAL WASTE Error! Bookmark not defined.

§ 9 FATS, OILS AND GREASE (FOG) PROGRAM Error! Bookmark not defined.

§ 10 SURFACE WATER MANAGEMENT Error! Bookmark not defined.

§ 11 ENFORCEMENT Error! Bookmark not defined.

§ 12 VARIANCES AND APPEALS Error! Bookmark not defined.

§ 13 ADOPTION OF NEW OR AMENDED RULES AND REGULATIONS Error! Bookmark not defined.

§ 14 MISCELLANEOUS PROVISIONS Error! Bookmark not defined.

PREFACE

The Oak Lodge Water Services District (OLWSD) is a municipal corporation organized and operating under Chapters 198, 264 and Chapter 450 of the Oregon Revised Statutes. The purpose of OLWSD is to supply its Users with sanitary sewage conveyance and treatment, watershed protection/surface water quality management, and domestic water supply. Water is also supplied, furnished and may be sold over and above the needs of its Users to any persons, corporations, or associations, either within or outside the District, or to other communities, water districts, or municipal corporations. The District also provides sanitary sewer services and treatment to its Users and to any persons, corporations, or associations, either within or outside the District, or to other communities, special districts, or municipal corporations.

OLWSD is governed by the authority vested in a Board of five Directors residing within OLWSD boundaries and elected by voters. Regular monthly meetings are held by the Board of Directors. The Board meetings are open to the public.

No provision of these District Rules and Regulations is intended to limit or alter any power granted to the District by state law, and this document should be interpreted to allow the District to exercise that authority to its fullest extent. At the time of adoption, these District Rules and Regulations contain references to other Local, State and Federal regulations or documents. In the event changes to those regulations or documents necessitate a change to these District Rules and Regulations, the District will amend this document.

DEFINITIONS

Accessory Dwelling Unit (ADU) means a secondary, subordinate dwelling unit as defined by Clackamas County, or the Oregon State Building Code whichever is prevailing. OLWSD defers to Clackamas County the determination of a structure or space to be an ADU.

Attorney means the OLWSD's Attorney.

Best Management Practices (BMP) means schedules of activities, prohibitions of practices, maintenance procedures and other management practices.

Board means Board of Directors for the District, acting as the governing body for the Oak Lodge Water Services District.

Clean Water Act (CWA or the Act) means the Federal Water Pollution Control Act, also known as the Clean Water Act,

Compliance means Meeting the requirements, standards and other obligations provided for in the District's Rules and Regulations, permits, contracts, orders or other authorities.

Confidential Information means information and data on a discharger including products used, industrial processes or methods of production which the discharger can demonstrate, to the satisfaction of the General Manager, constitute trade secrets. Effluent constituents and characteristics shall not be considered confidential information.

Connection means the sections of any service line located on private property extending continuously to the Main and capable of conveying water, sewage or stormwater.

Connection Charges means the current service installation charge and meter installation charge as adopted by the Board.

Development means any human induced change to improved or unimproved real estate, including but not limited to construction, installation, expansion of a building site or other structure; land division; drilling, site alteration such that as that due to land surface mining, dredging clearing, grading, excavation, filling, construction of earthen berms, paving or improvements for use as parking or storage.

District means the Oak Lodge Water Services District, or OLWSD. The District is a municipal corporation whose purpose is to regulate, control and supervise sanitary conditions as well as providing domestic water supply within the District. The District also furnishes, maintains and operates sanitary facilities and water supply facilities.

District Engineer means the lead Engineer for the District, acting either directly or through authorized representatives. The District Engineer is a registered professional engineer licensed to practice in the State of Oregon.

District Standards means the latest revision of the District's Design and Construction Standards.

Documented Violation means any violation which the District or other government agency verified through observation, investigation or data collection.

Easement means the right to use a defined area of property for specific purpose or purposes as set forth in the specifications.

Enforcement means any documented action taken to address a violation of these Rules and Regulations, or any other applicable law.

Fats, Oils and Grease (FOG) means any substance that turns or may turn viscous or solidify with a change in temperature or other conditions.

Federal Categorical Pretreatment Standards means any regulation containing pollutant discharge limits promulgated by the United States Environmental Protection Agency in accordance with General Pretreatment Regulations for Existing and New Sources of Pollution of the Clean Water Act which applies to a specific category of industrial discharger.

Fire Service Line includes, but is not limited to, valves, backflow prevention assemblies, special water meters, pipes, and other devices installed solely for service to the standby connection dedicated for fire service only. The Fire Service Line shall be owned and maintained by the owner.

Flagrant means any documented violation where the respondent had actual knowledge of the law, standard, or other legal requirement and consciously took or omitted to take an action that resulted in the violation without regard to the consequences of such act or failure to act.

Food Service Establishment (FSE) means facilities maintained, used, or operated for storing, preparing, serving, manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members, residents, students or employees, and which has any process or device that uses or produces FOG, or grease, vapors, steam, fumes, smoke or odors

Formal Enforcement means an administrative action signed by the General Manager or designee which is issued to a respondent on the basis that a violation has been documented, requires the respondent to take specific action within a specified time frame and states consequences for continued non-compliance.

Garbage means solid waste from the preparation, cooking, and dispensing of food; the handling, storage and sale of produce; and from the packaging and canning of food. This definition also includes the disposal of pharmaceutical products.

Grease Interceptor means a plumbing appurtenance or appliance that is installed in a sanitary drainage system to intercept nonpetroleum fats, oil, and greases (FOG) from a wastewater discharge.

Improvement means all phases of work to be performed under a Contract for a Local Improvement District and synonymous with the terms "project" or "work."

Indirect Discharge or Discharge means the introduction of pollutants into the Publicly Owned Treatment Works from any non-domestic source regulated under the Act. The discharge into the Publicly Owned Treatment Works is normally by means of pipes, conduits, pumping stations, force mains, constructed drainage ditches, surface water intercepting ditches, and all constructed devices and appliances.

Industrial Wastes means any liquid, gaseous, or water born wastes or combination thereof resulting from any process of business, industry, manufacturing, trade, or recovery of any natural resources, except garbage.

Inspector means the authorized representative of the District Engineer whose authority, instructions, and decisions shall be limited to the duties and responsibilities entrusted to them in making detailed inspections of any or all portions of the permitted or contracted work or materials

Interference means any discharge which alone or in conjunction with discharges from other sources inhibits or disrupts the wastewater treatment system, its treatment processes or operations, or its sludge processes, use or disposal and/or causes a violation of the District's NPDES discharge permit requirements or prevents or constrains normal practices for use and disposal of sludge.

Intentional means any documented violation where the respondent voluntarily took or omitted to take an action, and knew or should have known that taking or omitting to take action would be a "violation."

Main means the pipe in the street, alley, right of way, or easement, owned and maintained by the District.

Magnitude of Violation means the extent of a violator's deviation from the District's statutes, rules, permits or orders considering such factors as, but not limited to, pollutant or concentration, turbidity, volume, duration, toxicity, or proximity to human or environmental receptors. Deviations shall be classified as major, moderate or minor.

Mean High Water Line the jurisdictional limit of the Corps of Engineers under the Rivers and Harbors Act.

Non-contact Cooling Water means Water discharged from any system of heat transfer, condensation, air conditioning, refrigeration, or other sources to which no pollutant is added other than heat.

Non-irrigation Season means the period beginning October 15 and ending March 15th or the water meter reading cycle dates of the User's potable water service provider most nearly corresponding to the October 15th through March 15th time period.

Notice means a written communication delivered, by hand or by mail, to the authorized individual, member of the firm, or officer of the corporation for which it is intended. If delivered or sent by mail it shall be addressed to the last known business address of the individual, firm, or corporation. In the case of a contract with two or more persons, firms, or corporations, notice to one shall be deemed notice to all.

Ordinary High Water Mark as defined in the Shoreline Management Act (SMA) is a biological vegetation mark that can be found by examining the bed and banks and ascertaining where the presence and action of waters are so common and usual, and so long continued in all ordinary years,

Owner means the fee title owner of the property that receives services from the District.

Pass Through means a discharge which exits the Publicly Owned Treatment Works without benefit of treatment or with inadequate treatment.

Permit means any authorization required pursuant to this or any other regulation of the District for connection and/or discharge to the sanitary sewer system.

Permittee means any individual, partnership, firm, association, corporation or public agency applying for or receiving a permit.

Plans means construction plans, including system plans, water plans, sewer plans and profiles, cross section, detailed drawings, originals, or reproductions approved or to be approved by the District, which show the location, character, dimensions and details for the work to be done.

Premises means any building, structure, improvement or parcel of land that may now, or at some time, receive water or sewer service from the District.

Pretreatment means the application of physical, chemical, and/or biological processes to reduce the amount of pollutants, and/or alter the nature of the pollutant properties in wastewater prior to discharging such wastewater into the public sanitary sewer system.

Pretreatment Standard means prohibited discharge standards, categorical Pretreatment Standards, and Local Limits.

Prior Significant Action means any violation proven pursuant to a contested case hearing or established with or without admission of a violation by payment of a civil penalty.

Prohibited Discharges means that no person shall discharge or cause to be discharged, in any manner into the public sanitary sewer system any material, substances, or wastes listed under the General Discharge Prohibitions section of these Rules and Regulations.

Public Sewer means a sewer owned and operated by the District, or other local public agency, which is tributary to the District's sewer facilities.

Right-of-Way means a public easement for utilities and access.

Rates, Fees, and Other Charges means the current rates, fees and charges including permit fees, and system development charges as adopted by the Board.

Receiving Waters or Receiving Stream means the natural water course or body of water to which the District's wastewater treatment plant discharges.

Reimbursement Fee means the cost associated with capital improvements constructed or under construction on the effective date of these Rules and Regulations.

Respondent means the person to whom a formal enforcement action is issued.

Rules and Regulations means these rules and regulations as adopted by Ordinance by the Board.

Sanitary Sewer Lateral means the portion of pipe connecting private property structures to the main sewer system. The District accepts ownership of the lateral in the ROW and within public easements.

Sanitary Sewer Overflow (SSO) means the discharge of partially treated or untreated sewage to waters of the state.

Service Charge means the periodic charges levied on all Users of the District's water and sewerage systems for operation and maintenance of the system, and debt service as established by the District.

Service Class means groups of Users based on the type of sanitary sewer usage.

Service Connection (Sewer) means (for purposes of determining fees), a service connection is established when the side sewer lateral crosses from public property (Right of Way, or public easement) into Private Property.

Service Connection Point (Sewer) means the point of connection between the Building Sewer and Sewer Lateral.

Service Line (Water) means the pipe and any associated fittings from the water main to, and including the meter, and meter box.

Sewage means the liquid and water born wastes derived from the ordinary living processes free from industrial wastes and of such character as to permit satisfactory disposal without special treatment into the District sewerage system.

Sewer Lateral means the portions of the public sewer line which has the primary purpose of serving adjacent property. The sewer laterals are located within public right of way or easements, and connect sewer between the private property line or the boundary of an easement and the receiving line.

Significant Industrial User means:

1. A User subject to categorical pretreatment standards; or
2. A User that:
 - a. Contributes a process waste stream which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant; or
 - b. Is designated as such by the District on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any pretreatment standard or requirement.
3. Upon a finding that a User meeting the criteria in Subsection (2) has no reasonable potential for adversely affecting the POTW's operation or for violating any applicable pretreatment standard or requirement the District may at any time, on its own initiative or in response to a petition received from a User [and in accordance with procedures in 40 CFR 403.8(f)(6)] determine that such User should not be considered a significant industrial User.

Sludge means any solid, semi-solid or liquid decant, subnate or supernate from a manufacturing process, utility service, or pretreatment facility.

Slug Load or Slug Discharge means any discharge at a flow rate or concentration, which could cause a violation of the prohibited discharge standards as defined in these Rules and Regulations. A Slug Discharge is any Discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch Discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way violate the POTW's regulations, Local Limits or Permit conditions.

Suspended Solids means solids that either float on the surface or are in suspension in liquids and which are removable by laboratory filtering in accordance with procedures set forth in latest edition of the "Standard Methods for the Examination of Water and Wastewater".

System means all or any part of the water and sewer system owned by the District, including without limitation all service lines, meters, structures, facilities and appurtenances.

Systematic means any documented violation which occurs on a regular basis.

Systems Development Charge (SDC) means a reimbursement fee assessed or collected at the time of connection to the water or sanitary sewer system. It shall also include that portion of a water or sanitary sewer connection charge that is greater than the amount necessary to reimburse the District for its average cost of inspecting and installing connections with the water and sanitary sewer system. Systems Development Charge does not include:

1. any fees assessed or collected as part of a local improvement district;
2. any charges in lieu of a local improvement district or assessment; or
3. the cost of complying with requirements or conditions imposed upon a land use decision.

Trunk Sewer means any public sewer sized and located to serve general topographical areas and lateral sewers (normally twelve (12) inches in diameter or larger). Trunk sewers are located within public rights-of-way or easements.

User means any person who receives or contributes flow to or from the publicly maintained system.

User's System means those parts of the facilities beyond the termination of the District's system that are utilized in conveying water to the point of use, including the customer service line and fire service line, and or the building sewer lateral from the point of use to the service connection point at the property line.

Utility means tracks, overhead or underground wires, pipelines, conduits, ducts, or structures, owned, operated or maintained in or across a public right-of-way or easement.

Vault means an enclosure used to protect meters, valves, or similar devices.

Violation means a transgression of any federal, state or District rule, regulation, permit, order or other authority or any part thereof and includes both acts and omissions. Violations shall be classified as Class I, Class II, or Class III.

Waste means sewage and any and all other waste substances, liquid, solid, gaseous or radioactive, associated with human habitation or of human or animal nature, including such wastes placed within containers of whatever nature prior to and for the purpose of disposal.

Wastewater means the liquid and water-carried wastes of the community and all constituents thereof, whether treated or untreated, discharged into or permitted to enter a public sewer.

Water Billing Unit means 100 cubic feet (CCF) of water which is equal to 748 gallons.

Water Meter means a device for recording the quantity of water to a water service.

ABBREVIATIONS

The following abbreviations shall have the designated meanings:

<u>ASPP</u>	Accidental Spill Prevention Plan
<u>ADU</u>	Accessory Dwelling Unit
<u>BOD</u>	Biochemical Oxygen Demand
<u>CCSD#1</u>	Clackamas County Service District #1
<u>CFR</u>	Code of Federal Regulations
<u>EDU</u>	Equivalent Dwelling Unit
<u>EPA</u>	U.S. Environmental Protection Agency
<u>GRD</u>	Grease Removal Device
<u>l</u>	liter
<u>LEL</u>	Lower Explosive Limit
<u>mg</u>	milligrams
<u>mg/l</u>	milligrams per liter
<u>NPDES</u>	National Pollutant Discharge Elimination System
<u>OLWSD</u>	Oak Lodge Water Services District
<u>OPSC</u>	Oregon Plumbing Specialty Code
<u>O&M</u>	Operation and Maintenance
<u>PFU</u>	Plumbing Fixture Unit
<u>POTW</u>	Publicly Owned Treatment Works
<u>SIC</u>	Standard Industrial Classifications
<u>SIU</u>	Significant Industrial User
<u>TSS</u>	Total Suspended Solids
<u>USC</u>	United States Code

§ 1 OVERVIEW

- § 1.1. Purpose. These rules and regulations establish the conditions by which the District will conduct its business and operations, and how customers may receive service.
- § 1.2. District Ownership.
 - § 1.2.1. The District owns the District's Systems unless otherwise agreed to in writing.
 - § 1.2.2. No person other than those authorized by the District shall construct, maintain, operate, repair, or alter the District's System. No person other than those authorized by the District shall make a service connection or disconnect an existing service connection.
 - § 1.2.3. At all times Owners, Customers, and Users shall provide the District with safe, reasonable and efficient access to the District's System.
 - § 1.2.4. None of the properties of the District may be disposed of without approval of the Board.
- § 1.3. Statutory Authority. The District has the authority under ORS Chapters 264 and 450 to make and enforce necessary regulations within District's boundaries. The District exercises this authority through its governing body, the Board of Directors of the District. The Board will act at its discretion and in a manner consistent with the intent and purposes of ORS Chapters 264 and 450, and any other applicable law.
- § 1.4. Delegation and Administration. The Board delegates to the General Manager all duties necessary for the day-to-day operation of the District. The General Manager, or other authorized designee or representative, shall be the administrator of these Rules and Regulations.
- § 1.5. Jurisdiction. The District maintains jurisdiction of all activities associated with the System, surface water quality, and watershed protection. The System is operated only by authorized employees and agents of the District.
- § 1.6. Facilities Owned by Others. Clackamas County Department of Transportation and Development (CCDTD), Oregon Department of Transportation (ODOT), and other public and private entities own surface water conveyance facilities within the District's jurisdictional boundary. Unless otherwise agreed by the District, the District does not control or maintain these facilities associated with private roads, county roads, and state highways.
- § 1.7. Use of Water. The District will, as far as reasonable and practicable, and within its financial means, provide adequate sources of water supply, including necessary and primary feeder mains, storage facilities, and other improvements, to make water service generally available to all areas within the District. The Board may prescribe limitation on the use of water, as to hours, purpose, or manner from time to time. The resale of water purchased from the District by a customer will be permitted only by special written contract with the District specifying the appropriate conditions

therefore. The District will not be obligated to furnish or install system facilities for all properties and premises within the District.

§ 2 CONTRACT FOR SERVICE

- § 2.1. Contract for Service. By applying for or receiving any service from the District, an Owner or User is entering a contract for such services and agrees to comply with these Rules and Regulations.
- § 2.2. Connection To The Water And Sanitary Sewer System. Any connection to the water, sanitary sewer, or storm sewer system must be requested by the Owner, at Owner's expense, to connect directly with the proper public utility in accordance with the provisions of these Rules and Regulations. Such request shall be made through a complete application to connect to water, sanitary or storm sewer system. A completed application results in a permit upon payment of all fees, and submittal of all required documents. No person may materially increase the flow, the strength or the character of the sewage or stormwater, or add any fixtures not covered by the original application, without first obtaining a permit from OLWSD and paying all required fees and charges as may be fixed by the Board.
- § 2.3. Individual Contracts. Whenever the applicant or User's requirements for service are unusual, large, or subject to great fluctuation or variation, the District may require a special contract, and may require reasonable security satisfactory to the District, sufficient to protect the District against loss and to guarantee performance under the terms thereof. Water for swimming pools, tanks reservoirs, and like facilities will be considered under this section, and will be dependent upon sufficient water supply, and service for normal residential use. All special contracts will be in writing, signed by the Owner or User and the District.
- § 2.4. Changes to Rules and Regulations. All District rules, regulations, rates and charges are subject to change or modification by the Board and will be adopted by ordinance.
- § 2.5. Responsibility of the District.
- § 2.5.1. The District will maintain and repair, to the extent practical and reasonable, all parts of the Systems.
- § 2.5.2. The District will not be liable for any damages or injuries caused by termination or interruption of service, reduction of water supply, variations in water pressure, or quality of water. District Owners and Users are encouraged to equip their personal water systems with backflow devices and pressure regulators to prevent damage in the event of service interruptions or pressure changes within the System.
- § 2.6. Leakage within premises and related damages.
- § 2.6.1. The District will not be liable for any damage or injury caused by leaking or the running of water or sewage on the premises from pipelines, plumbing

fixtures, open faucets, valves, fixtures or hoses located beyond the Right-of-Way or service meters (typically found at the edge of the Right-of-Way).

- (1) One exception to this rule would be in the case that it can be proven that the District caused sewage to be pushed into the private sewer lateral as a result of regular maintenance.
- (b) The District will not be liable for any damage or injury caused by the malfunction, improper maintenance, or improper installation of a User's system.
- (c) Water service to any premises known or found to have such defects and hazards will be disconnected and not restored until such defects and hazards have been eliminated.
- (d) No person other than an employee of the District may operate any District-owned equipment or infrastructure.

§ 2.7. Responsibility of Owner or User.

§ 2.7.1. The Owner or User is responsible for compliance with all local, state and federal laws and requirements related to maintenance of their property and plumbing system.

§ 2.7.2. The Owner or User is responsible for all damage or injury resulting from the failure to properly construct, maintain, repair, or correct conditions in the Owner's or User's system.

§ 2.7.3. The Owner shall be liable for any damage to the System which is caused by an act of the User, their tenants, agents, employees, contractors, licensees, or permittees. The Owner may be fined and/or have service terminated in response to such damage.

§ 2.8. District Operation of System. Only the District may operate, modify, or alter the Districts Systems. Violators shall be responsible for any damage or adverse effects.

§ 2.9. Inspection. The District, through its authorized employees, shall have the right, at reasonable times and upon presentation of proper credentials, to enter any building, structure, or premises to ensure compliance with these Rules and Regulations, investigate complaints, or perform any other duty required by law.

§ 2.10. Water Supply. The Board has the right in cases of inadequate water supply to determine how water from the system may be used, and may establish regulations limiting water use. The Board may give preference to those uses determined to be in the best interests of the public health, well-being or necessity, or provided by law, and will give highest priority to household use, not including irrigation of lawns or fields.

§ 3 RATES, FEES AND OTHER CHARGES

§ 3.1. Establishment of Rates and Fees. The District shall establish Rates, Fees, and other Charges (Fee Schedule) for use of water, sanitary sewer services, watershed protection, permitting, and property of the District by Resolution. A copy of the established Rate Schedule shall be found on the District's Website and on file in the District office for examination by the public during business hours. The Fee Schedule of the District presently in effect, as of the date of the adoption of these revised Rules and Regulations, will remain in full force and effect until revised by the District.

§ 3.2. Water Rates, Fees and Other Charges.

§ 3.2.1. Fee Schedule.

§ 3.2.1.1. The District's Fee Schedule for water furnished and services rendered will apply within and without the District. The Fee Schedule will be reviewed and amended from time to time as required. Rates charged may be fixed and classified according to the type of use and according to the amount of water used.

§ 3.2.1.2. The Fee Schedule will include charges for the installation of service pipe and meters from the water Main to the property line and various other materials furnished by the District for such projects.

§ 3.2.1.3. In the event a particular service is not specified in the Fee Schedule, a rate may be established upon request by the District Board.

§ 3.2.2. System Development Charge (SDC) For Water Connection.

§ 3.2.2.1. The District will impose a SDC for water system connections associated with new or increased development. The SDC shall apply to each application for a new meter and shall be due and payable at the time of application. The SDC imposed is separate from and in addition to any applicable tax, assessment, charge, or fee otherwise provided by law or imposed as a condition of development, including other SDCs charged by the District.

§ 3.2.2.2. The SDC is a charge for service to be rendered or a service hookup charge and shall be established by the Board through a duly adopted resolution. The General Manager or his/her designee shall not allow connection for increased usage of the system until the SDC has been paid in full. Installment

payments of SDC fees may be arranged pursuant to Section 3.9 of these Rules and Regulations.

§ 3.2.2.3. The existing system development charge reimbursement fees in effect upon adoption of these revised Rules and Regulations will remain in effect but may be modified by District resolution following public hearing.

§ 3.3. Sanitary Sewer Rates, Fees, And Other Charges.

§ 3.3.1. Charges for the discharge or availability for discharge of sewage into the sanitary sewer system shall be established annually and shall include: (i) a base rate fixed charge for each calendar month, for each unit; (ii) a consumption-based variable charge for each one hundred (100) cubic feet of water consumption as measured during the previous non-irrigation season. The measured water consumption for the previous non-irrigation period shall form the basis for calculating the monthly sanitary sewer bill for each account for the succeeding twelve (12) month period beginning on July 1. Said calculation shall be performed annually to determine sanitary sewer service charge rates for each account.

§ 3.3.2. System Development Charge (SDC) For Sewer Connection.

§ 3.3.2.1. The District will impose a SDC for sanitary sewer system connections associated with new or increased development. There will be one SDC for each EDU as defined in Section 3.6 and Table 3.6. These charges shall be due and payable at the time of permit issuance for the increased improvements or new development. The SDC imposed is separate from and in addition to any applicable tax, assessment, charge, fee in lieu of assessment, or fee otherwise provided by law or imposed as a condition of development.

§ 3.3.2.2. The SDC is a charge for service to be rendered or a service hookup charge and shall be established by the Board of Directors through a duly adopted resolution. The General Manager or his/her designee shall not issue a permit or allow connection for increased usage of the system until the SDC has been paid in full. Installment payments of SDC fees may be arranged pursuant to Section 3.9 of these Rules and Regulations.

§ 3.4. Sanitary Sewer Change of Class of Service. When a parcel of property that is connected to the District's sanitary sewer system undergoes development or redevelopment that changes the number of equivalent dwelling units (EDUs), the following shall occur:

- § 3.4.1. If the change results in a greater number of EDUs, an additional system development charge shall be levied at the time of such change. The additional charge shall be equal to the net increase of EDUs times the current system development charge by EDU.
- § 3.4.2. If the change results in fewer EDUs pursuant to Table 3.6, there shall be no additional charge, and no rebate. Any previously issued EDUs not being used or billed by the new Class of Service shall be automatically released to the public sanitary sewer system capacity. The property or account will be billed at the reduced number of EDUs to determine the base rate service charges. The Customer has the option to retain any number of the unused EDUs. All unused EDUs are billed pursuant to these Rules and Regulations. Only EDUs purchased through respective System Development Charges may be retained.
- § 3.5. Unoccupied Structures or Units. The District may charge for services for unoccupied structures or units according to these Rules and Regulations. Connection to the sanitary sewer system is a continuing request for service by the Customer or Use, therefore charges will cease only when water service is discontinued, or the property's sanitary sewer is physically disconnected from the System in accordance with these Rules and Regulations. Watershed protection management fees may continue to be billed regardless of the status of water service or condition of the sanitary sewer connection.
- § 3.6. Equivalent Dwelling Unit (EDU) Count Methodology. The District determines EDU counts using one of the three methods described below:
- § 3.6.1. Dwelling Unit Method: This method determines the EDU count based on the number of dwelling units proposed in the development.
- § 3.6.2. Plumbing Fixture Unit Method: This method determines the EDU count by dividing the number of plumbing fixture units (PFU) by the occupancy equivalency factor proposed in the development. EDUs will always be rounded up to the nearest whole number.
- § 3.6.2.1. Fixture Types. PFUs for given plumbing fixture types will be as shown in the Oregon Plumbing Specialty Code at the time of the permit application. PFU's are categorized generally in the Oregon Plumbing Specialty Code and are consolidated into the Table below:

Fixture Type	Equivalency Factor
Bathroom or combination bath/shower	2.0
Clothes Washer	3.0
Dental unit or cuspidor	1.0
Dishwasher	2.0
Drinking Fountain or water cooler (per head)	0.5
Floor Drain (Emergency)	0.0
Shower, single head trap	2.0
Multi-head, each additional head	1.0
Lavatory, single	1.0
Lavatory, in sets of 2 or 3	2.0
Sink, bar	1.0
Sink, clinical	6.0
Sink, commercial, with food waste	3.0
Sink, general, specific purpose	2.0
Kitchen Sink, domestic	2.0
Laundry Sink	2.0
Service or Mop Basin	2.0
Wash each set of faucets	2.0
Urinal	2.0
Water closet low flow (<1.6 GPF), private	3.0
Water closet standard (>1.6 GPF), private	4.0
Other (use PFU values from Oregon Plumbing Specialty Code)	1.0-4.0

§ 3.6.2.2. Fixture Equivalencies for Use Classes. Conversion ratios are set by the District and reflect a City of Portland assessment of sanitary water usage per PFU, by business type.

Occupancy	Number of PFU's per EDU
Fire Station	16.0
Automotive Retailers	16.0
Repair Services	16.0
Education/Cultural	16.0
Churches/Clubs/Organizations	16.0
Rental/Storage Services	16.0
Construction Trade Services	16.0
Retail Sales & Businesses without food service	12.0
Public Use Facilities	12.0
Food Service	12.0
Beauty and Barber Salons	12.0
Clothing and Dry Good Stores	12.0
Warehouses Used for Storage	12.0
Commercial Kitchen, Catering, Cafeteria	7.0
Food Service, Fast Food	7.0

§ 3.6.2.3. Mixed Use. For mixed residential/nonresidential uses, the EDUs will be determined by applying 1 EDU per dwelling unit for the residential portion and according to fixture counts for the nonresidential portion.

§ 3.6.3. The District may, at its discretion, make the determination as to which method shall be used to determine the EDU Count for non-residential uses.

§ 3.6.4. Table 3.6 further describes the methodology for EDU Counts for the purposes of determining SDC's and monthly service charges.

§ 3.6.5.

TABLE 3.6 (Service Type Charge Equivalency)

Use I.D.	Type of Service	System Development Charge Equivalency	Monthly Sewer Service Charge Equivalency
1	Single Family Dwelling	1	1
2	Recreation Vehicle Hookup	1	1
3	Accessory Dwelling Unit	1	1
4	Multi Family Dwelling	1 per dwelling unit	1 per dwelling unit
5	Mobile Home Parks	1 per mobile home space	1 per mobile home space
6	Group Homes, Adult Care & Residential Care Facilities	1 per every 3 person capacity*	1 per every 3 person capacity*
7	Day Care Facilities	1 per 10 person capacity*	1 per every 10 person capacity*
8	Motels	1 per motel unit	1 per motel unit
9	Elementary Schools	1 per 32.5 students*	1 per 32.5 students*
10	High Schools/ Junior High Schools	1 per 12.5 students*	1 per 12.5 students*
11	Hospitals	1 per 2.5 beds*	1 per 2.5 beds*
12	Churches	1 unit	1 unit
13	Offices	1 per 1500 square feet*	1 per 1500 square feet*
14	Gas Station	2	2
15	Auto or Equipment Repair	1	1
16	Restaurants, Taverns and Bars	1 per 10 seating spaces*	1 per 10 seating spaces*
17	Temporary Dwellings**	1	1
18	Laundry Facilities	1 per washing machine	1 per washing machine
19	Beauty Shops, Hair Salons 1 unit per 4 shampoo bowls	1 per 4 shampoo bowls*	1 per 4 shampoo bowls*
20	Commercial, Industrial, and all other buildings and establishments	See Section 3.6	

*	Fractions will be rounded up to the nearest whole number of SDC's and monthly billing units. Example: 5 shampoo bowls equals 2 SDC payments and 2 units of billing each month.
**	Temporary dwellings shall pay the regular connection charge at the time of connection to the system. If the temporary structure is disconnected prior to the expiration of the permit's three (3)-year term, a prorated refund based on the number of months remaining in the three-year term, less inspection fees, will be granted upon request. Such request must be made within ninety (90) days of disconnection.

§ 3.7. Watershed Protection Rates, Fees and Other Charges. A monthly watershed protection and management charge shall be paid by the Customer or User, calculated as follows:

§ 3.7.1. Monthly charges are based on the size and location of a Customer or User's site, as follows:

§ 3.7.1.1. An Equivalent Service Unit (ESU) is used as the base unit of measure in the District's rate structure. An ESU is currently 2,500 square feet, which represents the average amount of impervious surface on a single-family residence site within the District Boundary. The number of ESUs for a site are calculated by dividing the total impervious area on the site by 2,500 square feet. Single-family residential Customers or Users are presumed to have one ESU.

§ 3.7.1.2. Each site's ESUs are multiplied by the watershed protection management service area charge listed in the Fee Schedule to determine the monthly fee for watershed protection.

§ 3.7.1.3. The service area charges are set annually in the Fee Schedule based on revenue requirements needed to meet planned workloads.

§ 3.7.2. Watershed Protection Facility Maintenance Surcharge. The District may add a surcharge to the monthly watershed protection charge for Customers or Users who operate and maintain private detention of water quality facilities. The cost of such surcharge will be determined by the District's actual cost to provide services related to these facilities, and by an equitable distribution of the cost to affected property owners. The surcharge will be established by an agreement between the District and the affected property owners, which will be a recorded deed restriction on the property.

§ 3.7.3. Watershed Protection System Development Charge. The District may, at a future date and pursuant to ORS 223.297 et seq., adopt system development charges for watershed protection to fund capital improvements such as additional system capacity and/or the installation, construction, and extension of the stormwater system. These charges shall be due and payable at the time a Customer or User is permitted to increase usage of the stormwater system. The SDC's are separate from and in addition to any applicable tax, assessment, charge, or fee otherwise provided by law or imposed as a condition of development, including other SDCs charged by the District.

§ 3.8. Commencement of Monthly Service Charges.

§ 3.8.1. For new connections, monthly service charges shall commence on the date that water service is first provided.

§ 3.8.2. For existing connections changing water service class as described in Table 3.6, monthly service charges shall commence upon the date the District authorizes the change in service class. Charges occur regardless of occupancy, completion, or other status of the property, unless disconnected. Charges may be pro-rated as follows:

§ 3.8.2.1. For single unit accounts the service charges may be pro-rated to the nearest one-half month in which the connection is approved.

§ 3.8.2.2. For multiple unit accounts the service charges may be pro-rated to the nearest week in which the connection is approved.

§ 3.9. Installment Payment for SDCs

§ 3.9.1. The District may approve payment of SDCs in twenty (20) semi-annual installments secured by a lien on the property upon which the new or increased development is to occur, or to which connection is to occur, including interest on the unpaid balance.

§ 3.9.2. The District shall provide application forms for installment payments, which shall include a waiver of all rights to contest the validity of the lien, except for the correction of computational errors.

§ 3.9.3. The District reserves the right to reject any application for installments payments.

§ 3.9.4. Requirements and procedures for installment payments of the SDC shall be in accordance with the following:

(a) A person requesting installment payments shall demonstrate the person's authority to allow imposition of a lien on the property and that the person's interest in the property is adequate to secure payment of the lien.

(b) Any eligible person requesting the installment plan shall at the time of the application for connection submit to the District an installment application on a form provided by the District.

(c) The applicant, at the time of application and at applicant's expense, shall order a preliminary title report for the property that would be subject to the lien from a title insurance company doing business in Clackamas County, Oregon, and provide it to the District.

- (d) The applicant, at applicant's expense, shall furnish the District with a current statement of amount due to each lien holder disclosed by the preliminary title report, the tax assessor's statement of true cash value, and, for property proposed for improvement, an *MAI* appraisal (Member Appraisal Institute), certified by the appraiser, as to the estimated fair market value upon completion of the proposed improvement. The applicant shall answer such questions as the District deems proper regarding the applicant's ability to make the installment payments, as well as any other lien holder. The applicant also authorizes the District to contact other lien holders regarding applicant's payment history.
- (e) The District will examine the title report for the property and other information, to determine whether:
 - (1) The total unpaid amount of all liens disclosed, together with the amount of the system development charge sought to be paid by installments, does not exceed (1) the appraised value of the property as determined by the current appraisal of the County Assessor or (2) if the District elects, based upon the appraisal or other evidence of value acceptable to the District, the amount does not exceed the estimated fair market value of the property; and
 - (2) The District, in its discretion, upon review of the applicant's ability to make payments as required under the proposed mortgage or trust deed and other debt obligations and the status of applicant's title to the property, consents to execution of the mortgage or trust deed; then
- (f) After District is satisfied with the title report for the property, the applicant shall execute an installment promissory note, payable to the District in the form prescribed by the District for payment in installments not to exceed twenty (20) equal semi-annual installments due January 1 and July 1 of each year, together with interest on the deferred principal balance at the rate of interest established in the District's Fee Schedule. The promissory note shall be secured by a mortgage or trust deed to the property. The cost of recording, preparation of security documents, title company report, and filing fees shall be borne by the applicant in addition to the connection charge. The applicant, by electing to pay in installments, agrees that as an additional remedy to recovery upon the promissory note and foreclosure of the mortgage or trust deed or remedy in lieu thereof, the District may after ten (10) days' notice of delinquent installments cause termination of service to the defaulting property.

§ 3.9.5. If the District determines that the amount of SDC, together with all unpaid liens, exceeds the appraised value of the property or that the applicant cannot execute a mortgage or trust deed which will be a valid lien or if the

District believes that it will not have adequate security, or that the applicant cannot make the required payments, it shall so advise the applicant and installment payments shall not be accepted.

§ 3.9.6. The District shall docket the lien in the lien docket. From that time, the District shall have a lien upon the described parcel for the amount of the SDC, together with interest on the unpaid balance at the rate established by the District. The lien shall be enforceable in the manner provided in ORS Chapter 223, and shall be superior to all other liens pursuant to ORS 223.230.

§ 4 BILLING, PAYMENT & TERMINATION

- § 4.1. Due Date; Delinquent Accounts. All charges for water and sewer services and watershed protection will be due and payable on the date of billing or as specified herein, and become delinquent if unpaid as of the 15th of the billing month. Water and sewer services may be discontinued when a billing delinquency exists according to Oregon law and these Rules and Regulations. All delinquent payments will be charged a monthly fee established in the Rate Schedule, from the date of delinquency until paid.
- § 4.2. Payments. All payments shall be made to the Oak Lodge Water Services District by automatic electronic payment, check, or credit/debit card, delivered by mail or in person at the office of the District, or other places the Board may designate.
- § 4.3. Account Setup. All accounts and/or requests for services are established and maintained in the name of the property owner.
- § 4.4. Property Owner Responsible. Connection to the water system and/or sanitary sewer system is a continuing request for service by the User, but the property's Owner is responsible for payment of all charges. The District will not recognize any attempt to transfer responsibility.
- § 4.5. Billing Address. Billing statements are mailed to the property owner, with a courtesy copy mailed to the service location, if the Owner does not reside at the service address. If the property owner does not provide the District with an address for mailing of bills, the District may use the mailing address for tax statements shown on the records of the County Assessor and/or County Tax Collector.
- § 4.6. Notices for Non-Owner Occupied Properties. The District will make all reasonable efforts to provide the property owner and User (landlord and tenant) with copies of all invoices, notices, and other information relating to fees and charges. This policy is intended to comply with ORS 91.255 and to provide notices to enable the landlord and tenant a reasonable opportunity within the time set by the District to avoid delinquent charges and discontinuance of service.
- § 4.7. Collection of Charges.

- § 4.7.1. All District invoices or bills for fees and charges shall be sent to the Owner at the address in the District's records.
 - § 4.7.2. The District may enter into a payment plan in its sole discretion to avoid hardship to the User if there is a dispute between landlord and tenant regarding the District's fees and charges.
 - § 4.7.3. The District may deny or terminate service to a delinquent Owner or User at a new service location within the District based upon the outstanding fees and charges at a previous service location.
 - § 4.7.4. The General Manager or their designee may enter into agreements regarding payment of delinquent fees and charges as are reasonable and necessary to obtain payment to the District and avoid hardship and inequities.
 - § 4.7.5. Failure to make payment when due shall give the District the right to undertake such collection action as it deems appropriate under the circumstances including, but not limited to, letters, telephone calls (reasonable as to time and place), and legal proceedings.
- § 4.8. Termination of Water Service by the District.

§ 4.8.1. Water service shall be subject to termination upon the occurrence of:

- (a) Non-payment of charges established within the District's Fee Schedule.
- (b) Non-compliance with these Rules and Regulations relating to matters other than non-payment of charges.
- (c) Lack of use of water service for a period indicating intent to terminate water service.
- (d) Threat to health, safety or welfare determined at the sole discretion of the District. Under these circumstances, termination may be immediate and without notice.

§ 4.8.2. Notice of the District's intent to terminate service shall be sufficient if given by any of the following:

- (a) U.S. mail sent to the property owner's address as shown in District records and to the User at the service address, or
- (b) By hand delivery of a notice to the property owner and to the User

When the notice is sent by mail, the notice shall be deemed complete upon deposit in the mail. The period for compliance shall be as set forth in the notice. When notice is hand delivered, the notice shall be deemed complete when delivered to the property owner's address and the period of compliance shall be as set forth in the notice.

§ 4.8.3. In all instances where a water service has been turned off because of a delinquent account or charges, the District will make a service charge for the restoration and discontinuance of water service, according to the current District Fee Schedule.

§ 4.8.4. Water service that has been terminated or disconnected for lack of payment for bills due the District will not be restored until all past due bills and other charges are paid in full.

§ 4.8.5. The failure of the District to discontinue water service for any reason, including nonpayment of service charges due, will not relieve the property owner or the User from the obligation and duty to pay for all said service furnished, whether the property owner or User, does, or does not, have knowledge of the delinquencies for water use or charges.

§ 4.9. Termination of Sewer Service Connection

§ 4.9.1. Sewer service shall be subject to termination upon the occurrence of:

- (a) Non-payment of charges established within the District's Fee Schedule.
- (b) Non-compliance with these Rules and Regulations relating to matters other than non-payment of charges.
- (c) Failure to cease discharging prohibited substances into the District sewerage system after notice from the District.
- (d) Failure to install flow sampling or measuring devices after being notified by the District to do so.
- (e) Threat to health, safety or welfare determined at the sole discretion of the District. Under these circumstances, termination may be immediate and without notice.

§ 4.9.2. The District will include the expense of such discontinuance as well as the expense of restoring service as part of the delinquent charges.

§ 4.9.3. Sanitary sewer service billing shall discontinue once the water meter is locked out by District Staff.

§ 4.9.4. Upon ten (10) days written notice, the District may undertake whatever steps are necessary to mitigate or terminate User's impact upon the District's or other public systems. The charges therefore shall be owed by Owner to the District. The notice period for this may be shortened if there is an imminent threat to human health, the environment, or the System. Any costs incurred by the District to cease or mitigate the User's impact its systems shall be charged according to the District's Fee Schedule.

§ 4.10. Attorney Fees & Costs. In any action or suit to collect any delinquent User charges, the District shall be entitled to its reasonable attorney's fees, costs and disbursements as may be awarded by the trial court, including any appeal.

§ 4.11. Temporary Discontinuance or Restrictions Of Service.

§ 4.11.1. Temporary Discontinuance.

§ 4.11.1.1. A property owner or User may have the water and/or sewer service to the premises temporarily or indefinitely terminated by giving the District written notice as far in advance of the effective termination date as possible. Such property owner or User will, upon giving notice, pay all charges for services rendered to the date of such termination. Where water and/or sewer service has been discontinued at the request of a property owner or User, such service may be restored upon the request of that property owner or User.

§ 4.11.1.2. If, at the property owner or User's request, a service is shut off and turned on more than once in a thirty-day period, the District may charge for such services, as established in the Fee Schedule.

§ 4.11.1.3. The District, in complying with a property owner's or User's request to discontinue service, will under no circumstances, be responsible to the property owner or User, or any other party, for any damages resulting from such action, including civil damages.

§ 4.11.2. Restrictions on Service.

§ 4.11.2.1. If the District determines that conditions require the restriction or prohibition of use of water to protect the health, safety, or welfare of customers/Users, the Board shall establish a schedule of use restrictions and prohibitions. The schedule shall indicate the uses prohibited or restricted and the period or periods of prohibited and/or restricted use.

§ 4.11.2.2. Whenever the household supply of water within the District is being jeopardized by non-household use of water, the District may order the non-household use of water to be immediately discontinued. Non-household water includes irrigation of lawns, gardens, or fields.

§ 4.12. Low Income Rate Relief.

§ 4.12.1. Charges for water and sanitary sewer service and the watershed protection fee may be reduced for customers who qualify under the District's low-income rate relief policy contained in the Board Rules. The service charge fee reduction shall be equivalent to one-half of the established base rate.

- § 4.12.2. Rate reductions for qualified applicants shall begin on the first full month following approval of the application and will remain in effect for 12 months, or until the applicant no longer qualifies, whichever comes first. No rate relief will be provided for partial months irrespective of eligibility. The District will not retroactively adjust charges.
- § 4.12.3. Applicants for low income rate relief must meet eligibility requirements established by the District and make application on forms approved by the District. The District has established a maximum subsidy for this program.
- § 4.12.4. Applicants must be current on all accounts within the District to be eligible for rate relief. The applicant's property must be occupied and used by the applicant as their principal residence during the period for which rate relief is applied. The applicant's family, of which the applicant is a member shall not exceed the gross annual household income levels as defined by the United States Housing and Urban Development (HUD) Department as "very low income" for the Portland-Vancouver area, most recent version. The applicant must provide proof of income status (federal or state tax filing from the previous year or other official acceptable documentation acceptable to the District. The applicant may not own property other than that associated with their principal residence for which the application is submitted. The applicant must enter into a contract with the District and comply with all District Rules and Regulations, and meet the administrative rules for this program.
- § 4.12.5. Financing Low Income Rate Relief. Water and sanitary service charges shall be established at a level sufficient to cover revenue losses resulting from District customers qualifying for a reduced rate as authorized by the District. The District shall budget resources sufficient to fund the revenue losses due to the program at a rate of 0.5 percent of budgeted District rate revenue. This budgeted amount shall serve as a cap to the program's cost which will require Board of Director approval to exceed.

§ 4.13. Leak Adjustments

- § 4.13.1. The District may issue partial credits to Owners or Users for leaks that are repaired in a timely manner. To be eligible for a leak adjustment the Owner or User must repair the leak within thirty (30) days of notification. To obtain the adjustment the Owner or User must submit a completed "Leak Adjustment Request Application" along with receipts and/or invoices associated with the repair. Underground leaks from the back of the meter up to the foundation are eligible for adjustments. Leak adjustments are not granted for leaking faucets, leaking toilets, sprinkler systems or accidental over-watering.
- § 4.13.2. Application for a Leak Adjustment. When a customer has a leak that qualifies for a leak adjustment, a credit is applied to the customer's account for a portion of the excess water that was used. Oak Lodge Water Services

District cannot refund the full amount of the excess water used as the District must cover the costs for the water and the costs to deliver the water to the customer.

§ 4.13.3. Calculating a Leak Adjustment. To determine the adjustment amount, an average of water usage must be calculated. The average is calculated using the last three (3) years water consumption for the same time period as the leak. This amount is considered the User's actual water use and the User is billed for this amount at the current retail rate. The remaining usage shall be calculated as follows:

- (a) The billing shall reflect the North Clackamas County Water Commission wholesale water rate plus associated costs of delivering water to customers.
- (b) The Sanitary Sewer variable charges will be adjusted from the winter average calculation.

§ 4.14. Meter Reading and Billing. The District will read meters at regularly established intervals as determined by the District, and bills will be rendered based upon consumption to the nearest 100 cubic feet of water furnished. The District will bill all meters serving an Owner's premises separately, and will not combine readings, unless such meters are installed in a battery at one location according to the requirements of the District. The District will provide separate meters for each service unit or structure unless otherwise specifically approved in writing by the District.

§ 4.15. Meter Accuracy and Testing. The District's meters comply with the standards established by the American Water Works Association (AWWA) Section C700.

§ 4.15.1. A Owner may request the meter be tested by making a request for such testing to the District:

- (a) If the test shows the water meter registers outside the AWWA standard, the meter shall be repaired or replaced at no cost to the User for a new meter, parts, or labor.
- (b) An adjustment of the volume (water unit) charge may be made if the meter registers in excess of the AWWA standard. Charge adjustments shall be made retroactive for a period not to exceed one year.
- (c) If the test shows that the water meter registers within the AWWA standard, the User shall pay for the test in accordance with District's Rates, Fees, and Charges. The cost for the test shall be billed by the District and the District may charge a User for water delivered, not to exceed four months (two billing cycles) prior to the testing.
- (d) The District may audit, test or replace the meter at any time at the District's discretion.

§ 4.15.2. If a meter cannot be read, or has failed the District may prepare and submit to the owner an estimated bill based upon previous historical use.

§ 4.15.3. District Users, owners, or applicants will be liable for any damages to a meter or other equipment, or to any property owned by the District. Liability of the User or applicant, their tenant, licensee, agent, employee, contractor, or permittee for damages includes, but is not limited to, breaking of seals and locks, tampering with meters, damage to meters, caused by hot water or steam, and to damaged meter boxes, curb stops, meter stops, or other appliances, or attachments. Any damage or charges incurred by the District will be collected by the District in any appropriate manner provided by law.

§ 5 PERMITS AND CONNECTIONS

§ 5.1. Permit Required. A permit or other District approval, and associated fees, are required prior to any work proposed for construction or modification of a service connection, line extension or any other improvement. Failure to acquire permit(s) is a violation of these Rules and Regulations.

§ 5.2. Design and Construction Standards. All permitted work approved by the District shall be governed by the District's Design and Construction Standards. Watershed Protection permits shall use the City of Portland's Stormwater Manual for requirements, drawings and specifications.

§ 5.3. Outside User Service. Service to persons and property outside the boundaries of the District will be at the discretion of the Board. The District may only provide water to outside Users if it has sufficient surplus water beyond its requirements within the District boundaries and such service, if provided, may be discontinued any time if the interests and needs of the District so require. Any such service installation shall be required to meet and abide by all Rules and Regulations of the District.

§ 5.4. Utility Main Extension & Pro Rata Cost Refund. When the District requires a person to pay for extension of a Main to provide service to the person's property, and the Main extension makes service available for other property, the person paying for the Main extension is entitled to a pro rata refund the cost of such Main extension for a period of ten years. The pro rata refund will apply after the date of the installation of, payment for, and connection to the Main extension. The amount to be refunded will be determined by the District, which determination will be final. The pro rata refund will be based upon total front footage of all property abutting on the street, road, or right of way within which the Main extension was made and that are benefited by the Main extension.

§ 6 WATER SERVICE CONNECTIONS

§ 6.1. Individual Service Required. Each dwelling, building, or premises must have its own water service connection and meter. No person will furnish water to any other building, property, or premises without first obtaining written approval of the District.

These connections will be governed by the specific terms and conditions of the District's authorization.

§ 6.2. Spider Connections Prohibited. The District does permit "spider connections" which would provide service from one road or street to premises abutting, or dwellings fronting, another road or street. The District requires each property to have a separate service connection, and no occupant of such dwelling will furnish water to any other dwelling or premise.

§ 6.3. Meters.

§ 6.3.1. Meters will be set at property lines, and the service pipe from the Main to the meter, as well the meter and the meter box, will be the property of the District and not the Owner of the premises, regardless of whether the Owner pays for the installation.

§ 6.3.2. When meters are required to be installed under circumstances that, in the District's opinion, may cause unusual installation or maintenance problems, the District will have the right to require concrete meter vaults or other devices to be installed. The cost of such vaults or other protective devices will be borne by the Owner requesting the service installation

§ 6.4. Pressure Regulation

§ 6.4.1. As far as is reasonably possible, feasible and economical, the District will furnish water at desirable pressures. In locations in which service pressures are higher than needed or desired by Users, a pressure regulator may be installed behind the meter box location at the owner's expense. Such installation will be made according to any applicable legal requirements and will be consistent with District regulations and policy.

§ 6.4.2. Under no circumstances will the District be responsible or liable for any equipment malfunction or other damage caused by the installation of, failure to install, or maintenance of such a device. All such installation and maintenance shall be by the Owner at the Owner's sole expense.

§ 6.4.3. The District will not be responsible for damages, or difficulties experienced because of variations in pressure within the system or service interruptions.

§ 6.5. Connection to Another Water Supply. No private water supply shall be connected to the customer's service line without written consent and approval of the General Manager or their designee.

§ 6.6. Large Service Connections. The Board may require persons requesting large service connections for fire protection or other reasons to pay for an equitable portion of the cost of Main(s) needed to supply the required flow. Each such case will be considered separately on its own merits and the circumstances. The Board may also enter into special service contracts, in which higher minimum charges are established sufficient to cover the cost of the service rendered.

§ 6.7. Service Interruption

§ 6.7.1. From time to time, the District must interrupt water service for maintenance, replacement, or repairs of the District's system. The District will not be responsible for damages caused by such interruptions of water service or fluctuation of pressure.

§ 6.7.2. The District will, whenever feasible to do so, give customers advance notice, whenever it is known that service is to be interrupted. However, failure to give such notice will in no manner cause the District to become liable for loss, or damage included but not limited to bursting of boilers, the breakage of any pipes or fixtures, stoppage or interruptions of water supply, or other damage resulting from the shutting off of water.

§ 6.8. Backflow and Cross Connection.

§ 6.8.1. Water service connections shall be protected against backflow into the District's System as required by the District in its Design and Construction Standards. Service of water may be terminated if a backflow prevention assembly required by the District is not installed, tested and maintained; or if it is found that a backflow prevention assembly has been removed, bypassed; or if an unprotected cross-connection exists. Service will not be restored until such conditions or defects are corrected.

§ 6.8.2. The User shall provide the District access for inspection at all reasonable times to the User's system to determine if an unprotected cross-connection or violation of the District's requirements exists and that compliance requirements are met.

§ 6.9. Backflow Testing

§ 6.9.1. The User or owner of the premises where one or more backflow prevention devices are installed shall cause a test of the device(s) to be performed by an Oregon State Health Division certified tester:

- (a) At the time of installation or prior to water service being turned on, and
- (b) If the device is moved or repaired, immediately thereafter, and
- (c) Annually.

§ 6.9.2. Unless otherwise provided, the owner of a mobile apparatus on which a backflow prevention device assembly or air gap separation is required shall cause a test of the assembly or an inspection of the air gap separation to be performed within the year before use in the District and annually thereafter.

§ 6.9.3. The District may require more frequent testing of backflow prevention assembly devices if the assembly is installed at a facility that poses an extreme health risk or if the device fails.

§ 6.9.4. All completed backflow test reports must be forwarded to the District within thirty (30) days from the date of the test. The following actions may occur, depending on the results of the testing:

- (a) If the test results indicate that the device is working properly, the results shall be entered in the District's records as such.
- (b) If the test results indicate that the device is not working properly, the device must be repaired immediately and retested and the test results forwarded to the District within ten (10) working days from the date of notice.
- (c) If a device fails a test and repair is not immediately possible, the District must be notified immediately of the failure, location of the failed device, and estimated time of repairs.
- (d) If the District has not received the results of a test required to be performed, it may order a test and invoice the cost of the test to the User or owner, or turn the water off to the premises.
- (e) If the User or owner of a backflow device fails to make repairs on a failed backflow device within ten (10) days of a test or notice showing the device is not operating properly, the District may order the repair and retest and invoice the cost of the repair and retest to the User or owner, or the District may turn the water off to the premises.

§ 6.9.5. The District may discontinue the water service of any person who refuses or fails to pay for charges invoiced related to backflow testing or for failure to perform or report test results.

§ 6.9.6. All water meters which are for irrigation purposes will be locked off upon installation and the locks not be removed until the approved backflow device has been installed properly and inspected and approved by the District's Inspector.

§ 6.9.7. If the District does the first annual test of the backflow device on an irrigation connection, the cost shall be borne by the User and shall include the cost of connection and record keeping.

§ 6.10. Installation and Use of Fire Hydrants.

§ 6.10.1. Fire hydrants must be installed by a licensed contractor. The District will establish the size, location, type and method of installation. After installation, the hydrant will become the property of the District. Any application for change in the type, size or location of an existing fire hydrant will likewise

be made to the District, and if such change is approved, the applicant will pay for all costs associated with such change.

§ 6.10.2. Use of fire hydrants is by permit only. Applications for permits are available at the District office. Proof of insurance and cross-connection protection is required for the permits. If granted, the permit must be available for inspection at all times while a hydrant is being utilized. Non-compliance of this rule is a violation subject to fines.

§ 6.11. Automatic Standby Fire Service. The District may provide water for automatic standby fire service connections, upon written application thereof, and upon payment in advance, of the estimated cost of such installation. Before the District will approve such application, the applicant must make adequate provisions to prevent the use of water from such service for any purpose, other than extinguishing fire upon the premises, wherein such standby fire service connection is located. Under no circumstances will such a connection allow a cross-connection with any other District service facility. Charges for standby fire protection service connection will be as stated in the District's Fee Schedule.

§ 7 SANITARY SEWER: GENERAL DISCHARGE PROHIBITIONS

§ 7.1. No person shall discharge or cause or permit to be discharged, directly or indirectly, into any public sewer or tributary sewer thereto, any pollutant or wastewater which will interfere with the operation or performance of the wastewater treatment plant, worker safety, pass through into the receiving waters, or which will cause the effluent of that plant to violate any Federal, State or local standards, laws, or permits, or will interfere with the use or disposal of municipal biosolids; including, but not limited to, these Prohibited Discharges:

- (a) Pollutants which create a fire or explosive hazard in the POTW, including, but not limited to, waste streams with a closed-cup flash point of less than 140 degrees F (60 degrees C) using the test methods specified in 40 CFR '261.21;
- (b) Wastewater having a pH lower than 5.5 Standard Unit ("S.U.") or higher than 11.5 S.U., or having any corrosive property capable of causing damage or hazard to structures, equipment or persons. Facilities with continuous monitoring of pH shall not exceed the pH range of 5.5 S.U. to 11.5 S.U. more than a total of 15 minutes on any single day (cumulative duration of all excursions) provided that, at no time shall any discharge of a pH be lower than 5.0 S.U. or at/or above 12.5 S.U.;
- (c) Any solid or viscous substances in quantities or size capable of causing obstruction to the flow of sewers or other interference with the proper operation of the sewage treatment plant;
- (d) Pollutants, including oxygen-demanding pollutants (BOD, etc.), released in a discharge at a flow rate and/or pollutant concentration

which, either singly or by interaction with other pollutants, will cause interference with the POTW;

- (e) Wastewater having a temperature which will inhibit biological activity in the treatment plant resulting in interference, but in no case wastewater which causes the temperature at the introduction into the collection system to exceed 104°F (40°C) unless the District approves alternate temperature limits;
- (f) Petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin, in amounts that will cause interference or pass through;
- (g) Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems;
- (h) Trucked or hauled pollutants, except at discharge points designated by District;
- (i) Noxious or malodorous liquids, gases, solids, or other wastewater which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or a hazard to life or health, or to prevent entry into the sewers for maintenance or repair;
- (j) Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which consequently imparts color to the treatment plant's effluent, thereby violating District's NPDES permit. Color (in combination with turbidity) shall not cause the treatment plant effluent to reduce the depth of the compensation point for photosynthetic activity by more than ten percent (10%) from the seasonably established norm for aquatic life;
- (k) Wastewater containing any radioactive wastes or isotopes except as specifically approved by the General Manager in compliance with applicable State or Federal regulations;
- (l) Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, condensate, deionized water, non-contact cooling water, and unpolluted wastewater, unless specifically approved by the District;
- (m) Any sludge, screening, or other residue from the pretreatment of industrial wastes or from industrial processes;
- (n) Medical wastes, except as specifically authorized by the District;
- (o) Wastewater causing, alone or in conjunction with other sources, the treatment plant's effluent to fail a toxicity test;

- (p) Detergents, surface-active agents, or other substances which may cause excessive foaming in the POTW;
- (q) Any liquid, solids, or gases which by reason of their nature or quantity are or may be sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious in any other way to the POTW or to the operation of the POTW. At no time shall two (2) successive readings on an explosion meter, at the point of discharge into the system (or at any point in the system), be more than five (5%) percent nor any single reading over ten (10%) per cent of the lower explosive limit (LEL) of the meter;
- (r) Grease, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dusts, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastics, gas, tar asphalt residues, residues from refining or processing of fuel or lubricating oil, mud, or glass grinding or polishing wastes;
- (s) Any substance which will cause the POTW to violate its NPDES and/or other disposal system permits;
- (t) Any wastewater, which in the opinion of the District can cause harm either to the sewers, sewage treatment process, or equipment; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance, unless allowed under special agreement by the District (except that no special waiver shall be given from categorical pretreatment standards);
- (u) Any wastewater, which in the opinion of the District can cause harm either to the sewers, sewage treatment process, or equipment; have an adverse effect on the receiving stream; or can otherwise endanger life, limb, public property, or constitute a nuisance, unless allowed under special agreement by the District (except that no special waiver shall be given from categorical pretreatment standards);
- (v) Any hazardous wastes as defined in rules published by the State of Oregon or in federal regulations.
- (w) Persistent pesticides and/or pesticides regulated by the Federal Insecticide Rodenticide Act (FIFRA);
- (x) Sewage sludge, except in accordance with the District's NPDES permit, providing that it specifically allows the discharge to surface waters of sewage sludge pollutants;
- (y) Pollutants, substances, or wastewater prohibited by this section shall not be processed or stored in such a manner that they could be discharged to the POTW;

(z) Any septic tank wastes unless otherwise approved by DEQ;

§ 7.2. Prohibition on Discharge of Other Waters. No person shall discharge or provide a connection for discharging or draining into any public sanitary sewer or tributary sewer thereto any stormwater, surface water, groundwater, roof runoff, surface drainage, non-contact cooling water or other unpolluted water, nor the drainage of any swimming pool, catch basin, lake, swamp or pond.

§ 8 INDUSTRIAL WASTE

§ 8.1. Purpose and Policy. These Rules and Regulations set forth uniform requirements for Users of the Publicly Owned Treatment Works (POTW) for the Oak Lodge Water Services District and enables the District to comply with all applicable State and Federal laws, including the Clean Water Act (33 USC 1251 et seq.) and the General Pretreatment Regulations. The objectives of these Rules and Regulations are:

- (a) To prevent the introduction of pollutants into the POTW that will interfere with the operation of the POTW;
- (b) To prevent the introduction of pollutants into the POTW which will pass through the POTW, inadequately treated, into receiving waters or otherwise be incompatible with the POTW;
- (c) To prevent the introduction of pollutants or contaminants that may cause a violation of any permit issued to the District, including its NPDES permit;
- (d) To ensure that the quality of the wastewater treatment plant sludge is maintained at a level which allows its use and disposal in compliance with applicable statutes and regulations;
- (e) To protect POTW personnel who may be affected by wastewater and sludge in the course of their employment and to protect the general public; and
- (f) Improve the opportunity to recycle and reclaim wastewater and sludge from the POTW.

§ 8.2. These Rules and Regulations shall apply to all Users of the POTW. These Rules and Regulations authorize the issuance of wastewater discharge permits; authorizes monitoring, compliance, and enforcement activities; establishes administrative review procedures; requires User reporting; and provides for the setting of fees for the equitable distribution of costs resulting from the program established herein.

§ 8.3. Prohibited Discharge Standards. No User shall introduce or cause to be introduced into the POTW any pollutant or wastewater which causes pass through or interference, as defined in Section 7. This applies to all Users of the POTW whether or not they are subject to categorical pretreatment standards or any other National, State, or local Pretreatment Standards or Requirements.

- § 8.4. Federal Categorical Pretreatment Standards. National categorical pretreatment standards found at 40 CFR Chapter I, Subchapter N, Parts 405–471, as promulgated by the Environmental Protection Agency (EPA) pursuant to the Federal Water Pollution Control Act, if more stringent than limitations imposed under these Rules and Regulations, shall be met by all Dischargers into the sewerage system who are subject to such standards.
- § 8.5. State Requirements. State requirements and limitations on discharges to the POTW shall be met by all Users which are subject to such standards in any instance in which they are more stringent than federal requirements and limitations or those in these Rules and Regulations or in other applicable ordinances, rules or laws.
- § 8.6. Local Limits. Pollutant limits have been established to protect against pass through and interference. No person shall discharge wastewater containing pollutant levels in excess of the limits described in the Local Limit Schedule. Additional pollutants or more restrictive maximum quantities may be required if the material discharged might cause interference with the operation of the wastewater treatment plant or violation of Federal, State, or local limits, standards or laws.

Local Limit Schedule (Concentration, mg/l):

	Monthly Average/Pollutant	Daily Maximum Shall Not Exceed
Cadmium	0.50	0.25
Chromium, Total	2.77	1.71
Copper	3.14	1.92
Cyanide	0.42	0.23
Lead	0.69	0.43
Nickel	3.98	2.38
Silver	0.43	0.24
Zinc	2.61	1.48
Total Toxic Organics	2.13	n/a

The local limits apply at the point where the wastewater is discharged to the POTW (end of the pipe). All concentrations for metallic substances are for "total" metal unless indicated otherwise. The General Manager or their designee may impose mass limitations in addition to (or in place of) the concentration-based limitations above. Where a User is subject to a categorical pretreatment standard and a local limit for a given pollutant, the more stringent limit or applicable pretreatment standard shall apply.

§ 8.7. Dilution. No User shall ever increase the use of process water, or in any way attempt to dilute a discharge, as a partial or complete substitute for adequate treatment to achieve compliance with an applicable pretreatment standard or requirement unless expressly authorized by an applicable pretreatment standard or requirement. The General Manager or their designee may impose mass limitations on Users which he/she believes may be using dilution to meet applicable pretreatment standards or requirements or in other cases when the imposition of mass limitations is appropriate.

§ 8.8. Pretreatment Facilities. Users shall provide necessary wastewater treatment as required to comply with these Rules and Regulations, and shall achieve compliance with all applicable pretreatment standards and requirements set out in these Rules and Regulations within the time limitations specified by the EPA, the State, or the District whichever is more stringent. Any facilities required to pretreat wastewater to a level acceptable to the District shall be provided, operated, and maintained at the User's expense. Detailed plans showing the pretreatment facilities and operating procedures shall be submitted to the District for review and shall be acceptable to the District before construction of the facility. The review of such plans and operating procedures will in no way relieve the User from the responsibility of modifying the facility as necessary to produce an acceptable discharge to the District under the provisions of these Rules and Regulations.

§ 8.9. New Sources.

§ 8.9.1. Any building, structure, facility, or installation from which there is (or may be) a discharge of pollutants, the construction of which commenced after the publication of proposed categorical pretreatment standards under the Act which will be applicable to such source if such standards are thereafter promulgated in accordance with that section, provided that:

- a. The building, structure, facility, or installation is constructed at a site at which no other source is located; or
- b. The building, structure, facility, or installation totally replaces the process or production equipment that causes the discharge of pollutants at an existing source; or
- c. The production or wastewater generating processes of the building, structure, facility, or installation are substantially independent of an existing source at the same site. In determining whether these are substantially independent, factors such as the extent to which the new facility is integrated with the existing plant, and the extent to which the new facility is engaged in the same general type of activity as the existing source, should be considered.

§ 8.9.2. Construction on a site at which an existing source is located results in a modification rather than a new source if the construction does not create a new building, structure, facility, or installation meeting the criteria of Section

8.9.1 (b) or (c), above, but otherwise alters, replaces, or adds to existing process or production equipment.

§ 8.9.3. Construction of a new source as defined under this paragraph has commenced if the owner or operator has:

- i. Begun, or caused to begin as part of a continuous on-site construction program
- ii. any placement, assembly, or installation of facilities or equipment; or
- iii. significant site preparation work including clearing, excavation, or removal of existing buildings, structures, or facilities which is necessary for the placement, assembly, or installation of new source facilities or equipment; or
- iv. Entered into a binding contractual obligation for the purchase of facilities or equipment which are intended to be used in its operation within a reasonable time. Options to purchase or contracts which can be terminated or modified without substantial loss, and contracts for feasibility, engineering, and design studies do not constitute a contractual obligation under this paragraph.

§ 8.10. Deadline for Compliance With Applicable Pretreatment Requirements. Compliance by existing sources covered by Categorical Pretreatment Standards shall be within 3 years of the date the Standard is effective, unless a shorter compliance time is specified in the appropriate Standard.

The District shall establish a final compliance deadline date for any existing User not covered by Categorical Pretreatment Standards or for any categorical User when the local limits for said User are more restrictive than the federal Categorical Pretreatment Standards.

New source and new Users are required to comply with applicable pretreatment standards within the shortest feasible time, not to exceed 90 days from the beginning of discharge. New Sources and new Users shall install, have in operating condition, and shall start up all pollution control equipment required to meet applicable pretreatment standards before beginning to discharge.

Any wastewater discharge permit issued to a categorical User shall not contain a compliance date beyond any deadline date established in EPA's Categorical Pretreatment Standards. Any other existing User or a categorical User that must comply with a more stringent local limit which is in non-compliance with any local limits shall be provided with a compliance schedule placed in an industrial wastewater permit to insure compliance within the shortest time feasible.

§ 8.11. Additional Pretreatment Measures. Whenever deemed necessary, the General Manager or their designee may require Users to restrict their discharge during peak

flow periods, designate that certain wastewater be discharged only into specific sewers, relocate and/or consolidate points of discharge, separate sewage waste streams from industrial waste streams, and such other conditions as may be necessary to protect the POTW and determine the User's compliance with the requirements of these Rules and Regulations.

§ 8.12. Accidental Spill Prevention Plans (ASPP). The General Manager or their designee may require any User to develop and implement an accidental spill prevention plan (ASPP) or slug control plan. Where deemed necessary by the District facilities to prevent accidental discharge or slug discharges of pollutants shall be provided and maintained at the User's cost and expense. An accidental spill prevention plan or slug control plan showing facilities and operating procedures to provide this protection shall be submitted to the District for review and approval before implementation. The District shall determine which User is required to develop a plan and require said plan to be submitted within 14 days after notification by the District. Each User shall implement its ASPP as submitted or as modified after such plan has been reviewed and approved by the District .and Approval of such plans and operating procedures by the District shall not relieve the User from the responsibility to modify its facility as necessary to meet the requirements of these Rules and Regulations.

§ 8.12.1. ASPP Requirements. Any user required to develop and implement an accidental spill prevention plan shall submit a plan which addresses, at a minimum, the following:

Description of discharge practices, including non-routine batch discharges;

Description of stored chemicals;

Procedures for immediately notifying the POTW of any accidental or slug discharges. Such notification must also be given for any discharge which would violate any of the standards of these Rules and Regulations; and

Procedures to prevent adverse impact from any accidental or slug discharge. Such procedures include, but are not limited to, inspection and maintenance of storage areas, handling and transfer of materials, loading and unloading operations, control of plant site runoff, worker training, building of containment structures or equipment, measures for containing toxic organic chemicals (including solvents), and/or measures and equipment for emergency response.

§ 8.13. Notification of Slug or Accidental Discharge. Users shall notify the District Wastewater Treatment Plant immediately after the occurrence of a slug or accidental discharge of substances regulated by these Rules and Regulations. The notification shall include location of discharge, date and time thereof, type of waste, concentration and volume, and corrective actions. Any affected User shall be liable for any

expense, loss, or damage to the POTW, in addition to the amount of any fines imposed on the District on account thereof under state or federal law.

Within five (5) days following an accidental discharge, the User shall submit to the General Manager or their designee a detailed written report describing the cause of the discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability which may be incurred as a result of damage to the POTW, fish kills, or any other damage to person or property nor shall such notification relieve the User of any fines, civil penalties, or other liability which may be imposed by these Rules and Regulations or other applicable law.

Signs shall be permanently posted in conspicuous places on the User's premises advising employees whom to call in the event of a slug or accidental discharge. Employers shall instruct all employees who may cause or discover such a discharge with respect to emergency notification procedures.

- § 8.14. Industrial Wastewater Discharge Permit Requirements. No significant industrial User shall discharge wastewater into the POTW without first obtaining a wastewater discharge permit from District; the permit must be enforceable and contain all the elements as required by 40 CFR 403.8(f)(1)(iii)(B). Any violation of the terms and conditions of a wastewater discharge permit shall be deemed a violation of these Rules and Regulations and subjects the wastewater discharge permittee to the sanctions set forth in these Rules and Regulations. Obtaining a wastewater discharge permit does not relieve a permittee of its obligation to comply with all Federal and State pretreatment standards or requirements or with any other requirements of Federal, State, and local law.
- § 8.15. Wastewater Discharge Permitting: Existing Significant Industrial User (SIU). Any SIU that was discharging wastewater into the POTW before the effective date of these Rules and Regulations, and wishes to continue discharging in the future shall, within 60 days after notification by the General Manager or their designee, submit a permit application to the District. The SIU shall not cause or allow discharges to the POTW to continue more than 365 days after the effective date of these Rules and Regulations unless a wastewater discharge permit is issued by the District.
- § 8.16. Wastewater Discharge Permitting: New Source and New User. At least 90 days before startup of a new source any new User considered by the District to be an SIU must apply for and obtain a Wastewater Discharge permit. A new source or new User cannot discharge without first receiving a wastewater discharge permit from the District. New sources and new Users shall also be required to include in their application information on the method of pretreatment they intend to use to meet applicable pretreatment standards. New Sources and new Users shall give estimates of the information requested Section 8.18.
- § 8.17. Wastewater Discharge Permitting: Extra Jurisdictional Users. Existing and new sources that are located beyond the District limits (but flow to the District) and that

are required to obtain a wastewater discharge permit shall submit a wastewater discharge permit application.

§ 8.18. Wastewater Discharge Permit Application Contents. All Users required to obtain an industrial wastewater discharge permit must submit, at a minimum, the following information. District shall approve a form to be used as a permit application. Categorical Users submitting the following information shall have complied with 40 CFR § 403.12(b).

§ 8.18.1. Identifying information. The User shall submit the name and address of the facility including the name of the operator and owners;

§ 8.18.2. Permits. The User shall submit a list of all environmental control permits held by or for the facility;

§ 8.18.3. Description of operations. The User shall submit a brief description of the nature, average rate of production, and Standard Industrial Classification of the operation(s) carried out by such Industrial User, including a list of all raw materials and chemicals used or stored at the facility which are or could accidentally or intentionally be discharged to the POTW; number and type of employees; hours of operation; each product produced by type, amount, process or processes, and rate of production; type and amount of raw materials processed (average and maximum per day) and the time and duration of discharges. This description should also include a schematic process diagram which indicates points of discharge to the POTW from the regulated or manufacturing processes; site plans; floor plans; mechanical and plumbing plans; and details to show all sewers, sewer connections, inspection manholes, sampling chambers and appurtenances by size, location and elevation.

§ 8.18.4. Flow Measurement

Categorical Users: The User shall submit information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from each of the following: Regulated or manufacturing process streams and other streams as necessary to allow use of the combined waste stream formula.

Non-Categorical Users: The User shall submit information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from each of the following: Total process flow, wastewater treatment plant flow, total plant flow or individual manufacturing process flow as required by the Operations Manager. The District may allow for verifiable estimates of these flows where justified by cost or feasibility considerations.

§ 8.18.5. Measurements of Pollutants

Categorical Users:

The User shall identify the applicable pretreatment standards for each regulated or manufacturing process. In addition, the User shall submit the results of sampling and analysis identifying the nature and concentration (or mass where required by the Categorical Pretreatment Standard or as required by the District of regulated pollutants (including local limits, as appropriate) in the discharge from each regulated or manufacturing process. Both daily maximum and average concentration (or mass, where required) shall be reported. The sample shall be representative of daily operations and shall conform to sampling and analytical procedures outlined in this section. The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph. Where an alternate concentration or mass limit has been calculated in accordance with 40 CFR § 403.6(e) for a categorical User, this adjusted limit along with supporting data shall be submitted as part of the application.

Non-Categorical User

The User shall identify the applicable pretreatment standards for its wastewater discharge. In addition, the User shall submit the results of sampling and analysis identifying the nature and concentration in the discharge (or mass where required by the District) of regulated pollutants, as appropriate. Both daily maximum and average concentration (or mass, where required) shall be reported. The sample shall be representative of daily operations and shall conform to sampling and analytical procedures outlined in this section. The User shall take a minimum of one representative sample to compile that data necessary to comply with the requirements of this paragraph. Where the District developed alternate concentration or mass limits because of dilution, this adjusted limit along with supporting data shall be submitted as part of the application.

§ 8.18.6. Certification. The User shall submit a statement, worded as specified in Section 8.19, which has been reviewed by an authorized representative of the User, and certified by a qualified professional, indicating whether the applicable Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O and M) and/or additional pretreatment is required for the User to meet the applicable Pretreatment Standards and Requirements.

§ 8.18.7. Compliance Schedule. If additional pretreatment and/or O and M will be required to meet the applicable Pretreatment Standards, the User shall submit the shortest schedule by which the User will provide such additional pretreatment and/or O and M. The completion date in this schedule shall not be later than the compliance date established pursuant to Sections 8.15 or 8.16 of these Rules and Regulations.

1. Where the User's categorical Pretreatment Standard has been modified by a removal allowance (40 CFR § 403.7), the combined waste stream formula (40 CFR § 403.6(e)), and/or a Fundamentally Different Factors

variance (40 CFR § 403.13) at the time the User submits the report required by this paragraph, the information required by 4.03.046 and 4.03.047 shall pertain to the modified limits.

2. If the categorical Pretreatment Standard is modified by a removal allowance (40 CFR '403.7), the combined waste stream formula (40 CFR § 403.6(e)), and/or a Fundamentally Different Factors variance (40 CFR § 403.13) after the User submits the report required by 4.03.046 and 4.03.047, then a report containing modified information shall be submitted by the User within 60 days after the new limit is approved.

§ 8.18.8. Other Information. The User shall submit any other information as may be deemed necessary by the General Manager or their designee to evaluate the wastewater discharge permit application. Incomplete or inaccurate applications will not be processed and will be returned to the User for revision.

§ 8.19. Signatory and Certification Requirement. All wastewater discharge permit applications and User reports must be signed by a responsible officer or manager, or sole proprietor or general partner as applicable or duly authorized representative.

§ 8.19.1. Industrial Pretreatment Responsible Officer/Manager. For the purpose of this section, a responsible officer or manager means:

1. a president, vice-president, secretary, or treasurer of the corporation in charge of a principal business function, or any other person who performs similar policy- or decision-making functions for the corporation, or
2. the manager of one or more manufacturing, production, or operating facilities, provided, the manager is authorized to make management decisions which govern the operation of the regulated facility including having the explicit or implicit duty of making major capital investment recommendations and initiating and directing other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for control mechanism requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures. This authorization must be made in writing by the principal executive officer or ranking elected official and submitted to the Approval Authority prior to or together with the report being submitted of the User and contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for

gathering the information, the information submitted is to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

§ 8.19.2. Industrial Pretreatment Duly Authorized Representative. A duly authorized representative is an individual designated by the responsible officer, manager, sole proprietor or general partner in writing. The written authorization must be submitted to the District and specifies either an individual or a position having the responsibility of the overall operation of the facility from which the Industrial Discharge originates, such as the position of plant manager, operator of a well, or well field superintendent, or a position of equivalent responsibility, or having overall responsibility for environmental matters for the company. If an authorization in this section is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, or overall responsibility for environmental matters for the company, a new authorization satisfying the requirements of this section must be submitted to the District prior to or together with any reports to be signed by an authorized representative.

If the User is a Federal, State, or local governmental facility: a director or highest official appointed or designated to oversee the operation and performance of the activities of the government facility, or their designee.

§ 8.20. Wastewater Discharge Permit Decisions. The General Manager or their designee will evaluate the data furnished by the User and may require additional information. Within 60 days of receipt of a complete wastewater discharge permit application, General Manager or their designee will determine whether to issue a wastewater discharge permit. Upon a determination to issue, the permit shall be issued within 30 days of full evaluation and acceptance of the data furnished. General Manager or their designee may deny any application for a wastewater discharge permit.

§ 8.21. Industrial Wastewater Discharge Permit Contents. Industrial Wastewater discharge permits shall include such conditions as are reasonably deemed necessary by the General Manager or their designee to prevent pass through or interference, protect the quality of the water body receiving the treatment plant's effluent, protect worker health and safety, facilitate sludge management and disposal, prevent violation of the District's NPDES permit, and protect against damage to the POTW.

§ 8.21.1. Required Conditions of Approval. Wastewater discharge permits must contain the following conditions:

1. A statement that indicates wastewater discharge permit duration, which in no event shall exceed five (5) years;

2. A statement that the wastewater discharge permit is non-transferable without prior notification to and approval from District and provisions for furnishing the new owner or operator with a copy of the existing wastewater discharge permit;
3. Applicable pretreatment standards and requirements, including any special State requirements;
4. Self-monitoring, sampling, reporting, notification, submittal of technical reports, compliance schedules, and record-keeping requirements. These requirements shall include an identification of pollutants to be monitored, sampling location, sampling frequency, and sample type based on Federal, State, and local law;
5. Requirement for immediate notification to the District where self-monitoring results indicate non-compliance;
6. Requirement to report a bypass or upset of a pretreatment facility;
7. Requirement to report immediately to the District all discharges, including slug loadings, that could cause problems to the POTW;
8. Requirement for the SIU who reports non-compliance to repeat the sampling and analysis and submit results to the District within 30 days after becoming aware of the violation.
9. A statement of applicable civil, criminal, and administrative penalties for violation of pretreatment standards and requirements, and any applicable compliance schedule.
10. Requirements to control Slug discharges, if determined by the POTW to be necessary.
11. Effluent limits, including Best Management Practices, based on applicable Pretreatment Standards

§ 8.21.2. Optional Conditions of Approval. Wastewater discharge permits may contain, but need not be limited to, the following conditions:

1. Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;
2. Requirements for the installation of pretreatment technology, pollution control, or construction of appropriate containment devices, designed to reduce, eliminate, or prevent the introduction of pollutants into the treatment works;
3. Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or routine discharges;

4. Development and implementation of waste minimization plans to reduce the amount of pollutants discharged to the POTW;
5. The unit charge or schedule of User charges and fees for the management of the wastewater discharged to the POTW;
6. Requirements for installation and maintenance of inspection and sampling facilities and equipment;
7. A statement that compliance with the wastewater discharge permit does not relieve the permittee of responsibility for compliance with all applicable Federal and State pretreatment standards, including those which become effective during the term of the wastewater discharge permit;
8. Any special agreements the General Manager or their designee chooses to continue or develop between the District and User;
9. Other conditions as deemed appropriate by the General Manager or their designee to ensure compliance with these Rules and Regulations, and State and Federal laws, rules, and regulations.

§ 8.22. Wastewater Discharge Permit Appeals. Any person, including the User, may petition District to reconsider the terms of a wastewater discharge permit within 120 days of its issuance. Failure to submit a timely petition for review shall be deemed to be a waiver of the administrative appeal. In its petition, the appealing party must indicate the wastewater discharge permit provisions objected to, the reasons for this objection, and the alternative condition, if any, it seeks to place in the wastewater discharge permit. The effectiveness of the wastewater discharge permit shall not be stayed pending the appeal. If the District fails to act within 30 days after receiving an appeal petition, a petition for appeal will be denied. Decisions not to reconsider a wastewater discharge permit, not to issue a wastewater discharge permit, or not to modify a wastewater discharge permit shall be considered final administrative actions for purposes of judicial review. Aggrieved parties seeking judicial review of the final administrative wastewater discharge permit decision must do so by filing a complaint with the Clackamas County Circuit Court.

§ 8.23. Wastewater Discharge Permit Duration. Wastewater discharge permits shall be issued for a specified time period, not to exceed five (5) years. A wastewater discharge permit may be issued for a period less than five (5) years, at the discretion of the General Manager or their designee. Each wastewater discharge permit will indicate a specific date upon which it will expire.

§ 8.24. Wastewater Discharge Permit Modification or Voluntary Termination. The General Manager or their designee may modify the wastewater discharge permit for good cause including, but not limited to, the following:

1. To incorporate any new or revised Federal, State, or local pretreatment standards or requirements;

2. To address significant alterations or additions to the User's operation, processes, or wastewater volume or character since the time of wastewater discharge permit issuance;
3. A change in the POTW that requires either a temporary or permanent reduction or elimination of the authorized discharge;
4. Information indicating that the permitted discharge poses a threat to the District's POTW, District personnel, or the receiving waters;
5. Violation of any terms or conditions of the wastewater discharge permit;
6. Misrepresentations or failure to fully disclose all relevant facts in the wastewater discharge permit application or in any required report;
7. Revision of or a grant of variance from categorical pretreatment standards pursuant to 40 CFR 403.13;
8. To correct typographical or other errors in the wastewater discharge permit; or
9. To reflect a transfer of the facility ownership and/or operation to a new owner/operator.

§ 8.25. Wastewater Discharge Permit Transfer. Wastewater discharge permits may be reassigned or transferred to a new owner and/or operator only if the permittee gives at least 60 days advance notice to the General Manager or their designee and the General Manager approves the wastewater discharge permit transfer. The notice to the General Manager or their designee must include a written certification by the new owner and/or operator which:

1. States that the new owner and/or operator has no immediate intent to change the facility's operations and processes;
2. Identifies the specific date on which the transfer is to occur; and
3. Assumes full responsibility for complying with the existing wastewater discharge permit beginning on the date of the transfer.

Failure to provide advance notice of a transfer renders the wastewater discharge permit voidable as of the date of facility transfer. Provided that the notice required above occurred and that there were no significant changes to the manufacturing operation or wastewater discharge, the new owner will be considered an existing User and will be covered by the existing limits and requirements in the previous owner's permit.

§ 8.26. Wastewater Discharge Permit Revocation. Wastewater discharge permits may be revoked for, but not limited to, the following reasons:

1. Failure to notify the District of significant changes to the wastewater prior to the changed discharge;

2. Failure to provide prior notification to the District of changed conditions;
3. Misrepresentation or failure to fully disclose all relevant facts in the wastewater discharge permit application;
4. Falsifying self-monitoring reports;
5. Tampering with monitoring equipment;
6. Refusing to allow the District timely access to the facility premises and records;
7. Failure to meet discharge limitations;
8. Failure to pay fines;
9. Failure to pay sewer charges;
10. Failure to meet compliance schedules;
11. Failure to complete a wastewater survey or the wastewater discharge permit application
12. Failure to provide advance notice of the transfer of a permitted facility; or
13. If the District has to invoke its emergency provision,
14. Violation of any pretreatment standard or requirement, or any terms of the wastewater discharge permit or these Rules and Regulations.

Wastewater discharge permits shall be voidable upon cessation of operations or transfer of business ownership. All wastewater discharge permits issued to a particular User are void upon the issuance of a new wastewater discharge permit to that User.

§ 8.27. Wastewater Discharge Permit Reissuance. A User who is required to have a wastewater discharge permit shall apply for wastewater discharge permit reissuance by submitting a complete wastewater discharge permit application, a minimum of 60 days prior to the expiration of the User's existing wastewater discharge permit. A User whose existing wastewater discharge permit has expired and who has submitted its re-application in the time period specified herein shall be deemed to have an effective wastewater discharge permit until the District issues or denies the new wastewater discharge permit. A User whose existing wastewater discharge permit has expired and who failed to submit its re-application in the time period specified herein will be deemed to be discharging without a wastewater discharge permit.

§ 8.28. Reporting Requirements: Baseline Monitoring Reports. Within either one hundred and eighty (180) days after the effective date of a categorical pretreatment standard or the final administrative decision on a category determination under 40 CFR '403.6(a)(4) (whichever is later) existing categorical Users currently discharging to or

scheduled to discharge to the POTW, shall be required to submit to the District a report which contains the information listed below. At least ninety (90) days prior to commencement of their discharge, new sources, and sources that become categorical Users after the promulgation of an applicable categorical standard, shall be required to submit to the District a report which contains the information listed below. A new source shall also be required to report the method of pretreatment it intends to use to meet applicable categorical standards. A new source shall also give estimates of its anticipated flow and quantity of pollutants discharged.

Users described above shall submit the information set forth below for Baseline Monitoring Reports:

1. Identifying Information. The name and address of the facility, including the name of the operator and owner.
2. Environmental Permits. A list of any environmental control permits held by or for the facility.
3. Description of Operations. A brief description of the nature, average rate of production, and standard industrial classifications of the operation(s) carried out by such User. This description should include a schematic process diagram which indicates points of discharge to the POTW from the regulated processes.
4. Flow Measurement. Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined waste stream formula set out in 40 CFR 403.6(e).
5. Measurement of Pollutants.
6. The categorical pretreatment standards applicable to each regulated process.
7. The results of sampling and analysis identifying the nature and concentration (and/or mass, where required by the standard or by the District of regulated pollutants in the discharge from each regulated process. Instantaneous, daily maximum, and long-term average concentrations (or mass, where required) shall be reported. The sample shall be representative of daily operations and shall be sampled and analyzed in accordance with procedures set out in these Rules and Regulations.
8. Certification. A statement, reviewed by the User's authorized representative and certified by a qualified professional, indicating whether pretreatment standards are being met on a consistent basis, and, if not, whether additional Operation and Maintenance (O and M) and/or additional pretreatment, is required to meet the pretreatment standards and requirements.
9. Compliance Schedule. If additional pretreatment and/or O and M will be required to meet the pretreatment standards, the shortest schedule by which the User will provide such additional pretreatment and/or O and M. The completion date in this schedule

shall not be later than the compliance date established for the applicable pretreatment standard. A compliance schedule pursuant to this section must meet the requirements set out in these Rules and Regulations.

10. Signature and Certification. All baseline monitoring reports must be signed and certified in accordance with these Rules and Regulations.

§ 8.29. Operational Compliance Report (Initial Compliance Report). After 90 days of operation following the date for final compliance of an existing Significant Industrial User with applicable pretreatment standards and requirements set forth in these Rules and Regulations, in federal categorical standards, or in a wastewater discharge permit, or, in the case of a new source or a new User considered by the District to fit the definition of SIU, within 90 days following commencement of the introduction of wastewater into the POTW, the affected User shall submit to the District a report containing the information outlined in 5.31.

For User's subject to equivalent mass or concentration limits established by the District in accordance with procedures established in 40 CFR '403.6 (c), this report shall contain a reasonable measure of the User's long-term production rate. For all other User's subject to categorical pretreatment standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period.

§ 8.30. Biannual Compliance Report. Any User that is required to have an industrial waste discharge permit and performs self-monitoring shall comply with all applicable requirements under 40 CFR 403.12 and submit to the District biannually, during the months of June and December, unless required on other dates or more frequently by the District, a report indicating the nature of the effluent over the previous reporting period. The frequency of monitoring shall be as prescribed within the industrial waste discharge permit. At a minimum, Users shall sample their discharge at least twice per year.

The report shall include a record of the concentrations (and mass if specified in the wastewater discharge permit) of the pollutants listed in the wastewater discharge permit that were measured and a record of all flow measurements (average and maximum) taken at the designated sampling locations and shall also include any additional information required by these Rules and Regulations or the wastewater discharge permit. Production data shall be reported if required by the wastewater discharge permit. Both daily maximum and average concentration (or mass, where required) shall be reported. If a User sampled and analyzed more frequently than what was required by the District or by these Rules and Regulations, using methodologies in 40 CFR Part 136, it must submit all results of sampling and analysis of the discharge during the reporting period.

Any User subject to equivalent mass or concentration limits established by the District or by unit production limits specified in the applicable categorical standards shall report production data.

If the District calculated limits to factor out dilution flows or non-regulated flows, the User will be responsible for providing flows from the regulated process flows, dilution flows and non-regulated flows.

Flows shall be reported on the basis of actual measurement, provided, however, that the District may accept reports of average and maximum flows estimated by verifiable techniques if the District determines that an actual measurement is not feasible.

Discharges sampled shall be representative of the User's daily operations and samples shall be taken in accordance with the requirements specified in these Rules and Regulations.

The District may require reporting by Users that are not required to have an industrial wastewater discharge permit if information or data is needed to establish a sewer charge, determine the treatability of the effluent, or determine any other factor which is related to the operation and maintenance of the sewer system.

The District may require self-monitoring by the User or, if requested by the User, may agree to perform the periodic compliance monitoring needed to prepare the periodic compliance report required under this section. If the District agrees to perform such periodic compliance monitoring, it may charge the User for such monitoring, based upon the costs incurred by the District for the sampling and analyses. Any such charges shall be added to the normal sewer charge and shall be payable as part of the sewer bills. The District is under no obligation to perform periodic compliance monitoring for a User.

§ 8.31. Compliance Schedules for Meeting Applicable Pretreatment Standards. The schedule shall contain increments of progress in the form of dates for the commencement and completion of major events leading to the construction and operation of additional pretreatment required for the User to meet the applicable pretreatment standards (e.g., hiring an engineer, completing preliminary plans, completing final plans, executing contract for major components, commencing construction, completing construction, etc.). No increment referred to in this section shall exceed 9 months.

Not later than 14 days following each date in the schedule and the final date for compliance, the User shall submit a progress report to the District including, at a minimum, whether or not it complied with the increment of progress to be met on such date and, if not, the date on which it expects to comply with this increment of progress, the reason for delay, and the steps being taken by the User to return the construction to the schedule established. In no event shall more than 9 months elapse between such progress reports.

§ 8.32. Notification of Significant Production Changes. Any User operating under a wastewater discharge permit incorporating equivalent mass or concentration limits shall notify the District within two (2) business days after the User has a reasonable basis to know that the production level will significantly change within the next calendar month. Any User not providing a notice of such anticipated change will be required to comply with the existing limits contained in its wastewater discharge permit.

§ 8.33. Hazardous Waste Notification. Any User that is discharging more than 15 kilograms of hazardous wastes as defined in 40 CFR 261 (listed or characteristic wastes) in a calendar month or any facility discharging any amount of acutely hazardous wastes as specified in 40 CFR 261.30(d) and 261.33(e) is required to provide a one-time notification in writing to OLWSD, to the EPA Region 10 Office of Air, Waste, and Toxics Director, and to the State Department of Environmental Quality. Any existing User exempt from this notification shall comply with the requirements contained herein within 30 days of becoming aware of a discharge of 15 kilograms of hazardous wastes in a calendar month or any discharge of acutely hazardous wastes to the District sewer system.

Such notification shall include:

1. The name of the hazardous waste as set forth in 40 CFR Part 261,
2. The EPA Hazardous waste number; and
3. The type of discharge (continuous, batch, or other).
4. If an industrial User discharges more than 100 kilograms of such waste per calendar month to the sewer system, the notification shall also contain the following information to the extent it is known or readily available to the industrial User:
 - a. an identification of the hazardous constituents contained in the wastes,
 - b. an estimation of the mass and concentration of such constituents in the waste streams discharged during that calendar month, and
 - c. an estimation of the mass of constituents in the waste streams expected to be discharged during the following 12 months.

These notification requirements do not apply to pollutants already reported under the self-monitoring requirements. Whenever the EPA publishes final rules identifying additional hazardous wastes or new characteristics of hazardous waste, a User shall notify the District of the discharge of such a substance within 90 days of the effective date of such regulations. In the case of any notification made under this paragraph, an industrial User shall certify that it has a program in place to reduce the volume and toxicity of hazardous wastes generated to the degree it has determined to be economically practical.

§ 8.34. Notice of Potential Problems, Including Accidental Spills, Slug Loads. Any User shall notify the District immediately of all discharges that could cause problems to the POTW, including any slug loads. The notification shall include the concentration and volume and corrective action. This initial notification shall be followed by a written summary report within five (5) days of the discharge. Steps being taken to reduce any adverse impact should also be noted during the notification. Any User who discharges a slug load of pollutants shall be liable for any expense, loss, or damage to the POTW, in addition to the amount of any fines imposed on the District under state or federal law.

§ 8.35. Non-Compliance Reporting. If sampling performed by a user indicates a violation, the User shall notify the District within 24 hours of becoming aware of the violation. Within five (5) days following such discharge, the User shall submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability which might be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the User of any fines, penalties, or other liability which may be imposed pursuant to these Rules and Regulations. The User shall also repeat the sampling and submit the results of the repeat analysis to the District within 30 days after becoming aware of the violation. Where the Control Authority has performed the sampling and analysis in lieu of the Industrial User, the Control Authority must perform the repeat sampling and analysis unless it notifies the User of the violation and requires the User to perform the repeat analysis. Resampling is not required if:

1. The District performs sampling at the Industrial User at a frequency of at least once per month, or
2. The District performs sampling at the User between the time when the initial sampling was conducted and the time when the User or the Control Authority receives the results of this sampling.

§ 8.36. Notification of Changed Discharge. All Users shall promptly notify the District in advance of any substantial change in the volume or character of pollutants in their discharge, including significant manufacturing process changes, pretreatment modifications, and the listed or characteristic hazardous wastes for which the User has submitted initial notification under 40 CFR 403.12 (p)

§ 8.37. Reports from Un-Permitted Users. All Users not required to obtain a wastewater discharge permit shall provide appropriate reports to the District as the General Manager or their designee may require.

§ 8.38. Record Keeping. Users subject to the reporting requirements of these Rules and Regulations shall retain and make available for inspection and copying all records of information obtained pursuant to any monitoring activities required by these Rules and Regulations and any additional records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements.

Records shall include the date, exact place, method, and time of sampling and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses including documentation associated with Best Management Practices. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the User or POTW, or where the User has been specifically notified of a longer retention period by the General Manager or their designee.

§ 8.39. Sampling Requirements for Users. Grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organic compounds. For all other pollutants, 24-hour composite samples must be obtained through flow- proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the District, the samples must be representative of the Discharge and the decision to allow the alternative sampling must be documented in the Industrial User file for that facility or facilities. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple grab samples collected during the 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory. Composite samples for other parameters unaffected by compositing procedures as documented in approved EPA methodologies may be authorized by the District, as appropriate.

For sampling required in support of baseline monitoring and 90-day compliance reports, a minimum of four (4) grab samples must be used for pH, cyanide, total phenols, oil and grease, sulfide and volatile organic compounds for facilities for which historical sampling data do not exist; for facilities for which historical sampling data are available, the District may authorize a lower minimum. For the reports required by 40 CFR 403.12 (e) and (h), the District shall require the number of grab samples necessary to assess and assure compliance by Industrial Users with Applicable Pretreatment Standards and Requirements.

Samples shall be taken immediately downstream from pretreatment facilities if such exist, immediately downstream from the regulated or manufacturing process if no pretreatment exists, or at a location determined by the District and specified in the User's wastewater discharge permit. For categorical Users, if other wastewaters are mixed with the regulated wastewater prior to pretreatment, the User shall measure the flows and concentrations necessary to allow use of the combined waste stream formula of 40 CFR '403.6(e) in order to evaluate compliance with the Applicable Categorical Pretreatment Standards. For other SIUs, for which the District has adjusted its local limits to factor out dilution flows, the User shall measure the flows and concentrations necessary to evaluate compliance with the adjusted pretreatment standard(s).

All sample results shall indicate the time, date and place of sampling and methods of analysis and shall certify that the waste stream sampled is representative of normal work cycles and expected pollutant discharges from the User. If a User

sampled and analyzed more frequently than what was required in its wastewater discharge permit, using methodologies in 40 CFR Part 136, it must submit all results of sampling and analysis of the discharge as part of its self-monitoring report.

- § 8.40. Analytical Requirements. All pollutant analyses, including sampling techniques, shall be performed in accordance with the techniques prescribed in 40 CFR Part 136, unless otherwise specified in an applicable categorical pretreatment standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, sampling and analyses must be performed in accordance with procedures approved by the EPA.
- § 8.41. District Monitoring of User's Wastewater. The District will follow the same procedures as outlined in Sections 8.42 and 8.43.
- § 8.42. Compliance Monitoring: OLWSD Inspection and Sampling. The District shall have the right to enter the facilities of any User to ascertain whether the purpose of these Rules and Regulations and any wastewater discharge permit or order issued hereunder is being met and whether the User is complying with all requirements thereof. Users shall allow the General Manager, or their designee, ready access to all parts of the premises for the purposes of inspection, sampling, records examination and copying, and the performance of any additional duties.

Where a User has security measures in force which require proper identification and clearance before entry into its premises, the User shall make necessary arrangements with its security guards so that, upon presentation of suitable identification, the General Manager will be permitted to enter without delay for the purposes of performing specific responsibilities.

General Manager or their designee shall have the right to set up on the User's property, or require installation of, such devices as are necessary to conduct sampling and/or metering of the User's operations.

Any temporary or permanent obstruction to safe and easy access to the facility to be inspected and/or sampled shall be promptly removed by the User at the written or verbal request of the General Manager or their designee and shall not be replaced. The costs of clearing such access shall be borne by the User.

Unreasonable delays in allowing the General Manager or their designee access to the User's premises shall be a violation of these Rules and Regulations.

- § 8.43. Compliance Monitoring Facilities. Each User shall provide and operate at its own expense a monitoring facility to allow inspection, sampling, and flow measurements of each sewer discharge to the District. Each monitoring facility shall be situated on the User's premises, except, where such a location would be impractical or cause undue hardship on the User, the District may concur with the facility being constructed in the public street or sidewalk area, providing that the facility is located so that it will not be obstructed by landscaping or parked vehicles. The General Manager or their designee, whenever applicable, may require the construction and maintenance of

sampling facilities at other locations (for example, at the end of a manufacturing line or a wastewater treatment system).

There shall be ample room in or near such sampling facility to allow accurate sampling and preparation of samples for analysis. The facility, including the sampling and measuring equipment, shall be maintained at all times in a safe and proper operating condition at the expense of the User.

The General Manager or their designee may require the User to install monitoring equipment as necessary. All monitoring facilities shall be constructed and maintained in accordance with all applicable local construction standards and specifications. All devices used to measure wastewater flow and quality shall be calibrated to ensure their accuracy.

§ 8.44. Search Warrants. If the General Manager or their designee has been refused access to a building, structure or property, or any part thereof and is able to demonstrate probable cause to believe that there may be a violation of these Rules and Regulations, or that there is a need to inspect as part of a routine inspection program of the District designed to verify compliance with these Rules and Regulations or any wastewater discharge permit or order issued hereunder, or to protect the overall public health, safety and welfare of the community, then the General Manager or their designee shall seek issuance of a search and/or seizure warrant from the Clackamas County Circuit Court.

Such warrant shall be served at reasonable hours by the General Manager or their designee in the company of a uniformed police officer of Clackamas County.

§ 8.45. Vandalism. No person shall willfully or negligently break, damage, destroy, uncover, deface, tamper with, or prevent access to any structure, appurtenance or equipment, or other part of the POTW. Any person found in violation of this requirement shall be subject to the sanctions set out in these Rules and Regulations.

§ 8.46. Confidential Information. Information and data on a User obtained from reports, surveys, wastewater discharge permit applications, wastewater discharge permits, and monitoring programs, and from District inspection and sampling activities shall be available to the public without restriction, unless the User specifically requests and is able to demonstrate to the satisfaction of the District that the release of such information would divulge information, processes or methods of production entitled to protection as trade secrets under applicable State law. When requested and demonstrated by the User furnishing a report that such information should be held confidential, the portions of a report which might disclose trade secrets or secret processes shall not be made available for inspection by the public but shall be made available immediately upon request to governmental agencies for uses related to the NPDES program or pretreatment program and in enforcement proceedings involving the person furnishing the report. Wastewater constituents and characteristics and other "effluent data" as defined by 40 CFR '2.302 will not be recognized as confidential information and will be available to the public without restriction.

§ 8.47. Publication Of Users In Significant Non-Compliance. The District shall publish annually, in a newspaper(s) of general circulation that provides meaningful public notice within the jurisdiction(s) served by the POTW, a list of the Users which, during the previous twelve (12) months, were in significant non-compliance with applicable pretreatment standards and requirements. For the purposes of this provision, an industrial User is in significant noncompliance if its violation meets one or more of the following criteria:

1. Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of wastewater measurements taken for the same pollutant parameter during a six- (6) month period exceed (by any magnitude) a numeric Pretreatment Standard or Requirement, including instantaneous limits, as defined by 40 CFR 403.3(l);
2. Technical Review Criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of wastewater measurements taken for each pollutant parameter during a six-(6) month period equals or exceeds the product of the numeric Pretreatment Standard or Requirement, including instantaneous limits, as defined by 40 CFR 403.3(l) multiplied by the TRC [TRC=1.4 for BOD, TSS, fats, oils and grease, and 1.2 for all other pollutants except pH];
3. Any other discharge violation of a Pretreatment Standard or Requirement as defined by 40 CFR 403.3(l) (daily maximum, longer-term average, instantaneous limit, or narrative Standard) that the POTW determines has caused, alone or in combination with other discharges, interference or pass through (including endangering the health of POTW personnel or the general public);
4. Any discharge of pollutants that has caused imminent endangerment to the public or to the environment, or has resulted in the District's exercise of its emergency authority to halt or prevent such a discharge;
5. Failure to meet, within ninety (90) days of the scheduled date, a compliance schedule milestone contained in a wastewater discharge permit or enforcement order for starting construction, completing construction, or attaining final compliance;
6. Failure to provide within thirty (30) days after the due date, any required reports, including baseline monitoring reports, reports on compliance with categorical pretreatment standard deadlines, periodic self-monitoring reports, and reports on compliance with compliance schedules;
7. Failure to accurately report non-compliance; or
8. Any other violation or group of violations, which may include a violation of Best Management Practices, which the POTW determines will adversely affect the operation or implementation of the local Pretreatment program.

§ 8.48. Administrative Enforcement Remedies – Pretreatment Rules. The following procedures are intended solely for enforcement of the District's pretreatment rules.

- § 8.48.1. Notification of Violation. When the General Manager or their designee finds that a User has violated (or continues to violate) any provision of these Rules and Regulations, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, the General Manager or their designee may serve upon that User a written Notice of Violation [via certified letter]. Within 14 days of the receipt of this notice, an explanation of the violation and a plan for the satisfactory correction and prevention thereof, to include specific required actions, shall be submitted by the User to the General Manager or their designee. Submission of this plan in no way relieves the User of liability for any violations occurring before or after receipt of the Notice of Violation. Nothing in this section shall limit the authority of the District to take any action, including emergency actions or any other enforcement action, without first issuing a Notice of Violation.
- § 8.48.2. Consent Orders. The General Manager or their designee may enter into Consent Orders, assurances of voluntary compliance, or other similar documents establishing an agreement with any User responsible for non-compliance. Such documents will include specific action to be taken by the User to correct the non-compliance within a time period specified by the document. Such documents shall have the same force and effect as the administrative orders issued pursuant to this subsection and shall be judicially enforceable. Use of a consent Order shall not be a bar against, or prerequisite for, taking any other action against the User.
- § 8.48.3. Show Cause Hearing. The General Manager or their designee may order via a certified letter a User which has violated or continues to violate any provision of these Rules and Regulations, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, to appear before the General Manager or their designee and show cause why the proposed enforcement action should not be taken. Notice shall be served on the User specifying the time and place for the meeting, the proposed enforcement action, the reasons for such action, and a request that the User show cause why the proposed enforcement action should not be taken. The notice of the meeting shall be served personally or by registered or certified mail (return receipt requested) at least seven days prior to the hearing. Such notice may be served on any authorized representative of the User. A show cause hearing shall not be a bar against, or prerequisite for, taking any other action against the User.
- § 8.48.4. Compliance Orders. When the General Manager or their designee finds that a User has violated or continues to violate any provision of these Rules and Regulations, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, the General Manager or their designee may issue an order to the User responsible for the discharge directing that the User come into compliance within a time

specified in the order. If the User does not come into compliance within the time specified in the order, sewer service may be discontinued unless adequate treatment facilities, devices, or other related appurtenances are installed and properly operated. Compliance orders may also contain other requirements to address the non-compliance, including additional self-monitoring, and management practices designed to minimize the amount of pollutants discharged to the sewer. Issuance of a compliance order shall not be a bar against, or a prerequisite for, taking any other action against the User.

§ 8.48.5. Cease and Desist Orders. When the General Manager or their designee finds that a User has violated (or continues to violate) any provision of these Rules and Regulations, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, or that the User's past violations are likely to recur, the General Manager or their designee may issue an order to the User directing it to cease and desist all such violations and directing the User to immediately comply with all requirements; and take such appropriate remedial or preventive action as may be needed to properly address a continuing or threatened violation, including halting operations and/or terminating the discharge. Issuance of a cease and desist order shall not be a bar against, or a prerequisite for, taking any other action against the User.

§ 8.48.6. Administrative Fines. A. When the General Manager or their designee finds that a User has violated or continues to violate any provision of these Rules and Regulations, a wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, the General Manager or their designee may fine such User in an amount not to exceed maximum fine allowed under state law. Such fines shall be assessed on a per violation, per day basis (see Section 11). In the case of monthly or other long-term average discharge limits, fines shall be assessed for each day during the period of violation. Issuance of an administrative fine shall not be a bar against, or a prerequisite for, taking any other action against the User.

§ 8.48.7. Emergency Suspensions. The General Manager or their designee may immediately suspend a User's discharge (after informal notice to the User) whenever such suspension is necessary to stop an actual or threatened discharge which reasonably appears to present or cause an imminent or substantial endangerment to the health or welfare of persons. The General Manager or their designee may also immediately suspend a User's discharge (after notice and opportunity to respond) that threatens to interfere with the operation of the POTW or which presents or may present an endangerment to the environment.

Any User notified of a suspension of its discharge shall immediately stop or eliminate its contribution. In the event of a User's failure to immediately

comply voluntarily with the suspension order, the General Manager or their designee shall take such steps as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the POTW, its receiving stream, or endangerment to any individuals. The General Manager or their designee shall allow the User to recommence its discharge when the User has demonstrated to the satisfaction of the District that the period of endangerment has passed, unless the termination proceedings in these Rules and Regulations are initiated against the User.

A User that is responsible, in whole or in part, for any discharge presenting imminent endangerment shall submit a detailed written statement, describing the causes of the harmful contribution and the measures taken to prevent any future occurrence, to the General Manager or their designee prior to the date of any show cause or termination hearing under these Rules and Regulations.

Nothing in this section shall be interpreted as requiring a hearing prior to any emergency suspension under this section.

§ 8.48.8. Termination of Discharge (Non-Emergency). In addition to the Administrative Enforcement provisions in these Rules and Regulations, any User that violates the following conditions is subject to discharge termination:

1. Violation of wastewater discharge permit conditions;
2. Failure to accurately report the wastewater constituents and characteristics of its discharge;
3. Failure to report significant changes in operations or wastewater volume, constituents and characteristics prior to discharge;
4. Refusal of reasonable access to the User's premises for the purpose of inspection, monitoring or sampling; or
5. Violation of the pretreatment standards of these Rules and Regulations.
6. Such User will be notified of the proposed termination of its discharge and be offered an opportunity to show cause under these Rules and Regulations why the proposed action should not be taken. Exercise of this option by the District shall not be a bar to, or a prerequisite for, taking any other action against the User.

§ 8.49. Judicial Enforcement Remedies.

§ 8.49.1. Injunctive Relief. When the General Manager or their designee finds that a User has violated (or continues to violate) any provision of these Rules and Regulations, a wastewater discharge permit, or order issued

hereunder, or any other pretreatment standard or requirement, the General Manager or their designee may petition the Clackamas County Circuit Court through the District's Attorney for the issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance of the wastewater discharge permit, order, or other requirement imposed by these Rules and Regulations on activities of the User. The District may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the User to conduct environmental remediation. A petition for injunctive relief shall not be a bar against, or a prerequisite for, taking any other action against a User.

§ 8.49.2. Civil Penalties. A User which has violated or continues to violate any provision of these Rules and Regulations, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement shall be liable to the District for a maximum civil penalty allowed under State law but not less than \$1,000 per violation, per day. In the case of a monthly or other long-term average discharge limit, penalties shall accrue for each day during the period of the violation.

The General Manager or their designee may recover reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by the District.

In determining the amount of civil liability, the Court shall take into account all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the magnitude and duration, any economic benefit gained through the User's violation, corrective actions by the User, the compliance history of the User, and any other factor as justice requires.

Filing a suit for civil penalties shall not be a bar against, or a prerequisite for, taking any other action against a User.

§ 8.49.3. Remedies Non-exclusive. The provisions in Section 8.49 of these Rules and Regulations are not exclusive remedies for violations of the District's pretreatment rules. The District reserves the right to take any, all, or any combination of these actions against a non-compliant User. Enforcement in response to pretreatment violations will generally be in accordance with the District's enforcement response plan. However, the District reserves the right to take other action against any User when the circumstances warrant. Further, the District is empowered to take more than one enforcement action against any non-compliant User. These actions may be taken concurrently.

§ 8.50. Supplemental Enforcement Action.

§ 8.50.1. Performance Bonds. The General Manager or their designee may decline to issue or reissue a wastewater discharge permit to any User which has failed to comply with any provision of these Rules and Regulations, a previous wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement unless such User first files a satisfactory bond, payable to the District, in a sum not to exceed a value determined by the General Manager or their designee to be necessary to achieve consistent compliance.

§ 8.50.2. Liability Insurance. The General Manager or their designee may decline to issue or reissue a wastewater discharge permit to any User which has failed to comply with any provision of these Rules and Regulations, a previous wastewater discharge permit or order issued hereunder, or any other pretreatment standard or requirement, unless the User first submits proof that it has obtained financial assurances sufficient to restore or repair damage to the POTW caused by its discharge.

§ 8.50.3. Public Nuisances. A violation of any provision of these Rules and Regulations, a wastewater discharge permit, or order issued hereunder, or any other pretreatment standard or requirement, is hereby declared a public nuisance and shall be corrected or abated as directed by the General Manager or their designee. Any person(s) creating a public nuisance shall be subject to the provisions of these Rules and Regulations governing such nuisances, including reimbursing the District for any costs incurred in removing, abating, or remedying said nuisance.

§ 8.50.4. Contractor Listing. Users which have not achieved compliance with applicable pretreatment standards and requirements are not eligible to receive a contractual award for the sale of goods or services to the District. Existing contracts for the sale of goods or services to the District held by a User found to be in significant non-compliance with pretreatment standards or requirements may be terminated at the discretion of the District.

§ 8.51. Affirmative Defenses to Discharge Violations

§ 8.51.1. Upset. For the purposes of this section,

"upset" means an exceptional incident in which there is unintentional and temporary non-compliance with applicable pretreatment standards because of factors beyond the reasonable control of the User.

An upset does not include non-compliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance, or careless or improper operation.

An upset shall constitute an affirmative defense to an action brought for non-compliance with applicable pretreatment standards if the requirements of of this section are met.

A User who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

1. An upset occurred and the User can identify the cause(s) of the upset;
2. The facility was at the time being operated in a prudent manner and in compliance with applicable operation and maintenance procedures; and
3. The User has submitted the following information to the District and treatment plant superintendent within twenty-four (24) hours of becoming aware of the upset [if this information is provided orally, a written submission must be provided within five (5) days]:
4. A description of the indirect discharge and cause of non-compliance;
5. The period of non-compliance, including exact dates and times or, if not corrected, the anticipated time the non-compliance is expected to continue; and
6. Steps being taken and/or planned to reduce, eliminate, and prevent recurrence of the non-compliance.

In any enforcement proceeding, the User seeking to establish the occurrence of an upset shall have the burden of proof.

Users will have the opportunity for a judicial determination on any claim of upset only in an enforcement action brought for non-compliance with applicable pretreatment standards.

Users shall control production of all discharges to the extent necessary to maintain compliance with applicable pretreatment standards upon reduction, loss, or failure of their treatment facility until the facility is restored or an alternative method of treatment is provided. This requirement applies in the situation where, among other things, the primary source of power of the treatment facility is reduced, lost, or fails.

- § 8.51.2. Prohibited Discharge Standards. A User shall have an affirmative defense to an enforcement action brought against it for non-compliance with the prohibitions in these Rules and Regulations if it can prove that it did not know, or have reason to know, that its discharge, alone or in conjunction with discharges from other sources, would cause pass through or interference and that either: (a) a local limit exists for each pollutant discharged and the User was in compliance with each limit directly prior to, and during, the pass through or interference; or (b) no local limit exists, but

the discharge did not change substantially in nature or constituents from the User's prior discharge when the District was regularly in compliance with its NPDES permit, and in the case of interference, was in compliance with applicable sludge use or disposal requirements.

§ 8.52. Bypass. For the purposes of this section,

"Bypass" means the intentional diversion of waste streams from any portion of a User's treatment facility.

"Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

A User may allow any bypass to occur which does not cause applicable pretreatment standards or requirements to be violated, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of this section.

§ 8.52.1. Notice of Bypass. If a User knows in advance of the need for a bypass, it shall submit prior notice to the POTW at least ten (10) days before the date of the bypass, if possible. A User shall submit oral notice to the District of an unanticipated bypass that exceeds applicable pretreatment standards within twenty-four (24) hours from the time it becomes aware of the bypass. A written submission shall also be provided within five (5) days of the time the User becomes aware of the bypass. The written submission shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times, and, if the bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the bypass. The District may waive the written report on a case-by-case basis if the oral report has been received within twenty-four (24) hours.

§ 8.52.2. Bypass Conditions. Bypass is prohibited, and the District may take an enforcement action against a User unless:

1. Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;
2. There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventive maintenance; and

The User submitted notices as required under this section.

The General Manager or their designee may approve an anticipated bypass, after considering its adverse effects, if the General Manager or their designee determines that it will meet the three conditions listed in this section.

§ 8.53. Wastewater Pretreatment Fees. The District may adopt reasonable fees, as shown in the District's Fee Schedule for reimbursement of costs of setting up and operating the District's Pretreatment Program which may include:

1. Fees for wastewater discharge permit applications including the cost of processing such applications;
2. Fees for monitoring, inspection, and surveillance procedures including the cost of collection and analyzing a User's discharge, and reviewing monitoring reports submitted by Users;
3. Fees for reviewing and responding to accidental discharge procedures and construction;
4. Fees for filing appeals; and
5. Other fees as the District may deem necessary to carry out the requirements contained herein. These fees relate solely to the matters covered by these Rules and Regulations and are separate from all other fees, fines, and penalties chargeable by the District.

§ 9 FATS, OILS AND GREASE (FOG) PROGRAM

§ 9.1. Statement of Policy. The purpose of this chapter is to enhance beneficial public use of Oak Lodge Water Services District's sewer facilities by preventing blockages of sewer lines resulting from discharges of fats, oils and grease (FOG) and other constituents to the sewer facilities. These Rules and Regulations specify appropriate FOG requirements for Food Service Establishments (FSEs) and/or property owners where FSEs are located and supports such entities in implementing a cost-effective FOG abatement program. These Rules and Regulations establish quantity and/or quality standards on all wastewater and/or waste discharges containing FOG as these cause or contribute to the occurrence of sanitary sewer services overflows (SSOs), affect treatment plant operations, and increase publicly owned treatment works costs.

Oak Lodge Water Services District has final authority in determining the compliance status of all FSE/property owners with respect to their discharge of FOG (either vegetable or animal origin) either directly or indirectly into the District's wastewater collection system.

The following regulations reflect requirements of the State and Federal government, and the District's National Pollution Discharge Elimination System (NPDES) permit.

The purpose of the regulations is to set forth uniform requirements for Users of the District's wastewater collection and treatment system to enable the District to comply with all applicable State and Federal laws required by the Federal Water Pollution Control Act, as amended, and by requiring commercial and industrial Users to comply with the General Pretreatment Regulations in 40 CFR Part 403, as amended.

- § 9.2. Applicability and Pretreatment Standards. Food service establishments shall install grease interceptors when deemed necessary by the District for the proper handling of wastewater containing excessive amounts of fat, oil, or grease. These interceptors shall be maintained by the User at their expense in a manner which prevents fat, oil, and grease from being discharged into the District sanitary system. Materials removed from the interceptor must be disposed of at a facility approved to receive such wastes.

The additions of chemicals, enzymes, emulsifying agents, microorganisms, or similar compounds that are intended to decrease the maintenance performed on grease interceptors are prohibited.

- § 9.3. Surface Water Issues. No surface or storm water is allowed in the sanitary sewer system. In no instance shall spilled grease and oils be washed to the storm water drains or landscaped areas. Existing FSE are prohibited from engaging in any wash down activities in any outside area, including but not limited to uncovered garbage or waste oil storage areas. If instances of spilled grease or oil occur in the garbage or waste oil storage area the site will be required to install a roof over the area.

- § 9.4. Right of Access. Persons or premises where wastewater with the potential to contain FOG is created or discharged shall allow District personnel, or their alternate designees, reasonable and safe access to the entire facility in order to carry out inspections or other actions, including but not limited to sampling waste streams, authorized by these Rules and Regulations. It is the FSEs or property owner's responsibility to open all grease removal device (GRD) access points for District inspection activities. No person shall interfere with, delay or refuse entrance to such personnel attempting to inspect or enforce upon any facility involved directly or indirectly with the discharge of wastewater to the District's sewer system. The District or its designees are authorized to collect samples of any waste stream, including the discharge from the facility and any GRD. Failure to grant access shall result in an additional inspection fee and may result in suspension of sewer services provided by the District or water turn off.

- § 9.5. Cost Recovery for Collection System Cleaning. In the event that a FSE discharges FOG from the FSE / owner's premises and into the sewage collection system owned and operated by OLWSD, so that the FOG leaves behind visible deposits adhered to the pipes, OLWSD may at their discretion clean the pipe system to the extent that their crew deems necessary and the FSE / property owner will be billed for the cost of the District's labor, equipment, and materials. In lieu of this, either the District or the FSE / property owner may hire a licensed contractor (with the District's approval)

to clean the lines (to the extent directed by the District) and vacuum up / remove the grease and dispose of it to a facility approved to receive such wastes. The contractor would then bill the FSE / property owner directly.

§ 10 SURFACE WATER MANAGEMENT

§ 10.1. Authority; MS4 Permit. Under the Clackamas County Co-Applicants' Municipal Separate Storm Sewer System (MS4) Permit, the District is charged with protecting water quality and satisfying requirements of the MS4 permit. Implementation of these regulations is through the MS4 Permit. As required by the MS4 Permit, the District's authority includes having the ability to control the discharge of pollutants by reducing the discharge of pollutant loads, to the maximum extent practicable, and to prohibit non-storm water discharges into the storm sewer system.

§ 10.2. Conveyance System Subject to Jurisdictional Authority. The conveyance system components maintained and/or repaired by the District include storm sewers, culverts, inlets, ditches, and swales. The District's responsibility for these types of utility assets is limited to District owned assets or those that the District operates under an intergovernmental agreement.

§ 10.3. Permits Required. The District issues Erosion Control/Surface Water Management Permits within its jurisdictional area. All construction activities affecting areas 500 square feet or greater within the District shall obtain an Erosion Control/Surface Water Management Permit. Construction activities affecting areas 250 square feet or greater within the undisturbed buffer, sensitive areas, or riparian areas must also obtain an Erosion Control/ Surface Water Management Permit. An Erosion Control/Surface Water Management Permit is also required to discharge to the Districts surface water system as described in Section 10.12 of these Rules and Regulations.

§ 10.4. Agency Coordination. The District coordinates with CCDTD on land use development proposals within the County. In the Clackamas County Comprehensive Plan Title 13, Chapter 7, Clackamas County recognizes that the District has responsibility for operating, planning, and regulating surface water management systems. The County has a policy to coordinate the review of development applications with the District, for proposals within the District's jurisdiction, to ensure that approval is not granted in the absence of adequate sanitary sewer facilities or a mechanism to provide them concurrently with development. Additionally, per Clackamas County Zoning and Development Ordinance Section 1006.08(C), approval of a development shall be granted only if the applicant provides a preliminary statement of feasibility from the surface water management regulatory authority

Additionally, any construction activity disturbing one (1) or more acres of land currently requires an NPDES Construction Stormwater Discharge Permit issued by DEQ. Within Clackamas County, DEQ has authorized Clackamas County Water Environment Services (WES) to administer those permits for them.

§ 10.5. Permit Procedure. Review and Approval Process:

§ 10.5.1. An Erosion Control/Surface Water Management Permit is issued by the District through an administrative approval process. An Erosion Control/Surface Water Management Permit application shall be submitted upon a form provided by the District. A complete application shall consist of all materials required as listed in Sections 10.6 and 10.10 of these Rules and Regulations.

(a) Determination of Completeness. After receiving a permit application, the General Manager shall inform the applicant of a determination that: (1) that the application is complete; or (2) that the application is incomplete and what is necessary to make the application complete.

(b) Incomplete Application Procedure. If the applicant receives a determination from the General Manager or their designee that an application is not complete or that additional information is required, the applicant shall submit the necessary information to the District. After an applicant has submitted the requested additional information, the District shall make the determination as described in this section.

§ 10.5.2. The District may approve, approve with conditions, or deny all Erosion Control/Stormwater Management Permit applications. In addition to the requirements listed in Section 10.6 of these Rules and Regulations, the District retains the right to require additional Erosion Control/Surface Water Management Permit conditions of approval. Inspection of erosion control measures is required prior to approval and prior to the start of any excavation work.

§ 10.6. Application Requirements.

§ 10.6.1. Construction activities that impact areas 500 square feet or greater must obtain an Erosion Control/Surface Water Management Permit. Construction activities affecting areas 250 square feet or greater within the undisturbed buffer, sensitive areas, or riparian areas must also obtain an Erosion Control/ Surface Water Management Permit.

§ 10.6.2. A Site Plan, Storm Drainage Plan, and Erosion Control Plan will be required for all residential, commercial, industrial and recreational developments and redevelopments. Additionally, a Site Plan and Erosion Control Plan are required for construction activities, including, but not limited to, clearing, grading, excavation, or filling which occurs in the District. Requirements for the application materials are as follows:

§ 10.6.2.1. Site Plan. Three (3) copies of a site-specific plan shall include the following:

(a) Contour lines with elevations to show slope. Plans for simple additions or improvements to existing structures can indicate slope with arrows illustrating the direction of the slope instead of contours and elevation figures.

- (b) Storage site for excavated materials (soil stockpiles).
- (c) Gravel construction entrance (gravel to a depth of 8 inches)
- (d) Placement of approved erosion control devices (i.e. silt fences, straw bales, thick vegetative growth such as a lawn if the construction area is flat).
- (e) Drainage during and after construction or other runoff, including, as applicable:
- (f) Soakage trenches
- (g) Catch basins
- (h) Storm sewers
- (i) Site restoration plan (permanent landscaping)
- (j) Water quality facilities as required (for residential/ commercial/ industrial)

§ 10.6.2.2. Erosion Control Plan. Submittal requirements include:

- (a) All erosion control plans shall meet requirements of the current Clackamas County Water Environment Services Erosion Prevention and Sediment Control Manual used by the District.
- (b) One completed copy of Erosion Prevention/Sedimentation Control Information containing:
 - (1) Plans for Erosion Prevention/Sedimentation Control during wet weather period (November – April);
 - (2) The methods and/or facilities to be used to prevent erosion and pollution created from the development both during and after construction. Site specific considerations may be incorporated. The plan shall be consistent with the specific drainage basin or sub basin plan.
- (c) An analysis of source controls as an alternative method to control storm water runoff, such as detention and storage techniques.
- (d) Information regarding adjacent open space.
- (e) Information describing historic localized flooding problems resulting from surface water runoff.
- (f) The District may require that the applicant design and construct a detention and drainage system that ensures offsite impacts caused by that development will be mitigated.
- (g) Facilities developed onsite shall be constructed in a manner consistent with basin wide or sub basin drainage management plans.

§ 10.6.3. Bond. The District may request the applicant submit a Performance Bond, cashier's check, or other acceptable financial security in favor of the District to secure performance of the required obligation. The amount secured by the District shall be 100% of the improvements that will ultimately be owned by the District. Upon default, District may perform the work or remedy violations and draw upon the posted security instrument.

§ 10.6.4. Additional Information. The District may also require the applicant to provide additional information as indicated in these Rules and Regulations.

§ 10.7. Plan Review. Site Plan, Storm Drainage, and Erosion Control Plan review and approval shall be required prior to the start of any excavation work.

§ 10.8. Inspections. The erosion control measures shall be installed and inspected prior to the start of any excavation work. The District retains the right to require that erosion control measures be adjusted, or additional measures documents be implemented in accordance with guidance, as necessary, throughout construction.

§ 10.9. Exceptions. Exceptions to Erosion Control/Surface Water Management Permit application requirements must be documented and approved by the District. A variance to the requirements in Section 10.6 may be requested as allowed under Section 12 of these Rules and Regulations.

§ 10.10. Permit Fees. The District shall collect a fee for the review of plans, administration, enforcement, and field inspection(s) to carry out the rules contained herein. Fees are provided in the District's Fee Schedule.

§ 10.11. Permit Appeals. Any person aggrieved by ruling or interpretation of the provisions of this Code in issuing a permit may submit a written appeal to the District, and pay the permit appeal fee, as allowed under Section 12 of these Rules and Regulations.

§ 10.12. Discharge Regulations.

§ 10.12.1. Discharge to Sanitary Sewer System Prohibited. Discharge or contribution to the discharge of any stormwater or other unpolluted water is not allowed into the District's sanitary sewer system without specific approval from the District.

§ 10.12.2. Discharge to Public Stormwater System. Prohibited stormwater discharge activities include, but are not limited to, the following:

- (a) Introduction of pollutants or waters to the public stormwater system containing pollutants or concentrations at levels equal to or in excess of those necessary to protect waters of the State.
- (b) Failure to abide by the terms of any Erosion Control/Surface Water Management Permit, MS4 permit, NPDES permit, statute, administrative rule, ordinance, stipulated and final order or decree, or other permit or contract.

- (c) Discharges of non-stormwater or spills or dumping of materials other than stormwater into public storm system unless pursuant to a conditional Erosion Control/Surface Water Management Permit approved by the District and in compliance therewith.
- (d) Illegal or unpermitted connection or methods of conveyance to the public stormwater system.
- (e) Any discharge that will violate federal, state, or local water quality standards.

§ 10.12.3. Discharge to Creeks or Drainageways. New storm drains and roof drains are not allowed to drain directly into creeks or drainageways or encroach into the buffer unless an Erosion Control/Surface Water Management Permit is obtained from the District. Encroachment into buffer areas must be approved by the District and will require mitigation. Existing and replacement storm drains shall be constructed according to current local, county, state and federal regulations. Non-single family development shall provide an approved water quality facility prior to any discharge from the site to a storm drain system, a creek or drainageway, as approved by the District.

§ 10.12.4. State Discharge Limitations. State requirements and limitations on discharges shall apply in any case where they are more stringent than Federal requirements and limitations or those provided in this chapter.

§ 10.12.5. Local Discharge Limitations. The District retains the right to establish by ordinance more stringent limitations or requirements on discharges if such limitations or requirements are deemed necessary to comply with this chapter.

§ 10.13. Pretreatment Facilities. The District may require that pretreatment facilities are necessary to comply with water quality standards. Before constructing or operating any pretreatment facilities within the District, an Erosion Control/Surface Water Management Permit authorizing such connection shall first be secured in writing from the District and fees paid. A variance to these requirements may be requested as allowed under Section 12 of these Rules and Regulations.

§ 10.13.1. Plans, Specifications, and Construction.

- (a) The District may require plans, specifications, and other information relating to the construction or installation of pretreatment facilities.
- (b) Pretreatment facility construction and installation shall not commence until written approval of plans and specifications by the District is obtained.
- (c) Every facility for the pretreatment and handling of surface water discharged from non-single family residential development sites shall be constructed in accordance with approved plans and specifications.

- (d) The applicant shall notify the District when the facility is ready for final construction inspection. The inspector shall then inspect the facility construction. If such construction meets the previous permit requirements, a pretreatment facility approval shall be issued.

§ 10.13.2. Facility Operations and Maintenance Agreement. The District may require an Operations and Maintenance Agreement for pretreatment facilities. This agreement may set forth operations and maintenance, sampling, access, and other requirements. This agreement will provide for District access to inspect the facility. This agreement will be recorded in the County records against the affected property.

Every facility for the pretreatment and handling of surface water discharged shall be installed, maintained, and repaired at the expense of the facility owner discharging the surface water. The owner shall be responsible for maintaining and repairing pretreatment facilities using BMPs, as determined by the District or authorized representative

§ 10.13.3. Sampling and Monitoring Facility. A person constructing a pretreatment facility, as required by the District, shall also install and maintain, at the expense of the facility, owner a suitable sampling access point for checking and investigating the discharge from the pretreatment facility to the public storm system. The sampling point shall be in accordance with specifications approved by the District.

§ 10.13.4. Sampling. Samples discharged into the public surface water system shall be representative of the use and shall be taken after treatment, if any, and before dilution by other water. The sampling method shall be one approved by the District and in accordance with best engineering practices. All sample analysis shall be performed in accordance with the procedures set forth in 40 CFR Part 136, as amended.

§ 10.13.5. Reporting Requirements. The District may require the permit holder to submit a compliance report indicating the quantity and quality of surface water discharge, the need for pretreatment to comply with applicable standards, and the operation and maintenance schedule of the pretreatment facility.

§ 10.13.6. Inspection and Right-of-Entry. The District or authorized representatives may inspect the monitoring facilities of any permittee to determine the compliance with the requirements of these Rules and Regulations. The discharger shall allow the District or authorized representatives to enter upon the premises at any reasonable hour for the purpose of inspection, sampling, or records examination. The District shall also have the right to install on the User's property such devices as are necessary to conduct sampling, inspection, compliance, monitoring, and/or metering operations. The right of entry includes but is not limited to access to those portions of

the premises that contain facilities for sampling, measuring, treating, transporting, or otherwise handling surface water and storing records, reports, or other related documents.

§ 10.14. Discharge To Storm Drain Facility. An Erosion Control/Surface Water Management Permit is required to discharge or drain to any storm drain facility, including but not limited to pipes, streets, ditches, streams, pollution reduction manholes, and detention facilities, whether constructed or natural. Before discharging or draining to any storm drain facilities within the District, an Erosion Control/Surface Water Management Permit authorizing such discharge shall first be secured in writing from the District and fees paid.

§ 10.14.1. The District may require plans, specifications, and other information relating to the construction or installation of storm drain facility connections.

§ 10.14.2. Storm drain facility connections construction and installation shall not commence until a written permit and approval of plans and specifications by the District is obtained.

§ 10.14.3. Every storm drain facility connection shall be constructed in accordance with approved plans and specifications and shall be installed, maintained, and repaired at the expense of the facility owner connecting to a storm drainage facility.

§ 10.14.4. The applicant shall notify the District when the connection is ready for inspection.

§ 10.14.5. The inspector shall then inspect the connection construction therein, and if such construction meets the previous requirement as approved in the permit, a connection approval shall be issued.

§ 10.15. EROSION CONTROL AND ENVIRONMENTAL PROTECTION

§ 10.15.1. PURPOSE

This Article provides for the regulation of erosion and pollution control to maintain and protect water quality and natural resources in accordance with federal, state, and local water quality standards.

§ 10.15.2. General Policy

- (a) To comply with water quality standards set forth in OAR 340-041, it is the District's policy to prevent erosion and eliminate or reduce the amount of sediment and other pollutants reaching the public storm and surface water system.
- (b) The provisions of this Section apply during construction and until permanent erosion and pollution control measures are in place following construction as described herein, unless otherwise noted.
- (c) This Section is intended to regulate construction activities and other activities that accelerate erosion. It is the District's policy to require

temporary and permanent measures for all construction projects to lessen the adverse effects of site alteration on the environment.

§ 10.15.3. Nothing in this section shall relieve any person from obligation to comply with the regulations or permits of any federal, state, or local authority.

§ 10.15.4. Erosion Control Requirements.

§ 10.15.4.1. Where the District determines that erosion control facilities are necessary to comply with water quality standards, an Erosion Control/Surface Water Management Permit is required for construction and operation of such facilities. Before constructing any erosion control facilities within the District, an Erosion Control/Surface Water Management Permit authorizing such facilities shall first be secured in writing from the District and fees paid. Erosion control facilities and measures shall meet requirements of the current "*Clackamas County Water Environment Services Erosion Prevention Planning and Design Control Manual.*"

§ 10.15.4.2. The permittee or owner is responsible for the cost of installation, maintenance, and repair of all erosion control facilities required by an Erosion Control/Surface Water Management Permit, including both temporary and permanent facilities, as applicable.

§ 10.15.4.3. The permittee or owner shall use BMPs, as determined by the District or Authorized designee.

§ 10.15.4.4. No visible or measurable erosion shall leave the property during any construction or other erosion accelerating activity. The permittee/owner, along with any person who causes such visible or measurable erosion, shall be responsible for cleanup, damages, and fines. Cleanup responsibilities may involve, but are not limited to public facilities, resources, and areas impacted by a project including, but not limited to, creeks, drainageways, wetlands, catch basins, storm drains, and sensitive areas.

§ 10.15.4.5. Plans, Specifications, and Construction. In addition to the requirements of Section 10.6, the District may require plans, specifications, and other information relating to the construction or installation of erosion control facilities or restoration plans. Erosion control facility construction and installation shall not commence until the permittee receives the District's written approval of erosion control plans and specifications. All erosion control facilities shall be constructed in accordance with approved plans and specifications.

§ 10.15.4.6. Inspection. The erosion control facilities and measures necessary to meet the requirements of this subsection shall be installed by the owner and shall be inspected by the District prior to the start of any construction activity. The owner shall notify the District when the erosion control facility is ready for final construction inspection. The District's inspector shall then inspect the facility construction prior to final approval.

§ 10.15.4.7. Maintenance.

- (a) Maintenance of existing facilities shall be the responsibility of the property owner or applicant.
- (b) The permittee or owner shall maintain the erosion control facilities and BMPs in conformance with the approved erosion control plan.
- (c) If adequate maintenance is not performed, the maintenance standards and schedule shall be reviewed and enforced by the District and the owner or permittee shall be responsible to the District for costs incurred.
- (d) Where an erosion control plan is not effective or sufficient as determined by the District through a site inspection, the District may issue a stop work order and the permittee or owner shall be required to submit a revised plan to the District. Upon approval of the revised plan by the District, the permittee or owner shall immediately implement the additional facilities and techniques of the revised plan.
- (e) In cases where erosion is occurring in violation of these Rules and Regulations, the District may require the owner/permittee to install interim control measures prior to submittal of the revised erosion control plan.

§ 10.15.5. Deposit of Sediment. No person shall drag, drop, track, or otherwise place or deposit, or permit to be deposited, mud, dirt, rock or other such debris on a public street or into any part of the public storm and surface water system, or any part of a private storm and surface water system, which drains or connects to the public stormwater and surface water system. Any such deposit or material shall be immediately removed using hand labor or mechanical means. No material shall be washed or flushed into any part of the storm and surface water system without erosion control measures installed to the satisfaction of the District, and any such action shall be a violation.

§ 10.16. Construction Stormwater Permitting. NPDES Permit As discussed in subsection 10.4, any construction activity disturbing one (1) or more acres of land shall obtain an NPDES Stormwater Discharge Permit issued by DEQ. Within Clackamas County, DEQ has authorized Clackamas County WES to administer those permits.

§ 10.17. Dust Control. Dust and other particulate matters containing pollutants that settle on property or are carried to surface waters through rainfall or other means shall be minimized to the maximum extent practicable, utilizing all measures necessary, including but not limited to:

- (a) Sprinkling with water, haul and access roads and other exposed dust producing areas,
- (b) Establishing temporary vegetative cover,
- (c) Placing wood chips or other effective mulches on vehicle and pedestrian use areas;
- (d) Maintaining the proper moisture condition on all fill surfaces,
- (e) Pre-wetting cut and borrow area surfaces, and
- (f) Using of covered haul equipment.

§ 10.18. Water Quality Maintenance.

§ 10.18.1. Construction of New Facilities. Construction of new water quality facilities between stream banks shall be pursuant to permits issued by jurisdictional state and federal agencies (i.e., the United States Army Corps of Engineers (USACE) and Oregon Department of State Lands (DSL)) and applicable regulations.

§ 10.18.2. Pollutants. Pollutants in the DEQ current toxics standards identified in OAR 340-041, such as, but not limited to, fuels, lubricants, asphalt, concrete, bitumens, raw sewage, other harmful materials, and trash or debris, shall not be discharged into rivers, streams, impoundments, wetlands, sensitive areas, undisturbed buffers, or any storm drainage system, or at such proximity that the pollutants flow to these watercourses.

§ 10.18.3. Alterations. The withdrawal of water from a stream, impoundment, wetland, or sensitive area, shall not result in altering or further degradation of the temperature or water quality of the waterbody in violation of OAR-340-041.

§ 10.18.4. Construction Activities. All sediment-laden water from construction activities shall be routed through sedimentation basins, filtered, or otherwise treated to remove the sediment load before the water is discharged into the surface water system.

§ 10.19. Natural Resource Protection.

§ 10.19.1. Fish and Wildlife Habitat. Construction activities shall be done in a manner that minimizes adverse effects on wildlife and fishery resources pursuant to the requirements of local, state, and federal agencies charged with wildlife and fish protection.

§ 10.19.2. Sensitive Areas. An Erosion Control/Surface Water Management Permit is required for activities disturbing sensitive areas that would affect water quality by altering or affecting sensitive areas and associated buffers. These activities include, but are not limited to:

- (a) landscaping;
- (b) construction activities;
- (c) tree cutting;
- (d) vegetation removal; and
- (e) streambank restoration.

§ 10.19.3. Sensitive Areas include:

- (a) Existing or created wetlands, including all mitigated wetlands; limits defined by wetlands reports approved by the USACE, DSL, and the District;
- (b) Rivers, streams, springs, sloughs, swamps, creeks; limits defined by the top of the bank or first break in slope measured upland from the mean high water line; and
- (c) Impoundments (lakes and ponds); limits defined by the top of the bank or first break in slope measured upland from the mean high water line.
- (d) The District maintains a map in its Geographic Information System (GIS) that delineates the sensitive areas applicable to the District.
- (e) Sensitive areas, for the purposes of this chapter, do not include water quality facilities, such as constructed wetlands or the undisturbed buffers adjacent to sensitive areas.

§ 10.19.4. Study Requirements. An approved study may be required by the District identifying areas on the parcel which are, or may be, sensitive areas when, in the opinion of the District:

- (a) An area or areas on a parcel may be classified as a sensitive area;
or
- (b) The parcel has been included in an inventory of sensitive areas adopted by the District, and more site-specific identification of the boundaries is needed.

§ 10.19.5. Undisturbed Buffer Required. New development or a division of land adjacent to sensitive areas shall preserve and maintain an undisturbed buffer wide enough to protect the water quality function of the sensitive area. The undisturbed buffer is a facility required to prevent damage to the sensitive area caused by the development. An undisturbed buffer will

be required in areas with any slope adjacent to sensitive areas. Undisturbed buffer widths are specified in the table below

Table 10-19

Sensitive Area	Upstream Drainage Area	Width of Undisturbed Buffer
Intermittent Creeks, Rivers, Streams	Less than or equal to 50 acres	25 feet
Intermittent Creeks, Rivers, Streams	Greater than 50 acres	35 feet
Perennial Creeks, Rivers, Streams	Any upstream area	35 feet
Wetlands, Lakes (natural), and Springs.	Any drainage	35 feet
Willamette River	Any drainage	35 feet (from normal high water*)

** Normal High Water is the highest water level that has been maintained for a sufficient period of time to leave evidence upon the landscape.*

§ 10.19.6. Undisturbed buffers shall be protected, maintained, enhanced, or restored as follows:

- (a) An Erosion Control/Surface Water Management Permit is required for all construction activities in the buffer greater than 250 square feet. The disturbance area is calculated by multiplying the width of undisturbed buffer area by the length of the parcel adjacent to the sensitive area shown above.
- (b) Uncontained areas of hazardous materials as defined by DEQ are prohibited in the buffer.
- (c) Vegetative cover native to the region shall be maintained, enhanced, or restored, if disturbed in the buffer.
- (d) Only native vegetation shall be used to enhance or restore the buffer.
- (e) Invasive non-native vegetation may be removed from the buffer and replaced with native vegetation.

§ 10.19.7. Starting points for undisturbed buffer measurements from the sensitive area begin at:

- (a) The edge of a DSL-approved wetland delineation area;
- (b) The edge of the top of the bank or first break in slope measured upland from the Ordinary High Water Mark of rivers, streams, sloughs, swamps, creeks; and
- (c) The edge of the top of the bank or first break in slope measured upland from the mean high water line of impoundments (lakes and ponds).

- (d) The District maintains a map in its GIS that delineates the buffer areas applicable to the District based on the buffer area widths specified above.

§ 10.19.8. Where no reasonable and feasible option exists for not encroaching within the minimum undisturbed buffer, such as at a road crossing or where topography limits options, then onsite mitigation on the intrusion of the buffer will be based on a ratio of 1.5 to 1. A variance to this requirement may be requested as allowed under Section 12 of these Rules and Regulations.

§ 10.19.8.1. All encroachments into the buffer, except those listed in Section 10.19.9, require written approval from the District.

§ 10.19.8.2. The District shall mail notice of its decision to grant or deny approval to the applicant and to owners of property within 250 feet of the affected property.

§ 10.19.9. Undisturbed Buffer – Exceptions. No construction activities or other activities shall be allowed which otherwise detract from the water quality protection provided by the buffer, as required by federal, state, and local regulations, except as allowed by the District in the following situations:

- (a) A road crossing the undisturbed buffer to provide access to the sensitive area or across the sensitive area, provided any impacts to the buffer area, including conveyance and fish passage impacts, are addressed with a restoration plan or mitigation plan approved by the District.
- (b) Utility construction or approved plans by a governmental agency or public utility subject to Public Utility Commission regulation, providing the buffer is restored and a restoration plan approved by the District.
- (c) A walkway or bike path not exceeding eight (8) feet in width, only if it is part of a regional system of walkways and trails managed or adopted by a public agency.
- (d) A pervious walkway or bike path, not exceeding eight (8) feet in width that does not provide access to the sensitive areas or across the sensitive areas. If the walkway or bike path is impervious, then the buffer must be widened by the width of the path. The average distance from the path to the sensitive area must be at least 60% of the total buffer width. At no point shall a path be constructed closer than ten feet from the boundary of the sensitive area, unless approved by the District.
- (e) Measures to remove or abate hazards, nuisances, or fire and life safety violations.

- (f) Homeowners are allowed to take measures to protect property from erosion, such as protecting river banks from erosion, within limits allowed by federal, state, and local regulations. Permits may be required for these property protection activities.
- (g) The undisturbed buffer shall be left in a natural state. Gardens, lawns, or other landscaping shall use vegetation identified in the *Oak Lodge Water Services District Plant List*, except with a plan approved by the District. The proposal shall include information to demonstrate that improvement and maintenance of improvements will not be detrimental to water quality. Existing landscaping/vegetation and activities to maintain existing landscaping within the undisturbed buffer is allowed, unless identified on the Required Eradication List contained in the *Oak Lodge Water Services District Plant List*.

§ 10.19.10. Tree Replacement within Undisturbed Buffer. Existing trees within the undisturbed buffer or riparian area are encouraged to remain in place. If a tree is removed from the buffer area the following conditions apply.

- (a) Any trees removed a diameter at breast height (DBH) of at least 3-inches shall be replaced at a ratio of 4:1 (four trees planted for every one removed) within a time frame, location(s), and species identified in the approved site restoration plan.
- (b) An Erosion Control/Surface Water Management Permit shall first be secured from the District if the tree removal activity causes ground disturbance greater than 250 square feet.
- (c) Trees removed by or requiring removal as a result of natural causes (e.g. wind storm, disease (requires report from Certified Arborist to validate and document disease), wildlife activities) do not have to be replaced.
- (d) Types of trees allowed for replacement are those identified in the *Oak Lodge Water Services District Plant List*, except as allowed in a plan approved by the District.
- (e) A variance to the requirements of this subsection may be requested as allowed under Section 12 of these Rules and Regulations.

§ 10.19.11. Location of Undisturbed Buffer. The District may require that the buffer be fenced, signed, delineated, or otherwise physically set apart from parcels that will be developed. In any new development or redevelopment, the undisturbed buffer shall be contained in a tract, and shall not be a part of any parcel to be used for the construction. The District reserves the right to require separate tracts for undisturbed buffers; however, conservation easements will be considered and

allowed if the developer can demonstrate that restrictions for activities on the parcel will protect the resource associated with the buffer. Restrictions may include permanent signage, fencing, documentation with the title of the property, or other methods approved by the District.

§ 10.19.12. Plans, Specifications, and Construction

§ 10.19.12.1. In addition to requirements in Section 10.6, the District may require additional plans, specifications, and other information relating to construction within, variances from, and restoration of buffers. Construction and restoration shall not commence until written approval of plans and specifications by the District is obtained and shall occur in accordance with approved plans and specifications.

§ 10.19.12.2. The applicant shall notify the District when the facility is ready for final construction inspection. The inspector shall then inspect the facility construction therein.

§ 10.19.13. Hazardous Chemicals, Pesticides, Fertilizers.

§ 10.19.13.1. The use of hazardous chemicals including, but not limited to, pesticides (including insecticides, herbicides, defoliants, soil sterilants) and fertilizers, must strictly adhere to federal, state, and local regulations.

§ 10.19.13.2. All hazardous chemicals, which are delivered to or stored at the job site during construction, restoration, or maintenance activities shall be stored, covered, and protected from the weather. None of the materials shall be exposed during storage. Hazardous chemicals shall be disposed of in such a manner that pollution of soil, groundwater, surface water, or air does not occur. In no case shall hazardous materials be disposed of in drainageways.

§ 10.20. Additional Surface Water Management Standards.

§ 10.20.1. Purpose. This Article provides for additional treatment design, water quality, quantity, and natural resource protection standards.

§ 10.20.2. General Standards.

§ 10.20.2.1. All development shall be planned, designed, constructed, and maintained to:

- (1) Protect and preserve existing streams, creeks, natural drainage channels and wetlands, and to meet state and federal requirements.
- (2) Protect property from flood hazards identified by the District.

- (3) Provide records or show on District stormwater studies a system by which storm/surface water within the development will be controlled without causing damage or harm to the natural environment, or to property or persons.
- § 10.20.2.2. All stream crossings must be approved by USACE, DSL, Clackamas County, and other authorized federal, state, and local agencies.
- § 10.20.2.3. In the event a development or any part thereof is traversed by any water course, channel, stream or creek, gulch or other natural drainage channel, adequate easements for purposes of surface water drainage maintenance shall be provided to the District. This does not imply a maintenance obligation by the District.
- § 10.20.2.4. Channel obstructions are not allowed except with District written approval.
- § 10.20.2.5. Facilities developed on site, including flow discharge from site, shall be constructed in a manner consistent with “*OLWSD Surface Water Master Plan*”.
- § 10.20.2.6. All storm conveyance pipes, vaults, detention facilities, or other water quality or quantity facilities shall be built to specifications of the District.
- § 10.20.2.7. All surface water facilities shall be constructed per specifications of the District.
- § 10.20.2.8. Inspection of surface water facilities and approval of shop drawings shall be provided by the developer’s engineer.
- § 10.20.2.9. Following completion of construction, the engineer shall submit a document, stamped by a professional engineer, indicating all surface water systems have been inspected and installed per approved plans and approved changes.
- § 10.20.2.10. Maintenance is required for all onsite surface water facilities. The maintenance program must be approved by the District. The District may require a recorded Operations and Maintenance Agreement for onsite facilities.
- § 10.20.2.11. As-built plans of facilities, easements for all facilities, and approved maintenance plans shall be provided to the District upon completion of construction. Record drawings may be substituted for as-built plans when determined appropriate by the District or authorized representative.
- § 10.20.2.12. Each surface water system shall have adequate easements and access for construction, operation, and maintenance. A

commercial or industrial User having ownership or control of onsite detention facilities shall maintain such facilities in compliance with these Rules and Regulations and provide documentation of annual maintenance.

§ 10.20.2.13. All surface water facilities shall be maintained as needed and as approved by the District. Proof of maintenance shall be annually submitted in accordance with a schedule approved by the District. If the facility is not maintained, the District may perform the inspection, maintenance, and documentation and charge the owner of the facility.

§ 10.20.2.14. Site plans, grading plans, storm drainage plans, and associated calculations must be stamped and signed by a professional engineer licensed by the State of Oregon and meet the standards of the District. The District may waive this requirement upon request of a variance under Section 12.

§ 10.20.2.15. Permittees or owners shall provide a performance bond or other surety acceptable to the District prior to recording of the plat for residential developments or the issuance of building permits for commercial or industrial developments. The amount of the performance bond shall be in the amount of 100% of the permittee's engineer's cost estimate for all approved but uncompleted surface water and buffer improvements.

§ 10.20.2.16. A maintenance bond shall be provided to the District prior to release of the performance bond. The maintenance bond shall be in favor of the District, in the amount of 100 percent of the actual construction cost, for a period of one year from the date of final District inspection and acceptance of all completed buffer mitigation and public surface water facilities. During construction and the guarantee period, the District may perform work if the owner fails to do so, and charge the Bond. At the end of the one-year guarantee period, if no replacement work is required by the final inspection, the residual bond amount shall be released and remitted to the owner. If replacement work is required, the District may extend the bond term by one year. Nothing herein shall limit the owner's responsibility for repair and maintenance to the amount of the bond.

§ 10.20.2.17. The permittee or owner is responsible for complying with federal, state and local regulations.

§ 10.20.2.18. All developments and redevelopments shall provide water quantity, water quality, and infiltration systems to meet requirements of Section 10.22.

§ 10.20.2.19. Development projects shall not be phased or segmented in such a manner to avoid the requirements of these Rules and Regulations.

§ 10.21. Onsite Detention Design Criteria. All onsite detention facilities shall be constructed in accordance with the District's Design and Construction Standards.

§ 10.22. Water Quality Standards.

§ 10.22.1. All new developments and re-developments shall provide on-site water quality facilities, as required by the District. Water quality facilities shall be designed to capture and treat the first 1-inch of stormwater runoff from a 24-hour storm event.

§ 10.22.2. Accepted types of vegetated treatment facilities include vegetated swales, filter strips, constructed wetlands, wet ponds and extended dry detention ponds. Alternative systems may be used with approval by the District and shall be designed to provide equivalent treatment as is provided with a vegetated system, as described in the latest CCSD#1 Stormwater Standards (*Appendix F - Proprietary Stormwater Treatment Technology Policy, Appendix H - Vegetated Stormwater Quality Facility Design Criteria*) and the "Surface Water Quality Facilities Technical Guidance Handbook", developed by Portland and Lake Oswego, Clackamas County, and the Unified Sewerage Agency, now known as Clean Water Services.

§ 11 ENFORCEMENT

§ 11.1. Purpose. This section provides procedures to enforce the District's Rules and Regulations including all applicable, rules, regulations, permits, orders and any other related or future requirements of water, sewer, and watershed protection management. Pretreatment and Discharge violations are governed by the Discharge Enforcement Rules and Regulations.

§ 11.2. Violations and Civil Penalties. The District may impose civil penalties, including but not limited to, stop work orders, fines, modification or revocation of a permit and/or cessation of services, or seek an injunction or other relief provided by law when any User or person violates any condition or provision of these Rules and Regulations, any rule or regulation adopted there under, any permit or order issued or otherwise

enforceable by the District, or any other federal or state, regulations, or administrative rules.

§ 11.3. Objectives. The goal of enforcement is to:

- (a) Obtain and maintain compliance with applicable federal and state statutes or administrative rules, and the District's NPDES permits, Rules and Regulations, and orders;
- (b) protect the public health and the environment;
- (c) deter future violators and violations; and
- (d) ensure appropriate and consistent enforcement.

§ 11.4. Classes of Violation. The District shall address all documented violations in order of seriousness at the most appropriate level of enforcement necessary, taking into account the circumstances of each violation. The violators who do not comply with initial enforcement action shall be subject to increasing levels of enforcement until compliance is achieved. There are three levels of violation: Class I, Class II, and Class III.

Class I

Class I

Any violation which poses a major risk of harm to public health or environment, or violation of any compliance schedule contained in a District permit or a District order, including but not limited to:

- Violation of these Rules and Regulations;
- Violation of a District order or approved plan;
- Intentional unauthorized discharges;
- Negligent spills or discharges which pose a major risk of harm to public health or the environment;
- Discharge of waste to surface waters without first obtaining a National Pollutant Discharge Elimination System Permit;
- Failure to immediately notify the District of a spill or upset condition which results in an unpermitted discharge to public waters which pose a major risk of harm to public health or the environment;
- Violation of a permit compliance schedule;
- Failure to provide access to premises or records;
- Any other violation related to water quality which poses a major risk of harm to public health or the environment;
- Two Class II violations, or one Class II and two Class III violations, or three Class III violations.

Class II

Any violation which poses a moderate risk of harm to public health or the environment, including but not limited to:

- Violation of these Rules and Regulations;
- Violation of a District order or approved plan;
- Waste discharge permit limitation violations which pose a moderate risk of harm to public health or the environment;
- Negligent spills which pose a moderate risk of harm to public health or the environment;
- Failure to submit a report or plan as required by permit or license;
- Any other violation related to water quality which poses a moderate risk of harm to public health or the environment.

Class III

Any violation which poses a minor risk of harm to public health or the environment, including but not limited to:

- Violation of these Rules and Regulations;
- Violation of a District order or an approved plan;
- Negligent spills or discharges which pose a minor risk of harm to public health or the environment;
- Violation of a waste discharge permit limitation which poses a minor risk of harm to public health or the environment;
- Any other violation related to water quality which poses a minor risk of harm to public health or the environment.

§ 11.5. Procedure for Enforcement

§ 11.5.1. Inspection, Entry, and Sampling

§ 11.5.1.1. Authorized District representatives may inspect the property and facilities of any owner to determine compliance with the requirements of these Rules and Regulations. The person shall allow the District, or its authorized representatives, to enter upon the premises at all reasonable hours for the purpose of inspection, sampling or records examination.

§ 11.5.1.2. The District shall also have the right to set up on the owner's property such devices as are necessary to conduct sampling, inspection, compliance, monitoring and/or metering operations. The right of entry includes but is not limited to access to those portions of the premises that contain facilities for sampling, measuring, treating, transporting, or otherwise addressing sewage or storm water and storing records, reports, or other related documents.

§ 11.5.1.3. The District is authorized to conduct inspections and take such actions as required to enforce any provisions of these Rules and

Regulations, or any permit issued pursuant to these Rules and Regulations, whenever the General Manager has reasonable cause to believe there exists any violation of these Rules and Regulations. If the premises are occupied, credentials shall be presented to the occupant and entry requested. If the premises are unoccupied and no permit has been issued, the District shall first make a reasonable effort to locate the owner or other person having charge or control of the premises and request entry. If entry is refused in either case, the District shall have recourse to the remedies provided by law to secure entry.

§ 11.5.1.4. Where feasible, inspections shall occur at reasonable times of the day. If a permit has been issued and the owner or their representative is at the site when the inspection is occurring, the General Manager or authorized representative shall first present proper credentials to the owner or their representative. The owner or person having charge or control of the premises shall allow the General Manager or the General Manager's authorized representative, agents, and contractors to:

- (a) Enter upon the property where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of a permit;
- (b) Have access to and copy any records that must be kept under the conditions of a permit;
- (c) Inspect at reasonable times the property, any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by the Rules and Regulations or under a permit; and
- (d) Sample or monitor at reasonable times, for the purpose of assuring permit compliance with the Rules and Regulations, or as otherwise authorized by local or state law, any substances or parameters at any location.

This subsection is subject to the abatement provision in Section 11.11.

§ 11.5.2. Notice of Non-Compliance (NON). After identifying a violation, the District may issue a Notice of Noncompliance that:

- (a) Informs a person of the existence of a violation, the actions required to resolve the violations, and the consequences of continued non-compliance. The NON may specify the time by which compliance is to be achieved and that the need for formal enforcement action will be evaluated

- (b) Is issued under the direction of the General Manager or designee;
- (c) May be issued for all classes of documented violations; and
- (d) Is consistent with the objectives in Section 11.3.
- (e) The NON may be in the form of a phone call followed by a Compliance Telephone Memorandum. The NON will require the violator to provide a written report within five (5) business days that details the event, the steps taken to correct the problem, and the steps to prevent future events.

§ 11.5.3. Informal Resolution. The District shall attempt to resolve violations and solicit compliance with education and technical assistance, especially with parties who are unlikely to have knowledge of regulatory requirements. Generally, violators will be given an initial period to correct the violation based on the educational materials and technical assistance provided by District staff. Informal resolution shall include the following efforts:

- Education through a discussion of the violated regulation and the facility's need to come into compliance.
- Technical assistance that include sharing of program materials, referrals to other agencies or contractors, and guidance on best management practices ("BMPs") that should be used. Technical assistance should seek to provide the violator with options, when options are available.
- Oral notice that explains the nature of the violation and a time frame for remedy. Resolution of the violation should always be verified by a submittal from the violator proving the violation is remedied, windshield surveys, site visits, or records checks.

§ 11.5.4. All oral notices shall be given in person to the appropriate facility personnel. All instructions or requested remedies shall be oral, presented by phone or in person, to the appropriate facility manager and/or property owner to enhance conformance with the remediation instructions. Written documentation of these instructions shall be forwarded to the facility manager upon request. All oral notices of violation shall be recorded in the District's Work Order database.

§ 11.5.5. Notice of Violation (NOV); Exceptions.

§ 11.5.5.1. Except as otherwise provided, prior to the assessment of any civil penalty the District shall serve a notice of violation upon the owner (or Respondent) that:

- (a) Is served, either personally, by office or substitute service as those terms are defined in the Oregon Rules of Civil Procedure, or by certified

or registered mail, return receipt requested, specifying the violation and stating that the District will assess a civil penalty if a violation continues or occurs after five days following receipt of the notice;

- (b) Shall be issued for the first occurrence of a documented Class I violation, or the repeated or continued occurrence of documented Class II or III violations where NON has failed to achieve compliance or satisfactory progress toward compliance;
- (c) Is issued under the direction of the General Manager or designee;
- (d) May include a time schedule by which compliance is to be achieved;
- (e) May be issued for all classes of documented violations; and
- (f) Is consistent with the objectives in Section 11.3.

§ 11.5.5.2. The above notice shall not be required where the Respondent has otherwise received actual notice of the violation not less than five days prior to the assessment of civil penalty. No advance notice, written or actual, shall be required if:

- (a) the act or omission constituting the violation is intentional;
- (b) the violation would normally not be in existence for five (5) days;
- (c) the water pollution might leave or be removed from the jurisdiction of the District;
- (d) respondent received written notice with respect to any violation of the permit or order within 36 months of the alleged violation; or
- (e) the requirement to provide written notice would disqualify a state program from federal approval or delegation.

§ 11.5.6. Notice of Civil Penalty Assessment. In addition to any liability, duty or other penalty provided by law, the General Manager or their designee may assess a civil penalty for any violation of the District's statutes, regulations, permits or orders, as follows:

- (a) The District shall issue the written notice of assessment of civil penalty upon the Respondent using the procedure set forth in Section 11.5.5.1.
- (b) The amount of any civil penalty shall be determined through the use of matrices and formula contained in Section 11.6.
- (c) The Notice of Civil Penalty Assessment must comply with Oregon law related to notice and contested case hearings.
- (d) The penalty may be assessed for the occurrence of any class of documented violation, for any class of repeated or continuing documented violations or where a person has failed to comply with a

notice of violation and intent to assess a civil penalty or other order or Stipulated Final Order.

§ 11.6. Civil Penalty Procedures. This sub-section describes the procedure for civil penalty determination as adopted by resolution by the District.

§ 11.6.1. No civil penalty issued by the General Manager or their designee pursuant to this matrix shall be less than one hundred dollars (\$100) or more than ten thousand dollars (\$10,000) for each day of each violation.

§ 11.6.2. When determining the amount of civil penalty to be assessed for any violation the General Manager or their designee shall apply the following procedures:

1. Determine the class of violation and the magnitude of violation;
2. Choose the appropriate base penalty (BP) based upon the above finding;

	Major	Moderate	Minor
Class I	\$5,000	\$2,500	\$1,000
Class II	\$2,000	\$1,000	\$500
Class III	\$500	\$250	\$100

3. Starting with the base penalty (BP), determine the amount of penalty through the application of the formula $BP + [(.1 \times BP) (P + H + E + O + R + C)]$ where:

"P" is determined by whether the Respondent has any prior significant actions relating to statutes, rules, orders and permits pertaining to environmental quality or pollution control.	
0	if no prior significant action or there is insufficient information on which to base a finding
1	if the prior significant action is one Class II or two Class III violations
2	if the prior significant action is one Class I or equivalent
3	if the prior significant actions are two Class I or equivalents
4	if the prior significant actions are three Class I or equivalents
5	if the prior significant actions are four Class I or equivalents
6	if the prior significant actions are five Class I or equivalents

7	if the prior significant actions are six Class I or equivalents
8	if the prior significant actions are seven Class I or equivalents
9	if the prior significant actions are eight Class I or equivalents
10	if the prior significant actions are nine Class I or equivalents determining the appropriate value for prior significant actions as listed above

In determining the appropriate value for prior significant actions as listed above, the District shall reduce the appropriate factor by:

2	if all prior significant actions are greater than three years old, but less than five years old
4	if all the prior actions are greater than five years old

In making the above reductions no finding shall be less than zero (0). Any prior significant action which is greater than ten (10) years old shall not be included in the above determination.

"H" is determined by the history of the Respondent taking all feasible steps or procedures necessarily appropriate to correct any prior significant actions.	
-2	if the Respondent took all feasible steps to correct any violation
0	if there is no prior history or insufficient information on which to base a finding
1	if the Respondent took some but not all feasible steps to correct a Class II or III violation
2	if the Respondent took some but not all feasible steps to correct a Class I violation
3	if no action to correct prior significant actions

"E" is the economic condition of the Respondent.

-4 to -1	if economic condition is poor, subject to any significant economic benefit gained by Respondent through non-compliance
0	if there is insufficient information on which to base a finding, the Respondent gained no economic benefit through noncompliance, or the Respondent is economically sound
2	if the Respondent gained a minor to moderate economic benefit through noncompliance
4	if the Respondent gained a significant economic benefit through noncompliance

If the District finds that the economic benefit of noncompliance exceeds the dollar value of 4, it may increase the penalty by the amount of economic gain, if the penalty does not exceed the maximum penalty allowed by rule and statute.

In any contested case proceeding or settlement in which Respondent has raised economic condition as an issue, Respondent has the burden of providing documentary evidence concerning its economic condition. In determining whether to mitigate a penalty based on economic condition, the Hearings Officer or District may consider the causes and circumstances of Respondent's economic condition.

"0" is determined by whether the violation was a single occurrence or if it was repeated or continuous during the period resulting in the civil penalty assessment.	
0	if a single occurrence
2	if repeated or continuous

"R" is determined by whether the violation resulted from an unavoidable accident, or a negligent or intentional act of the Respondent.	
-2	if it was an unavoidable accident
0	if there is insufficient information to make any other finding
2	if negligent

4	if grossly negligent
6	if intentional
10	if flagrant

"C" is determined by the Respondent's cooperativeness in correcting the violation.	
-2	if Respondent is cooperative
0	if Respondent is neither cooperative nor uncooperative or there is insufficient information on which to base a finding
2	if violator is uncooperative

In addition to the factors listed in this Section of the Rules and Regulations, the General Manager or their designee may consider any other relevant rule or statute and shall state the effect the consideration had on the penalty. On review, Hearings Officer shall consider the factors contained in this section of the Rules and Regulations and any other relevant rule or statute.

§ 11.6.3. Petroleum Spills.

Persons causing oil spills to waters of the state within the jurisdiction of the District through intentional or negligent acts or omissions shall incur a civil penalty of not less than one hundred dollars (\$100) or more than twenty thousand dollars (\$20,000) per violation. The amount of the penalty shall be determined by doubling the values contained in the matrix in conjunction with the formula contained above. In determining whether to seek a civil penalty, the District shall consider the circumstances and enforcement efforts of other governmental agencies having jurisdiction.

§ 11.7. Memorandum of Agreement and Order (MAO). A Memorandum of Agreement and Order (MAO) is a formal enforcement action which is in the form of an agreement or consent order issued by the Board or General Manager or their designee that:

- (a) may be negotiated between the District and the subject party prior to or after any notice set forth above;
- (b) shall be signed by the General Manager or designee on behalf of the District and the authorized representative of the subject party; and

- (c) shall set forth action to be taken and set civil penalties. This may be issued for any class of violations.

§ 11.8. Other Remedies. The formal enforcement action as described in these sections in no way limits the District from seeking other legal or equitable remedies in the proper court as provided by Oregon or federal law.

§ 11.9. Right to Hearing.

§ 11.9.1. A civil penalty shall be due and payable twenty-one (21) days after Respondent is served with the penalty notice. The decision of the General Manager or the General Manager's designee to assess a civil penalty or other enforcement action or any violation pertaining to the District's statutes, regulations, permits, or orders shall be final unless the Respondent files a written Notice of Appeal and Request for Hearing with the District within 21 days from the date of service of the notice on Respondent. The Notice of Appeal and Request for Hearing shall contain the following:

- (a) The name of the Respondent and the case file number or permit number.
- (b) The name and signature of the Respondent and a statement that if acting on behalf of a partnership or corporation, that the person executing the Notice of Appeal is duly authorized to file such appeal and such person is the contact representative.
- (c) The date that the Civil Penalty Assessment or other formal enforcement was received by the Respondent.
- (d) The nature of the decision and the specific grounds for appeal.

§ 11.9.2. The appeal shall be limited to the issues raised in the Notice of Appeal. In the Notice of Appeal, the Respondent shall admit or deny all factual matters and shall affirmatively allege any affirmative claim and defense and reasons therefore.

§ 11.9.3. The hearing shall be conducted in accordance with ORS Chapter 183. The record of the hearing shall be considered by the District or Hearings Officer, who shall enter appropriate orders including the amount of civil penalty assessed. Appeal of such orders may be taken by the Respondent as provided in Section 12.

§ 11.9.4. Notwithstanding the foregoing, nothing shall be construed to prevent the District from taking any other enforcement action or remedy available.

§ 11.10. Stop Work Order; Right of Entry.

§ 11.10.1. Erosion Control Violations. In addition to civil penalties described in Section 11.6, violations may be enforced by on-site control activities to

mitigate existing violations and prevent future violations to the greatest extent possible, as follows:

- (a) Initial violations will result in a written description of requirements for repair of the problem and a time period for compliance as included in the initial notice.
- (b) If the repair is not performed, or violations continue, the inspector will issue a stop work order on the project, which will remain in effect until the violation is repaired to the requirements stated in these Rules and Regulations.
- (c) If the violation is not remedied or the person fails to commence diligently remedying the violation within 24 hours, the District may enter upon the property to abate the violation.
- (d) Notwithstanding anything herein to the contrary, if the District reasonably believes the violation constitutes an emergency or other circumstance requiring immediate action, the District may take reasonable and necessary remedial action with or without notice to the owner as deemed appropriate by the District considering the circumstance.

§ 11.10.2. Notwithstanding anything herein to the contrary, if the District reasonably believes the violation constitutes an emergency or other circumstance requiring immediate action, the District may take reasonable and necessary remedial action with or without notice to the owner as deemed appropriate by the District considering the circumstance.

§ 11.10.3. Any costs incurred by the District to remedy a violation shall be paid by the owner.

§ 11.10.4. If the required repairs are not completed within the specified time frame or if violations continue that require additional site visits, additional daily charges described in Section 11.6 will be assessed to the owner of the property.

§ 11.11. Abatement. Nothing herein shall prevent the District, following five (5) days written notice to the discharger, and discharger's failure to act, from entering upon the property and disconnecting, sealing, or otherwise abating any unauthorized connection to the stormwater or system discharger violating any permit, these Rules and Regulations, or water quality standards. As part of this power, the District may perform tests upon the property to trace sources of water quantity or water quality violation.

§ 11.12. Compromise or Settlement of Civil Penalty. At any time, subsequent to service of a written notice of assessment of civil penalty, the General Manager or their designee may compromise or settle any unpaid civil penalty at any amount that

the General Manager or their designee deems appropriate. Any compromise or settlement executed by the General Manager or their designee shall be final. In determining whether a penalty should be compromised or settled, the General Manager or their designee may consider the following:

- (a) new information obtained through further investigation or provided by Respondent which relates to the penalty determination factors;
- (b) the effect of compromise or settlement on deterrence;
- (c) whether Respondent has or is willing to employ adequate means to correct the violation or maintain compliance;
- (d) whether Respondent has had any previous penalties which have been compromised or settled;
- (e) whether the compromise or settlement would be consistent with the District's goal of protecting the public health and environment as set forth in Section 11.3;
- (f) the relative strength or weaknesses of the District's case.

§ 11.13. Stipulated Penalties. Nothing in these Rules and Regulations shall affect the ability of the District to include stipulated penalties in a MAO or any other agreement.

§ 11.14. Appointment of Hearings Officer. For any contested case hearing, the District, through the General Manager or their designee, may appoint a hearings officer to determine all issues.

§ 11.15. Collection of Civil Penalty. Procedures for the enforcement of the civil penalty shall be as follows:

§ 11.16. Time Limit: Any civil penalty is final unless appealed pursuant to Section 12 and may be entered as a judgment in the Circuit Court. The penalty shall be paid in full within twenty-one (21) days of the date the decision is final. Payment shall be made either in cash or by certified check made payable to the District.

§ 11.17. Relief in Circuit Court: If full payment is not made, the District may take further action for collection and/or cause service to be terminated. Alternatively, counsel for the District may, following the authorization of such action by the District, commence an action for appropriate legal and/or equitable relief in the Circuit Court.

§ 11.18. Notwithstanding the foregoing administrative hearing processes, nothing in this Subsection shall prohibit the District from commencing civil action in the Circuit Court for injunction or other relief or seeking imposition of civil penalties described above by the court.

§ 12 VARIANCES AND APPEALS

§ 12.1. Purpose. This Article provides processes for variances and appeals for meeting requirements under the Rules and Regulations.

§ 12.2. Variance Requests: Under the variance process, any person may request a variance to the requirements in these Rules and Regulations. The Board delegates to the General Manager or their designee decisions on requests for variance.

§ 12.2.1. The variance process includes a letter to the General Manager from the permittee that describes the following:

- (a) A description of the project or action specific to the Rules and Regulations.
- (b) A description or summary of what is required per the Rules and Regulations.
- (c) An alternate proposal that documents and describes the variance request and clearly describes the water quality and quantity equivalency to the Rules and Regulations.

§ 12.2.2. The District shall review and respond in writing to the Permittee within 2 weeks the decision to approve or deny a Variance Request. Should the permittee choose to appeal this decision, the formal Appeal process shall occur.

§ 12.3. Exemption Requests:

§ 12.3.1. Under the Exemption process, any person may request an exemption to the requirements of the Rules and Regulations. The Board delegates to the General Manager or their designee decisions on requests for exemption from the District's requirements.

§ 12.3.2. The Exemption Request process includes a letter to the General Manager or their designee from the permittee that describes the following:

- (a) A description of the project or action specific to the Rules and Regulations.
- (b) A description or summary of what is required per the Rules and Regulations.
- (c) A clear and technical reason why an exemption would be appropriate, and how providing an exemption would address water quality and quantity requirements of the Rules and Regulations.

§ 12.4. Appeals.

§ 12.4.1. Appeals to General Manager or their Designee: Except for violations and enforcement matters, which are addressed in Section 11.9, any person aggrieved by ruling or interpretation (decision) of the provisions of these Rules and Regulations may submit a written appeal to the General Manager or their designee. The appeal letter and associated fee (see District's Fee Schedule) must be submitted within fourteen (14) days after the decision

was made. The appeal shall be in writing and shall set forth the events and circumstances leading to the appeal, the nature of the impact of the ruling on the appellant, together with any other reasons for the appeal. The General Manager or their designee shall make a written decision within thirty (30) days of written notification of appeal. If the appeal is broad in nature, the General Manager or their designee may refer the appeal to the Board. If the appellant chooses to appeal the decision of the General Manager or the Board, the General Manager or their designee shall appoint a hearings officer to decide the appeal.

§ 12.4.2. Hearings Officer: The hearings officer appointed pursuant to section 11.14 shall set a *de novo* hearing on the matter at which he or she will take testimony and hear arguments. The General Manager or their designee shall give notice of the time and place for the hearing to the appellant, the applicant, and all property owners within 250 feet of the subject property. The notice called for in this section shall be given by First Class mail, postage prepaid, at least fourteen (14) days in advance of the time scheduled for the hearing. Only persons who have been aggrieved by the General Manager's decision or their designee's shall have standing to participate in the hearing. The hearings officer shall issue written findings and a decision on the appeal within thirty (30) days after the *de novo* hearing, with copies to the Board, all persons who participated in the hearing, and those persons who have requested a copy.

§ 12.5. Circuit Court Review: Decisions of the General Manager or their designee, Hearings Office or their Designee shall be reviewable by the Circuit Court of the State of Oregon for Clackamas County, solely and exclusively under the provisions of ORS 34.010 to 34.100.

§ 13 ADOPTION OF NEW OR AMENDED RULES AND REGULATIONS

§ 13.1. The Board of Directors of Oak Lodge Water Services District may promulgate new or amended rules pertaining to these rules or regulations. Such rules and regulations shall be adopted in a meeting of the governing Board of Directors by ordinance.

§ 13.2. The Fee Schedule for furnishing services, installation of meters, service pipes, main extensions, etc., may be revised in the interest of the District. Any revisions to the Fee Schedule shall adopted by the Board in accordance with Oregon law.

§ 13.3. Adoption of Revised Appendices. The Board of Directors of Oak Lodge Water Services District may adopt revisions to the appendices of these Rules and Regulations by Ordinance in a legally called meeting of the governing Board of Directors by motion duly made, seconded, and passed.

§ 14 MISCELLANEOUS PROVISIONS

§ 14.1. Severability. If any provision of these Rules and Regulations is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

§ 14.2. Titles Not Part of Text. Titles of chapters or sections of these Rules and Regulations are not a part of the text of the sections. The titles are for indexing and locating convenience only.

END OF DOCUMENT

**BEFORE THE BOARD OF DIRECTORS
OF
OAK LODGE WATER SERVICES DISTRICT**

AN ORDINANCE ADOPTING)
THE DISTRICT'S RULES AND)
REGULATIONS)

ORDINANCE NO. 18-01

WHEREAS, by this Ordinance, the District adopts the Oak Lodge Water Services District Rules and Regulations attached hereto as Exhibit 1 and incorporated by reference, to be effective as of the date specified below; and

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE OAK LODGE WATER SERVICES DISTRICT THAT:

Section 1. This Ordinance shall be known as the Oak Lodge Water Services District Rules and Regulations attached as Exhibit 1 and incorporated by reference is hereby adopted.

Section 2. Pursuant to ORS 198.540, this ordinance was read at regular meetings of the Board of Directors on two different days at least six days apart and prior to the adoption thereof.

Section 3. This Ordinance was adopted by at least the affirmative vote of a majority of the members of the Board of Directors of Oak Lodge Water Services District at a public meeting and was attested to by the Secretary. The Secretary of the Oak Lodge Water Services District is instructed to cause this Ordinance to be filed in the Records of the Oak Lodge Water Services District and to file a certified copy of this Ordinance with the County Clerk.

Section 4. This Ordinance shall take effect at 12:01 a.m. Pacific Daylight time on March 21, 2018 being at least 30 days from the date of its adoption.

Dated this 20th day of February 2017.

OAK LODGE WATER SERVICES DISTRICT

BY: _

Board President

ATTEST:

Secretary

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Kelly Stacey, Finance Director
Agenda Item: Finance Department Report
Item No.: 9a
Date: January 16, 2017

Below is an update of various efforts of the Finance/Administration department.

Accela implementation:

The Accela Utility Billing implementation is taking most of the administrative staff's time. As we move towards a consolidated bill, we are working to keep communications flowing to our customers and making this as smooth a process as possible.

We put together a letter that went out with both the end of December water and sewer bills. Customers have been very receptive. Calls are coming in, which let's us know they are reading the letters. As we move through the process we are composing a new letter to address new issues that may affect customers. We are also putting a FAQ sheet on our website to address many of the questions we are receiving, as well as others we feel are pertinent.

Conversion work is underway by the Accela team. They are ironing out issues to be successful with the utility billing parallel process, which is the week of February 4. The staff, namely Elaine and Rebecca, are diligently working on getting their projects completed as we move toward our target of March 1 for our first joint billing.

We have received approval from the union to extend our temporary employee, Matt, to May to help with the additional calls expected as we move towards a consolidated bill.

STAFF REPORT

To: Board of Directors
From: Todd Knapp, Field Superintendent
Agenda Item: Field Operations Report
Item No.: 9b
Date: January 16, 2018

Background

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

Operations Administration

Valley View is mostly wrapped up, the contractor in the process of demobilizing, here are a few final pictures showing the completed project.



This is the seismic valve that automatically closes when an earthquake is detected.

This picture shows the valve vault with the new concrete top and hatches.





This shows the new stairs and landing at the top

A close up of the new stairs.



TV Inspections and Hydro cleaning both fell short of the monthly target this past month, partly due the weather but primarily due to the location of the lines being cleaned and inspected, the lines in question are in the areas known as easement lines and are more challenging to get at.

The water crew was busy with 5 main breaks, the worst being on Oatfield Rd, North of Park Ave., the others being on Marcia Ct., Oakridge Dr., 25th south of Park and Evergreen East of River Rd., meter change outs continued despite the colder weather.

Field Operations Monthly Report for January 2018

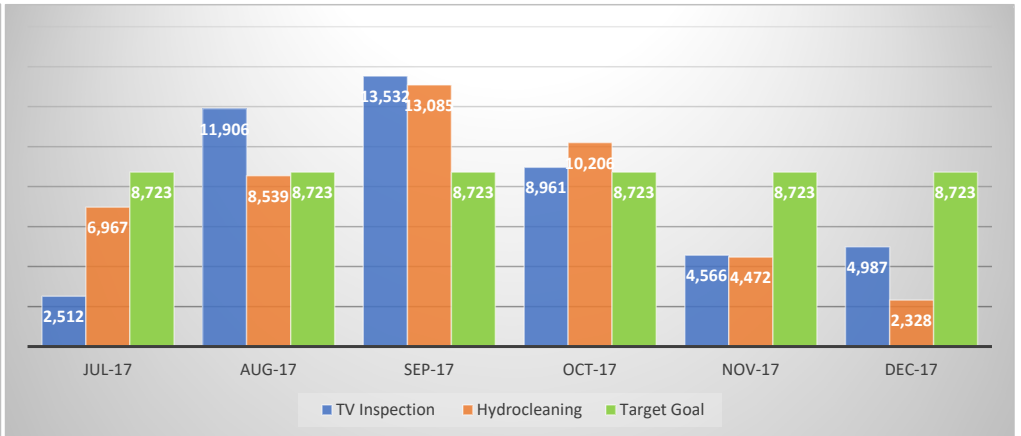
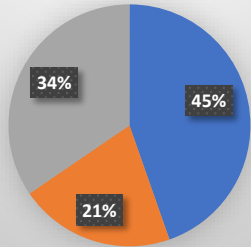
Highlights for the month:

- Valley View Reservoir project: in the finalization stage.
- 5 Main breaks to report for the month of December
- 4 new water services installed
- Meters replaced, services and leaks (See chart)
- Collections team forging ahead despite weather and other challenges.
- Water consumption for **November 73,584,000 Gallons** (below the 10-year average of 75,012,114) (See metered monthly consumption chart)

Oak Lodge Water Services Collections Report

Current Month

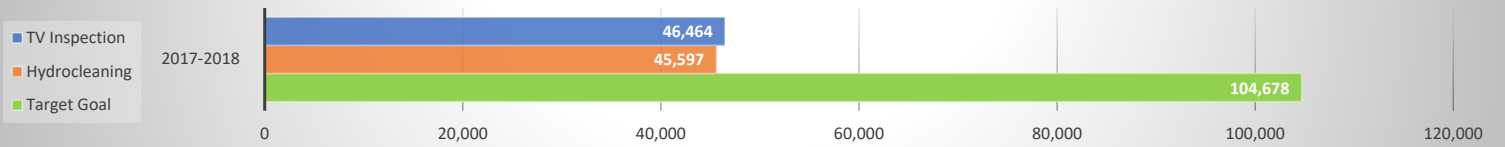
■ TV Inspection ■ Hydrocleaning ■ Grease Line



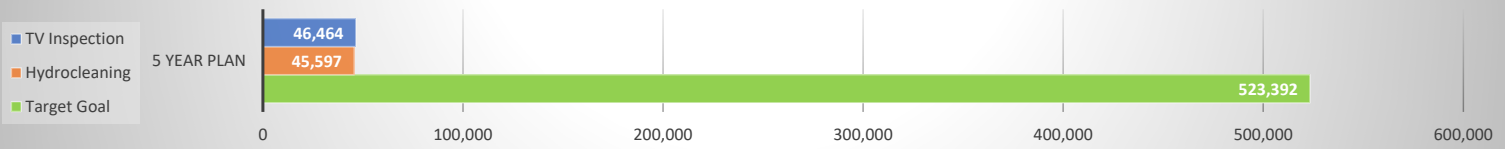
Month	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	To Date	Monthly	Yearly	5 Year
													Totals	%	%	%
TV Inspection	2,512	11,906	13,532	8,961	4,566	4,987							46,464	57.17%	44.39%	8.88%
Hydrocleaning	6,967	8,539	13,085	10,206	4,472	2,328							45,597	26.69%	43.56%	8.71%
Target Goal	8,723	8,723	8,723	8,723	8,723	8,723							52,339	100.00%	50.00%	10.00%
Grease Line	3,625	5,105	3,276	3,625	10,227	3,859							29,717			

Total Feet 523,392
Target Per Year 104,678
Target Per Month 8,723

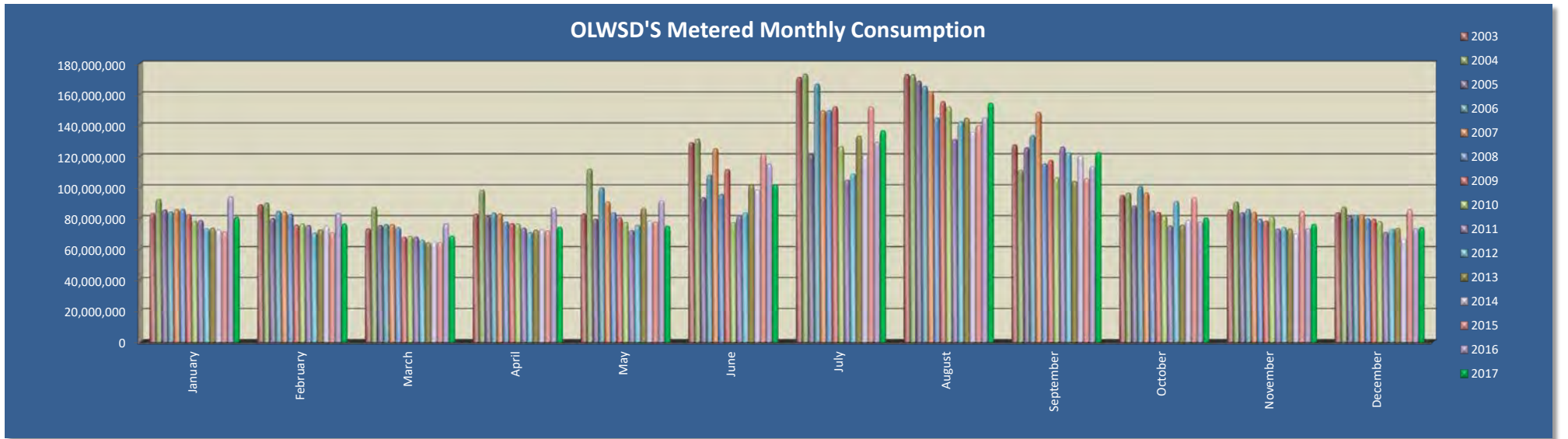
Yearly Progress



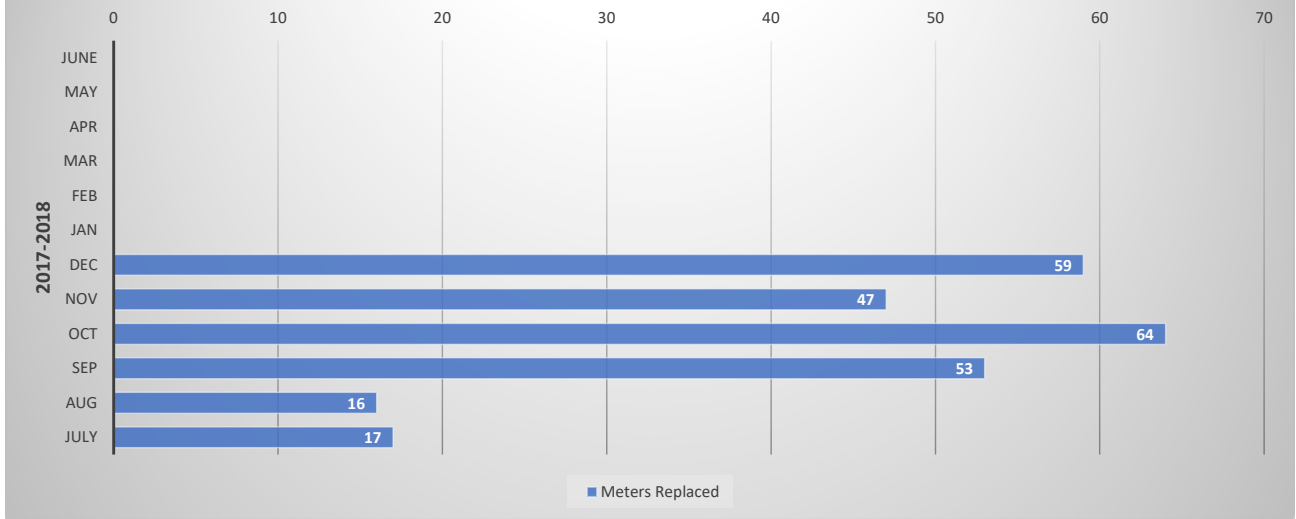
5 Year Plan Progress



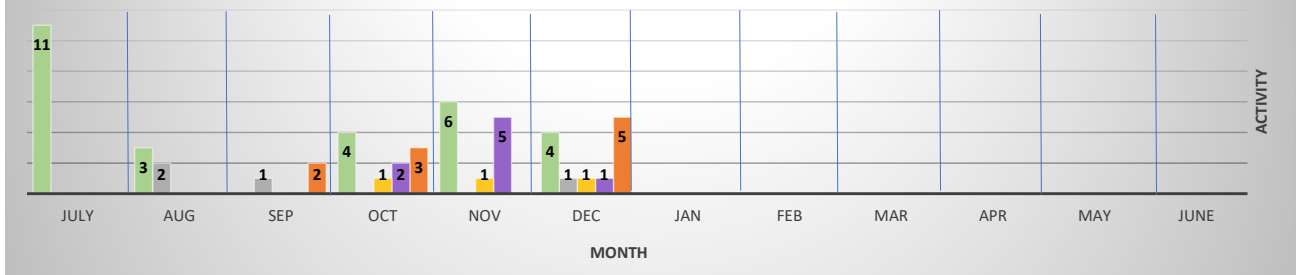
Year	Month												Total Yearly Con	Average Daily Demand
	January	February	March	April	May	June	July	August	September	October	November	December		
2003	82,674,600	88,370,400	72,820,000	82,357,000	82,416,000	128,520,000	170,652,000	172,726,000	127,198,000	94,416,000	85,037,000	83,285,000	1,270,472,000	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
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
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
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
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
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
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
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
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
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
2018														
2019														
2020														
10 Year Average	78,644,686	75,389,700	67,752,600	74,892,472	79,344,528	98,367,395	130,974,633	144,196,300	114,949,700	81,731,800	75,820,200	75,012,114		10 Year ADD
														3.01



REPLACED METER CHART 2017 - 2018



SERVICE and MAIN ACTIVITY 2017 - 2018



Fiscal Year 2017 - 2018	Month	Meters Replaced	New Services	Iron Services Renewed	Plastic Services Renewed	Service Leaks Repaired	Main Leaks Repaired
2018	June						
2018	May						
2018	Apr						
2018	Mar						
2018	Feb						
2018	Jan						
2017	Dec	59	4	1	1	1	5
2017	Nov	47	6		1	5	
2017	Oct	64	4		1	2	3
2017	Sep	53		1			2
2017	Aug	16	3	2			
2017	July	17	11				
Yearly Total		256	28	4	3	8	10



Staff Report

To: Board of Directors
From: David Mendenhall, Plant Superintendent
Agenda Item: Plant Operations
Item No.: 9c
Date: January 10, 2018

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

The big news this month is that Plant staff operated through 2017 without an National Pollutant Discharge Elimination System (NPDES) permit violation for the 5th consecutive year. This makes us eligible for our first Platinum award from the National Association of Clean Water Agencies (NACWA). We will apply for it in February and if accepted we should receive the award in July. This is a major accomplishment for the people working at the plant and on the collection system and when you consider all that has happened in those 5 years it is that much more impressive.

Another good news item is David Mendenhall received his Oregon Grade IV wastewater operator certification on January 3.

Brown and Caldwell has started work on the portable belt press project. They have toured the solids area again and met with the operations and maintenance people to refine what we are looking for. We will meet over the next few months for updates and push toward the final product; a plan for putting the press on line.

The Return Activated Sludge (RAS) pump replacement project is complete. All four pumps are installed, on-line and working well. We were very impressed with the crew from McClure and Sons. They were very good to work with, did nice work, and thoroughly cleaned up the site when they were done. See Photo 1 below. We went through three rain events since these pumps were installed and they performed flawlessly. They never clogged and pumped what we needed when we needed it.

We had three rain events in December reaching peak flows of 5.5 mgd on Dec 19th, 6.4 mgd on Dec 23, and 9.2 mgd on Dec 29th. The plant handled it well and the operators were able to make any necessary adjustments. There was a one-hour period on the 29th where there was some hydraulic solids loss from one clarifier, but it quickly recovered. We continue to monitor performance and it looks like we will need to remove more solids from the system over the next several weeks.

For the year 2017, we hauled 119 loads of Class B compliant biosolids to Madison Farms to be used for land application fertilizer. The total weight was 2170 wet tons. Compare this to 2016 when 140 loads weighing 2691 tons were hauled but for the first half of the year the biosolids were not able to be land applied as they were not Class B compliant. In 2015 110 loads weighing 2134 tons were hauled but not for land application. Taking it to the landfill is greatly more expensive. The solids were not digested well enough during the Cannibal process and only when alternate processes were put in place, the aerobic digesters were able to digest the solids sufficiently to land apply. The larger volume of biosolids in 2016 and early 2017 were due to removing excess stored solids in the activated sludge system during the Cannibal operation. We will discuss this further in our presentation to the Board in March about the successful conversion to conventional activated sludge but for now we can show that we are getting better solids reduction and hauling fewer and better solids than in 2016 and 2015. Randy Leniger is our steadfast main driver. He keeps the belt press in good operating order and safely delivers load after load through the Gorge to Madison Farms.

Plant Maintenance Monthly Report

We have been having nagging electrical trip outs of the Screened Mixed Liquor Pump #2 (SML). John Brown and John Krogstad have been troubleshooting and working with our electrical contractor in between other projects to try to diagnose the problem. It finally proved to be an intermittent fault of safety controls. This wiring is now fixed, and the pump is back on line. We can now install the second Flygt pump at this location and have good redundancy.

John Brown did a full rebuild on the digested sludge feed pump. This pump feeds sludge to the belt filter press for dewatering. He changed out the lobes, housing wear plates and the seal. He upgraded the material on the wear plates to tungsten steel to last longer in our sludge environment. See photo #2 below.

We are awaiting delivery of a new pump volute for Digester pump #2 so we can complete the repair of the parts damaged by cavitation. Routine inspection and maintenance of pump stations continues, and Pump Station #2 continues to hum along with no clogs since the repaired grinder was installed in October



Photo 1 Completed RAS pump project



Photo 2 Rebuilt Vogelsang Digested Sludge Feed Pump

OAK LODGE
WATER SERVICES
STAFF REPORT

To: Board of Directors
From: Jason Rice, District Engineer
Agenda Item: Technical Services Report
Item No.: 9d
Date: January 16, 2017

Below is an update of various Technical Services Program efforts.

Capital Improvement Program:

Capital Improvement Planning (2018-2023)

Staff has begun conversations that will continue into February to build the next Capital Improvement Plan. Information gathered during this process will help inform the FY19 Budget Process.

Water Master Plan

The Request for Proposals was posted to the District Website on January 5th and two advertisements will run in the daily Journal of Commerce the week of January 8th.

At the December Board Meeting a question was posed seeking to make sure this report would analyze both water rates and System Development Charges (SDC's). The answer to that question is yes; both will be reviewed and any changes to either will be presented to the Board before approval of the document.

OLWSD Master On-call Contract

Staff is working internally and with Sunrise Water Authority to finalize the Request for Qualifications (RFQ) for On-Call Services. Staff expects to post this RFQ later this month and bring a contract to the Board at its March Board Meeting.

Outreach and Education

Happy 2018! OLWS outreach and education efforts have been focused on upcoming events, including the two large regional events focused on clean water – the Children's

Clean Water Festival at the University of Portland, and the Celebrating Water Event at Clackamas Community College. Both events take place in March and involve hundreds of 4th and 5th graders and a large group of high school students. Students teach and take part in hands-on clean water messaging. Elementary schools from the District are regularly involved in either one or the other event. This year OLWS will feature water, sewer, and watershed protection activities for students. In addition to attending and presenting at the events, staff also support the planning committees with a variety of tasks to help make the event a terrific experience for everyone attending.

The Clean Rivers Coalition Forum will be hiring for the coming strategic planning process focused on the shared outreach campaign. As mentioned previously, top pollutants of concern include herbicides, pesticides, insecticides, metals, and pollutants from plastics and personal care products. OLWS staff is hopeful that after joint billing settles into a streamlined rhythm that we will be able to take a role on the steering committee once again.

Lastly, OLWS has been working very hard to ensure that clear messaging goes out around joint billing. In addition to sending three different customer letters out, staff joined together in December to call over 300 customers who have previously been certified to help them plan for combined billing. The message about combined bills also went out in the January/February Newsletter and as an insert into the bills. In addition, when customers pay their bills, OLWS staff mention the approach of combined billing to further educate them about the coming changes.

Permitting

December 2017 Development Activity

	<i>This Month</i>	<i>Last Month</i>	<i>Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	0	1	10	-	-
Hours Spent on Development Review	104.4	94	739	-	-
Hours spent on Utility Permits	68.52	87	448	-	-
Development Permits Issued					
Development Permits Issued	2	1	9	-	-
Utility Permits Issued	3	8	49	-	-
New Sewer Connections					
New Sewer Connections	5	6	52	-	-
New Water Services	-	-	-	-	-
Active Erosion Control Permits					
Active Erosion Control Permits	37	32	153	-	-
Total Erosion Control Permits Inspected	37	32	153	-	-
Active Construction Permits	19	12	62	-	-
Sanitary SDC Fees Received					
Sanitary SDC Fees Received	\$25,825	\$30,990	\$263,415	-	-
Water SDC Fees Received	-	-	-	-	-
Plan Review Fees Received	\$2,093	\$866	\$8,648	-	-
Inspection Fees Received	\$1,432	\$2,840	\$12,082	-	-

Attachments

1. Development Review Status Tracker

Project Status	Address	Type of Development	Notes	Last Updated
Complete	15415 SE River Rd.	3-parcel Partition (2 new homes)	Project complete. Sanitary Inspections complete. Erosion Control ongoing (SFD). Awaiting asbuilts. Unknown timeline.	1/2/18
Under Construction	14400 SE Lee Ave.	Z0071-16 Duplex on existing lot. (SFR previously demolished)	Erosion Control inspections ongoing. Sanitary Sewer installed. Unknown Timeline	1/2/18
Under Construction	2009 SE Courtney Ave.	3-parcel Partition (1 new home & 1 new duplex. Existing home is on the Historical Register as a duplex.)	Erosion Control inspections ongoing. Sanitary Sewer installed. Sewer connections installed. SFDs under construction. Unknown timeline.	1/2/18
Under Construction	15448 SE East Ave. (Zetterberg Estates)	18-Unit Multi-Family	Sanitary sewer Inspections complete. Erosion Control inspetions ongoing. Expires May 2018	1/2/18
Under Construction	5210 SE Roethe Rd.	6-lot Subdivision (5 new homes)	Public infrastructure installed and approved. In 11-month warranty period. SFDs under construction. Warranty period ends July 2017. Final SS inspections pending.	1/2/18
Under Construction	13012 SE Oatfield	Proposed subdivision; 9 potential lots. Z0407-16	OLWSD approved plans. Pre-con being scheduled. Sanitary inspections pending. Expires Sept. 2018	1/2/18
Under Construction	18122 SE McLoughlin Blvd	Z0482-16-D Commercial Design Review: Fuel Island	Jackson's. EC and Sanitary inspections ongoing. Expiration April 2018	1/2/18
Under Construction	13715 SE River Road	Z0399-17 Rose Villa - 28 Homes	Also Z0066-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018.	1/2/18
Under Construction	6460 Glen Echo Avenue	Z0461-16_Gladstone_Glen_Echo. (OLSD Service area / out of OLSD Boundary).	10-lot subdivision. Gladstone Plan Review. Gladstone Inspection . OLWSD receives approved plans and asbuilts and inspection reports.	1/2/18
Under Construction	4900 SE Meldrum	2-lot partition Z0572-16	Public infrastructure installed and approved. In 11-month warranty period. SFDs under construction. Warranty period ends March 2018.	1/2/18
Under Construction	Willamette View	Riverview Dining Facility Replacement / Expansion; Z0239-17	Plans approved. Expires Oct 2018	1/2/18
Under Construction	SE Manewal at SE Towery LN	Z0157-17_Manewal_South	OLWSD Engineering approval. Z0156-17 (for original tax lot 2300) is now void. Z0157-17 for original tax lot 800 and now east one-half of 2300 is revised and is now the only Partition application for Tasso Homes on Manewal. Dec. 2018 expiration.	1/2/18
Under Construction	13755_SE_Schroeder	Rose Villa Units	"The Oaks" PHASE 2B' NET ZERO ENERGY POCKET NEIGHBORHOOD Z0489-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018.	1/2/18
Plan Review	4281 SE Manewell Lane	A four-lot SFR minor subdivision.	Z0640-16 Land use comments sent. Awaiting engineering plans. County expiration timeline. AKS / Kustom-Built project.	1/2/18
Plan Review	18121 SE River Rd. (Jennings Lodge Estates)	62-lot Subdivision (Zone Change R-10 to R-8.5 not approved by CC. (Applicant has filed an appeal with the Land Use Board of Appeals)	Received Engineering Plans 3rd plan submittal.	1/2/18
Plan Review	3816 SE Hill Rd	Z0428-16 8-lot subdivision	Received Engineering Plans (2nd review) comments sent. Awaiting 3rd plan submittal.	1/2/18
Plan Review	17908 and 17900 SE Addie Street.	Z0200-17-D_BOARDMAN_WETLAND	Land use comments sent. Awaiting engineering plans. County timeline for expiration.	1/2/18
plan review	5215 SE Roethe Rd	2-parcel partition / 2-year extension Z0014-17. previous Z0555-12-M	Land use comments sent. Awaiting engineering plans. Land Use timeline.	1/2/18

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Plan Review	SE Courtney at SE Rupert	Z0061-17-D 10-unit apartment	Engineering Comments sent (1st review) awaiting second planset. County Land Use Timeline. Erosion control submitted. Under review.	1/2/18
Plan Review	15510 SE Wallace Street	Z0593-16 13 lot subdivision	Land Use Comments sent. Awaiting engineering plans. County Land Use Timeline.	1/2/18
Plan Review	3260 SE Oak Grove Blvd	130000+ mini storage facility	Engineering Comments sent (1st review) awaiting second planset. County Land Use Timeline.	1/2/18
plan review	18107 SE Blanton	6-lot partition	Land Use Comments sent. Awaiting engineering plans.	1/2/18
Plan Review	19421 SE KAY ST	two-parcel partition	Land use comments sent. Awaiting engineering plans. County expiration timeline.	1/2/18
Plan Review	15314 SE RUPERT DR	7-lot subdivision Z0426-17-SS	Seven-lot minor subdivision for one existing and six new home sites. Engineering Comments sent (1st review) awaiting second planset. County Land Use Timeline.	1/2/18
Plan Review	13809 SE Linden Ln.	Replace existing home with duplex.	Z0064-17-D. Awaiting Engineering Planset. Also included is ZPAC0138-17. Erosion control issued, some construction activity - preparation only. Awaiting utility plans.	1/2/18
Plan Review	Taxlots 2000 & 2100 located behind 15026 & 15018 SE Linden Ln.	3-parcel partition	Z0305-15-M Pubic Main Line Extensition. Development approval. Sanitary inspections ongoing. Erosion inspections ongoing. Expires Oct 2018	1/2/18
Plan Review	18800 SE MCLOUGHLIN BLVD	Nonconforming Use - Alteration/Verification:	Land use comments submitted. Awaiting building permits. Z0542-17 Nonconforming Use - Alteration/Verification An Alteration of a Nonconforming Use, a service commercial use, a hair salon, to permit the use of one parking space for the display and sale of automobiles.	1/2/18
Plan Review	18800 SE McLoughlin	Z0542-17 Addition of one vehicle sales stall	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	1/2/18
Plan Review	3016 SE COURTNEY AVE	Z0523-17 Parking lot	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	1/2/18
Plan Review	17624 SE RIVER RD	Z0471-17 : attached housing	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	1/2/18
Plan Review	7900 SE Addie Street	ZPAC0153-17 - Park proposal at Boardman	Land Use Comments Sent. County timeline. Design review to develop a pocket park project to include sidewalk , benches, slides, playground equipment with appropriate landscaping	1/2/18
Plan Review	4322 SE Pinehurst Ave	Subdivision	Water utility only. Received engineering review #1. Under review.	1/2/18

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Plan Review	13630 SE Laurie Avenue	Design Review - Rose Villa	Construct Arts building as part of master plan. Received engineering review #1. Under review.	1/2/18
Plan Review	14107 SE Lee Ave	Partition: 2 lots Z0648-17	Land Use Comments sent. County Expiration Timeline.	1/2/18
Plan Review	Willamette View	Multi-family; Z0656-17	Land Use Comments sent. County Expiration Timeline.	1/2/18
Pre-Application	18107 SE Addie Street.	ZPAC0167-16 4-plex	Pre-application comments sent. Awaiting land use / subdivision application. Expires Dec. 2017	1/2/18
Pre-Application	14501 SE Laurie Ave	Z0050-17 2-lot partition	Land use comments sent. Awaiting engineering plans. County expiration timeline.	1/2/18
Pre-Application	2818 SE Park Avenue	Commercial with underground parking	Pre-app comments submitted. Awaiting Land Use Application. County expiration timeline.	1/2/18
Pre-Application	15007 SE McLoughlin Blvd	LA Fitness TI	ZPAC0031-17.Awaiting land use/design review application.	1/2/18
Pre-Application	16005 SE River Forest Pl	two-parcel partiion	ZPAC0027-17.Awaiting land use application.	1/2/18
Pre-Application	2615 SE VINEYARD WAY	two-parcel partition	Attended pre-app. Awaiting Land Use application. County expiration timeline.	1/2/18
Pre-Application	ZPAC0130-17 18332 SE Willamettte Dr	3-lot partition	Pre-app comments submitted. Awaiting Land Use Application. County expiration timeline.	1/2/18
Pre-Application	ZPAC0131-17 16885 SE McLoughlin	Design Review - Les Schwab	Pre-app comments submitted. Awaiting Land Use Application. County expiration timeline.	1/2/18
Pre-Application	16250 SE MCLOUGHLIN BLVD	Commercial with interior storage	Pre-app comments sent. Awaiting land use application. County timeline. Design Review Pre-app to add 32,246 sf commercial space (add 2 stories) to existing commercial bldg at 16250 SE McLoughlin	1/2/18
Pre-Application	22E07CA03003	Partition	A Partition of the subject property to create two parcels; one of approximately 10,259 s.f. and one of approximately 12,421 s.f. for new home sites.	1/2/18
Pre-Application	17217 SE McLoughlin Blvd	ZPAC0181-18	Exterior remodel of fast food restaurant.	1/2/18
Pre-Application	18107 SE Addie Street	Subdivision: 5 units / 6 lots	ZPAC0096-17 to build 5 units and partition 6 lots	1/2/18



AGENDA ITEM

Agenda Item: Call for Public Comment
Item No.: 10
Presenters: Public

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.



AGENDA ITEM

Agenda Item: Business from the Board
Item No.: 11
Presenters: Board Members

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, January 04, 2018

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 December 07, 2017 C4 Minutes Page 03
- Bylaws vote on subcommittee to occur in February

* ✓ 6:50 p.m.

Legislative Priority Update

Note: Jurisdictions encouraged to share their 2018 legislative priorities

✓ 7:10 p.m.

Metro Housing and Transportation Bonds Discussion

Potential Housing Bond (2018) and Transportation Bond (2020)

- Memo and fact sheet Page 05

✓ 8:10 p.m.

Value Pricing Update

- Letter from Clackamas County Page 07
 - Letter from Metro Page 09
- DIVERSION
TO LOCAL
STREETS
ISSUE

8:25 p.m. Updates/Other Business

- Housing Needs Assessment Update
- JPACT/MPAC Updates
- Other Business

8:30 p.m. Adjourn

* MAJOR ISSUE MEASURE 101 - IF IT DOES NOT PASS

CLIMATE CHANGE - CAP & TRADE ON DANCE CARD

REVENUE REFORM - RELATED TO PERS

TRANSPORTATION PRIORITIES - I-205 STAFFORD TO ASBURY

CLIMATE RELATED TO FORESTS & CLT

AFFORDABLE HOUSING COORINATED ON RED SOILS

OPINIONS

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	John Meyer (Mulino Hamlet)						
Happy Valley	Councilor Markley Drake		●				
Johnson City	Vacant						
Lake Oswego	Councilor Jeff Gudman	●	●		●	●	●
Milwaukie	Mayor Mark Gamba		●			●	
Molalla	Mayor Jimmy Thompson			●			
Oregon City	Mayor Dan Holladay		●				
Portland	Vacant						
Rivergrove	Mayor Heather Kibbey		●				
Sandy	Councilor Carl Exner			●			
Sanitary Districts	Nancy Gibson (Oak Lodge Water Services)	●					
Tualatin	Councilor Nancy Grimes		●				
Water Districts	Hugh Kalani (Clackamas River Water)						
West Linn	Council President Brenda Perry		●				
Wilsonville	Mayor Tim Knapp		●		●		

Current Ex-Officio Membership

MPAC Citizen Rep	Betty Dominguez
Metro Council	Councilor Carlotta Collette
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, December 7, 2017

6:45 PM – 8:30 PM

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

Draft MINUTES

Attendance:

Members: **Canby:** Brian Hodson (Co-Chair); **Clackamas County:** Paul Savas; **CPOs:** Laurie Swanson (Molalla); Marjorie Stewart (Firwood) (Alt.); **Fire Districts:** Mathew Silva (Estacada); **Hamlets:** John Meyer (Mulino); **Happy Valley:** Markley Drake; **Lake Oswego:** Jeff Gudman; **Milwaukie:** Mark Gabma; **MPAC Citizen Rep:** Betty Dominguez; **Sandy:** Carl Exner; **Transit:** Dwight Brashear (SMART); Eve Nilenders (Trimet); Julie Wehling (Canby); Andy Howell (Sandy); **West Linn:** Brenda Perry; **Wilsonville:** Tim Knapp

Staff: Gary Schmidt (PGA); Chris Lyons (PGA); Trent Wilson (PGA)

Guests: Jaimie Lorenzini Huff (Happy Valley); Aaron Deas (Trimet); Karyn Criswell (ODOT); Teresa Christopherson (CCSSD); Jes Larson (Metro); Bill Merchant (Hamlet of Beaver Creek); Doug Riggs (West Linn); John Lewis (Oregon City); Mark Ottenad (Wilsonville SMART); Annette Mattson (CCBA); Tracy Moreland (BCC); Karen Buehrig (DTD)

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 November 2, 2017 C4 Minutes	Amended to correct discussion about CET and SDC. Approved as amended.
C4 Metro Subcommittee Bylaws Discussion	Metro Subcommittee Bylaws: Advanced with amendment to clarify the scope of the subcommittee. Sentence now reads: "this subcommittee shall be a consensus forming body for issues being addressed at JPACT and MPAC and Metro-related issues, and will forward as needed recommendations to the larger C-4 body." Moved and seconded by Councilor Gudman and Commissioner Savas. Amendment moved and seconded by Mayor Knapp and

	<p>Councilor Drake.</p> <p>Transit Subcommittee: Following the Transit Funding Discussion, members advanced a proposal to also include a subcommittee within C4 to address transit related needs, for staff to draft language and circulate with C4 Metro Subcommittee drafts. Moved and Seconded by Commissioner Savas and Mr. Silva. Motion of Continuance to January by Mayor Knapp, seconded by Council President Perry. Motion of continuance failed 3-7, Chair silent. Motion to advance Transit Subcommittee passed, 8-2, Chair silent.</p>
<p>Transit Funding Discussion</p> <ul style="list-style-type: none"> • HB2017 State Transportation Improvement Fund • Clackamas Transit Providers Panel 	<p>Karyn Criswell from ODOT updated C4 members on the current rulemaking process for HB 2017 that would provide guidance on how funds collected by the State Transportation Improvement Fund (STIF) will be issued.</p> <p>Aaron Deas from TriMet shared about TriMet’s process moving forward on their expectation for convening committees that will help direct how funds are spent within TriMet’s district and how funds can be spent in the tri-county metro area, with funds being passed through TriMet.</p> <p>Additionally, representatives from SMART (Wilsonville), Canby Area Transit (CAT), Sandy Transit, Mt Hood Express, and South Clackamas Transit, and TriMet shared information with C4 about their current service capacity.</p>
Legislative Priority Update	Tabled until January 2018.
<p>Updates/Other Business:</p> <ul style="list-style-type: none"> • R1ACT • Housing Needs Assessment (HNA) Update • JPACT/MPAC Updates 	<p>R1ACT – No updates.</p> <p>HNA – RFP responses will be back in mid-December. A group will review in January with a report back to C4 in February.</p> <p>JPACT/MPAC – the 2018 transportation bond discussions have now evolved into a discussion for potential housing bond in 2018 and likely transportation bond in 2020.</p>

Adjourned at 8:50 p.m.

MEMO

To: Clackamas County Coordinating Committee (C4)

From: Tyler Frisbee, Jes Larson, Metro staff

Re: Regional Investment Strategies

Date: December 21, 2017

Metro staff is seeking input at the January 4th meeting of the Clackamas County Coordinating Committee on the work programs to develop potential ballot measures for affordable housing and transportation. Input from the C4 and others will inform the engagement processes and program development to shape potential measures and be shared with stakeholder tables including the JPACT Finance Subcommittee.

Transportation

TriMet announced at the Nov. 13 JPACT Finance Subcommittee that it would not pursue a bond measure in 2018 and that Metro will take the lead on preparing a measure for 2020. The 2018 bond measure would have supported the SW Corridor light rail line, congestion relief and safety projects, which remain key priorities.

Metro plans to take the time to work with partners to identify a package that has broad support and create a work program that builds on the region's great work in support of the state legislative package and in leading conversations about a potential 2018 measure.

Questions for C4:

- 1.) What values do you think are important to see reflected in a process in order to engage voters and regional leaders?
- 2.) How are Clackamas County and local cities preparing potential transportation investments?
- 3.) Are there innovative funding mechanisms you would like Metro to look into?

Affordable Housing

Rising housing costs, displacement, homelessness and housing instability have become top concerns for communities throughout the greater Portland region. Many leaders and stakeholders have identified a need for more funding to create and protect affordable homes.

Following three years of needs analysis, policy research and community engagement, the Metro Council is exploring a potential regional affordable housing ballot measure to be referred to voters in November 2018. Initial public opinion research has also indicated voter interest in significant new regional funding. Over the next several months, Metro will work with many partners to identify a potentially successful ballot measure proposal that balances the support of community stakeholders, elected leaders and regional voters. See attached draft outline for further information.

Questions for C4:

- 1.) How could a regional investment help create and preserve affordable housing in Clackamas County?
- 2.) How do individuals and jurisdictions want to be involved in the potential measure development process leading up to June 2018?
- 3.) What are your concerns and identified opportunities relating to this potential regional effort?

GO BONDS \$500M \approx 25,000 UNITS 0%-60%
 IN COMB TO
 RENT

IF CHANGE IN
 CONSTITUTION WOULD LEVERAGE TO
 75,000 UNITS

DRAFT | Dec. 12, 2017



Homes for greater Portland

Regional housing measure: Where we stand, where we could go

WHAT WE KNOW

- Housing affordability is a top-tier concern for residents throughout the region – across city and county lines and demographic groups.
- 75 people move to the greater Portland region every day, straining our supply of affordable homes.
- Only 1 in 3 low-income families in the region can find an affordable rental home. Middle-income families struggle too.
- Regional voters believe this is a crisis that can be solved – and they want to be a part of the solution.



GOALS

- Create more permanently affordable homes throughout the region through new construction and acquisition
- Increase housing stability and opportunity for working families, seniors, communities of color, veterans and people experiencing homelessness
- Collaborate with community stakeholders and local government partners to structure programs based in best practices, innovation and equitable outcomes

NEXT STEPS

- Convene stakeholder and technical advisory committees to assist with measure development and make a recommendation to Metro COO
- Engage with partners to maximize equitable outcomes in the measure
- Collaborate with partners exploring an Oregon constitutional amendment to help funding create more homes*
- Continue research, engagement and analysis to shape measure
- Metro Council consideration of referral in late spring for the November ballot

POSSIBLE FRAMEWORK

- **Land for homes:** Acquiring land for building affordable homes with good access to transit and amenities
- **Affordable homes:** Funding for local governments, housing authorities and private/non-profit builders*:
 - Fill financing gaps and build new affordable homes
 - Acquisition and rehabilitation of at-risk affordable homes



**A potential amendment to the Oregon Constitution would allow bond funds to be granted to private and non-profit entities and leverage other funding sources, such as low-income housing tax credits.*



BOARD OF COUNTY COMMISSIONERS

December 20, 2017

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

Matthew Garrett, Director
Oregon Department of Transportation
355 Capitol Street NE, MS #11
Salem, OR 97301

Dear Director Garrett,

On behalf of Clackamas County, we submit for your consideration the following comments regarding discussions at the Value Pricing Committee established by HB 2017.

Clackamas County realizes it is too early to take a position on value pricing scenarios, but we are eager to learn more about the findings of the committee as their work moves forward. Because Clackamas County's transportation system capacity is undersized relative to areas north, we maintain we are not on a "level playing field." Therefore, our position is unique. As the committee advances discussion we encourage "increased capacity," or the building of new lanes, to be a primary criteria for which to advance a value pricing project. Congestion relief should not be focused solely on removing vehicles from the road.

We appreciate that the committee will be providing data on the feasibility and impacts of value pricing to specific segments of I-5 and I-205, rather than working towards a foregone conclusion that these facilities will receive value pricing projects. I-205 bisects the heart of Clackamas County's metropolitan area, providing critical freeway access to vital employment areas that support our economic growth and to roughly half of our residents. As work continues, Clackamas County requests the following information be provided in the feasibility study produced by the committee:

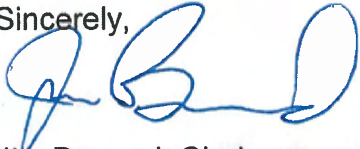
- The anticipated lifecycle of individually considered value pricing projects;
- Potential impacts to neighborhoods and local roads due to diversion;
- The impact to commuters who live adjacent to a value pricing project (i.e. West Linn, Gladstone, and Oregon City impacts if I-205 Abernethy Bridge were a project);
- The impact to employment areas adjacent to, or reliant upon accessing, value pricing projects;
- Financial impacts to families with low and modest incomes.

We do not envy the task of the Value Pricing Committee, whose work could produce a paradigm shift on how transportation projects are advanced in Oregon, and thereby changing the culture of how cities, counties, and the state partners on critical

transportation projects – not to mention how our residents, visitors, and businesses travel throughout our region. We agree with many sentiments that Oregon's historical approach to funding transportation projects has been insufficient to meet the needs demanded by the unprecedented population increase in Oregon and the metro area, in particular. More tools are needed. While value pricing may be a great tool, Clackamas County wants to be sure that it is the right tool.

Thank you for your consideration of our comments on this very important subject.

Sincerely,



Jim Bernard, Chair
On Behalf of the Clackamas County Board of Commissioners

November 29, 2017

Matthew Garrett, Director
Oregon Department of Transportation
355 Capitol Street NE, MS #11
Salem, OR 97301

Dear Director Garrett,

I appreciate the opportunity to participate in the Value Pricing Committee, convened for the first time on November 20th, 2017. As our region grows, we will need all of the tools in our toolbox to optimize the performance of the regional transportation system. I recognize that this committee's charge is not to move the region towards system-wide pricing, but rather to focus specifically on potential implementation on two segments of the overall system. There remains a need for a larger body of work that examines the implications, feasibility, and impacts of a regional pricing system, but this committee's work will significantly increase our understanding of value-pricing generally, and provide important data on the feasibility and impacts of pricing the I-5 and I-205 segments. As the representative of both the Metro Council and the federally-recognized MPO for the Portland region, I am committed to working to ensure that this committee supports the legislative charge given to ODOT, and appreciate the time and energy you have committed to it.

Given the legislatively-directed fast timeline, and the amount of material that we have to cover in each of our six meetings, I wanted to follow up on some of the points that I made at the November 20th meeting to ensure that ODOT staff have adequate time to consider and incorporate them into any materials for the December 7th meeting.

Charter

1. Metro Regional policy, as included in the federally adopted Regional Transportation Plan, says that the primary goal of value pricing in the region should be to manage demand. That is consistent with my understanding of the direction in House Bill 2017, which focuses on value pricing as a way to manage congestion. While raising revenue is a welcome secondary benefit of a congestion pricing program, the Value Pricing Committee's charter should not specifically suggest those funds are for the expansion of freeway capacity, which could result in undermining other attempts in the region to manage demand and reduce congestion. I support Commissioner Vega Pederson's recommendation that the committee charter strike the language which uses additional freeway lanes as an example of bottleneck relief projects. In addition, I would support language clarifying (as ODOT staff have suggested) that the primary goal of a value pricing program on I-5 and I-205 would be to manage congestion, not raise revenue.
2. In addition to ensuring that any program complies with state law and policy, it must also comply with regional policy as adopted by the Joint Policy Advisory Committee (JPACT) and the Metro Council. As the MPO, JPACT and the Metro Council are tasked by the federal government with ensuring that major transportation projects are

consistent with our regional policies, as outlined in the Regional Transportation Plan. As both ODOT and the MPO have been directed by FHWA to ensure stronger coordination between the two entities, this is a prime opportunity for us to demonstrate that we can align state projects with regional policies, and visa-versa. The charter should specifically point to alignment with regional policy as a goal for any value pricing program.

Objectives

1. Along with greenhouse gas emissions, any modelling should provide data on the impacts on a potential value pricing program on air quality overall, including particulate matter and ozone precursors. Air quality is an acute concern for residents living alongside the I-5 and I-205 corridors, and the public health benefits of reducing air pollution is well documented. In addition, while the greater Portland region has achieved our federal air quality goals, our status is tenuous, particularly when it comes to ozone precursors, and we need to know if programs have the ability to improve or degrade our air quality.
2. I appreciate that ODOT already proposes to examine the impacts on mode share. I hope that this committee will have adequate time to consider and evaluate different proposals for providing adequate transit service on parallel facilities, as well as other ways that transit can be made more frequent, convenient, and affordable through the value pricing program. Metro would be happy to partner with ODOT on this effort or help in anyway.
3. Finally, I support the request we heard to examine impacts at the sub-regional level. There is likely to be significant variation across the region, and we should understand what a value pricing program means for different communities.

Again, I appreciate the opportunity to serve on this panel, as well as ODOT's diligent approach to this undertaking. My comments are intended to help produce the best outcome for ODOT's process, while recognizing that there are likely larger needs beyond these two segments that will need to be considered at another point. Thank you for your consideration.

Regards,



Craig Dirksen

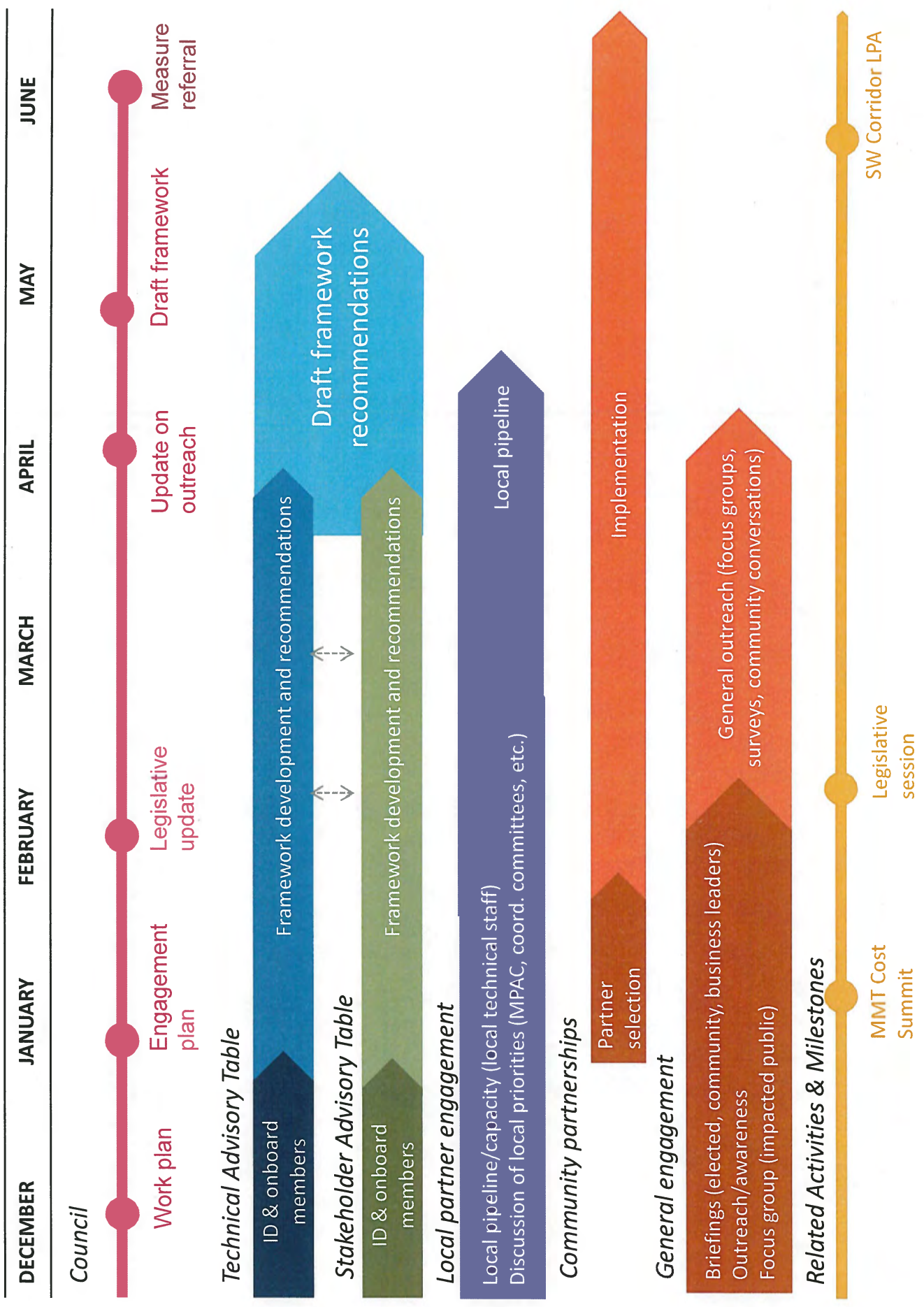
JPACT Chair

Metro Councilor, District 3

CC: Commissioner O'Hollaren, Oregon Transportation Commission
Commissioner Simpson, Oregon Transportation Commission
Rian Windsheimer, Region 1 Manager, ODOT
Mandy Putney, Major Projects Manager, ODOT

DRAFT Housing Measure Program Development & Engagement Timeline

Draft 1/4/18



DRAFT Transportation Regional Investment Approach

Draft 1/4/18

2018

2019

2020

Program work



Partner and public engagement



Research



Messaging and communications



Related milestones





**MEETING AGENDA
REGIONAL WATER PROVIDERS CONSORTIUM BOARD
Wednesday, February 7, 2018
6:30 p.m. to 8:30 p.m.
Metro Council Chambers
600 N.E. Grand Avenue Portland, Oregon**

1. Introductions (3 minutes)
2. Approval of Consortium Board Minutes for October 4, 2017 (2 minutes)
3. Public Comment* (5 minutes)
4. Project Manager and Committee Reports – Rebecca Geisen, Project Manager and Bonny Cushman, Program Coordinator (15 minutes)
Desired Outcome: Update on Consortium programs and projects.
5. FY 2018/19 Budget and Work Plan – Rebecca Geisen, Project Manager (30 minutes)
Desired Outcome: To discuss budget proposal and adopt the FY 2018/19 Consortium Work Plan and Budget.
6. Consortium Strategic Plan – Rebecca Geisen, Consortium Project Manager and Chris Wallace Caldwell, Catalysis LLC (60 minutes)
Desired Outcome: Review and comment on draft elements of strategic plan including mission statement, values, focus areas, strategic priorities and action items

Next Meeting Dates/Location:
June 6, 2018/Metro

* Agenda Item #3 is a public comment period for items not on the agenda. Additional public comments will be invited on agenda items as they are discussed.

Updated 12/21/17

Major Focus Areas

Meeting Water Needs

Emergency Preparedness and Resiliency

Strengthening Regional Partnerships

MAJOR FOCUS AREA #1

Meeting Water Needs

Strategic Initiative #1: Make best use of available water resources and partnerships to meet regional water needs as outlined in the Regional Water Supply Plan.

- a.
- b.
- c.

Strategic Initiative #2: Provide public education and outreach materials that promote conservation, source water protection, and value of water.

- a.
- b.
- c.

Strategic Initiative #3: Convey the importance of efficient water use to diverse audiences and stakeholders.

- a.
- b.
- c.

Strategic Initiative #4: Anticipate and respond to changes in demand and customer/public expectations.

- a.
- b.
- c.

Strategic Initiative #5: Provide programs and resources that help water providers meet water conservation requirements.

- a.
- b.
- c.

Owner

Milestone Dates

Measurable Outcomes

Regional Water Providers Consortium		STRATEGIC PLAN 2018 - 2023	
Major Focus Areas and Strategic Initiatives Workplan DRAFT		Updated 12/21/17	
Major Focus Areas	Meeting Water Needs	Emergency Preparedness and Resiliency	Strengthening Regional Partnerships
MAJOR FOCUS AREA #2	Emergency Preparedness and Resiliency	Owner	Milestone Dates
Measurable Outcomes			
Strategic Initiative #1: Educate public about emergency preparedness and the importance of water.			
a.			
b.			
c.			
Strategic Initiative #2: Develop and obtain resources that will help members and the region meet preparedness goals and requirements.			
a.			
b.			
c.			
Strategic Initiative #3: Facilitate planning, projects, and training opportunities that strengthen members' ability to plan for, respond to, and recover from extreme events.			
a.			
b.			
c.			
Strategic Initiative #4: Collaborate with state and regional stakeholders to improve regional communication, emergency preparedness, response and recovery.			
a.			
b.			
c.			
Strategic Initiative #5: Support each other through mutual aid, and data and resource sharing.			
a.			
b.			
c.			

Regional Water Providers Consortium		STRATEGIC PLAN 2018 - 2023	
Major Focus Areas and Strategic Initiatives Workplan DRAFT			
Updated 12/21/17			
Major Focus Areas			
Meeting Water Needs			
Emergency Preparedness and Resiliency			
Strengthening Regional Partnerships			
MAJOR FOCUS AREA #3			
Strengthening Regional Partnerships			
Strategic Initiative #1:	Owner	Milestone Dates	Measurable Outcomes
Increase awareness of the Consortium's value, mission, programs, and the benefits of membership.			
a.			
b.			
c.			
Strategic Initiative #2:			
Build strong community relationships and be trusted source for drinking water related information.			
a.			
b.			
c.			
Strategic Initiative #3:			
Maintain Board and staff continuity and effectiveness through succession planning, effective on-boarding and member engagement.			
a.			
b.			
c.			
Strategic Initiative #4:			
Address issues of importance through legislative advocacy.			
a.			
b.			
c.			
Strategic Initiative #5:			
Facilitate a network of peers that members can rely on for information, expertise, resources, and sub-regional partnerships.			
a.			
b.			
c.			



**MEETING AGENDA
REGIONAL WATER PROVIDERS CONSORTIUM
EXECUTIVE COMMITTEE**

**Wednesday, January 10, 2018
5:30 p.m.**

Meeting Location:

**400 Building
400 SW 6th Avenue, Portland, OR
Chinook Conference Room**

~~1. **Introductions**~~

~~2. **Approval of December 6, 2017 Meeting Summary**~~

~~3. **Project Manager Report** – Rebecca Geisen, Consortium Project Manager~~

~~*Desired Outcome:* Update on on-going projects.~~

~~4. **Conservation Program Update** – Bonny Cushman, Consortium Program Coordinator~~

~~*Desired Outcome:* Update on on-going projects.~~

~~5. **FY 2018/19 Budget and Work Plan** – Rebecca Geisen, Consortium Project Manager~~

~~*Desired Outcome:* Refine and finalize budget and work plan recommendations to present to the Consortium Board in February. (30 minutes)~~

6. **Strategic Plan Update** – Rebecca Geisen, Consortium Project Manager

Desired Outcome: Discuss Consortium values and action plan items.

7. **State and Local Updates**

Next Meeting Date/Location:

April 11, 2018

400 Building, Chinook Conference Room

One-time Projects	One-time Cost
Expand Spanish language outreach utilizing professional services to develop culturally appropriate messaging, translate materials and create how-to video/PSA/radio content/social media	\$15,000
Develop 2-3 new summer radio ads	\$7,500
Print updated conservation materials and provide members with a start-up supply of 2-3 updated print pieces	\$10,000
Replenish stock of conservation devices	\$2,500
Print new emergency preparedness materials and provide members with start-up supply of 1-2 new print pieces	\$10,000
Update long-range forecasts as part of the Population, Housing Unit, and Household Estimates and Forecasts project using updated boundaries and regional (three year contract).	\$12,300
Evaluate outreach program utilizing consultant services to conduct an evaluation of Consortium media and outreach campaign to help the Consortium learn if its outreach efforts are effective, change people's behavior, and what outreach methods are most effective.	\$25,000
Additional Graphic Designer services - increase contract amount for FY to update and create collateral for conservation and emergency preparedness	\$10,000
Increase contingency to \$15,000 (currently \$5000)	\$10,000
*Could be on-going depending on budget and success of program.	Total \$102,300



Memorandum

Date: January 4, 2018
To: Consortium Executive Committee
From: Rebecca Geisen – Consortium Project Manager
Subject: FY 2018/19 Budget and Workplan – Final Draft

A final draft of the FY2018/19 budget and workplan is provided. Updated staffing costs have been provided by the City of Portland and are incorporated. The staff costs are almost identical to projected costs used to develop the budget concepts (5%). This means that the costs and projects you have reviewed before are very similar – no significant program reductions were made nor were additional funds made available.

The budget and workplan reflects a flat dues-based budget, consistent with Board direction. The budget and workplan also funds one-time projects utilizing carry-over funds including broadening Spanish language outreach and conducting an evaluation of our outreach program. There is one change to note, \$12,300 was shifted from the interconnections update (sinking funds) to the population, housing unit and household estimates and forecast project to cover the cost of updating long-term forecasts which are done every five years.

The Consortium Technical Committee reviewed and endorsed the budget and workplan as proposed at their January 3 meeting. It is now ready for your review prior forwarding to the full Consortium Board for their review and approval in February.

STRANDED WORKER AGREEMENT

DISCUSSION -

RENEGOTIATION of FGA w/ PSU population



**REGIONAL WATER PROVIDERS CONSORTIUM BOARD
EXECUTIVE COMMITTEE**

Notes of December 6, 2017

Consortium Board Chair Russ Axelrod called the meeting of the Executive Committee (EC) to order at 5:42 p.m. Introductions were made. Executive Committee members present at the meeting included Director Tom Lewis from Rockwood Water PUD, Mayor Russ Axelrod from South Fork Water Board, Commissioner Ernie Platt from Sunrise Water Authority, and Commissioner Dick Schmidt from Tualatin Valley Water District.

Others in attendance included John Goodrich from the City of Tigard.

Consortium staff included Rebecca Geisen, Bonny Cushman, and Patty Burk.

Approval of the September 6, 2017 Meeting Summary: Commissioner Ernie Platt made a motion to approved the September 6, 2017 Executive Committee meeting summary. Director Tom Lewis seconded the motion. The September 6, 2017 Executive Committee meeting summary was unanimously approved as presented. (4:0:0)

Project Manager Report:

Conferences: Rebecca Geisen, Consortium Project Manager mentioned that Consortium staff attended the Oregon Emergency Management Association conference and presented at the Washington State Emergency Management Association's (WSEMA) Annual Conference. The WSEMA presentation highlighted the Consortium's emergency preparedness efforts and the Get Your Kit Together multimedia campaign to approximately 80 conference attendees.

Regional Interconnections Study Table Top Exercise: Ms. Geisen reported that the table top training exercise was held Tuesday, October 24 and went well. Forty-three representatives from 13 water providers participated in the exercise. Participants were divided into six groups to work the emergency scenarios and figure out how to meet water demand using the geodatabase. The training targeted junior staff, i.e., GIS analysts and member representatives that have not attended trainings before. The goal of the exercise was to test the effectiveness of the updated geodatabase, identify gaps of the tool, and remind member staff that the tool exists and how to use it.

Consortium Executive Committee Meeting
Minutes of December 6, 2017

Ms. Geisen noted that the training prompted some GIS staff to have ideas/thoughts about the geodatabase and improvements and revisions that could be made to make the tool more user friendly and efficient. Ms. Geisen said she is excited to harness some of that enthusiasm and solicit their input and ideas. She advised it is possible that the Consortium could maintain and update the geodatabase internally.

An after-action report is in development and final technical memorandums for the Regional Interconnection Study will be available soon.

Member Outreach: Ms. Geisen said she has scheduled one on one meetings with new CTC members. She noted that she met with Sarah Jo Chaplen from Oak Lodge Water Services and Peter Passarelli from the City of Milwaukie. Ms. Geisen noted that she will meet with Jeff Fuchs from the City of Tualatin and Andrew Degner with the City of Gresham in the next couple of weeks. Ms. Geisen advised the purpose of these meetings is to familiarize the new member representatives with the work of the Consortium, provide samples of outreach materials and answer questions.

Ms. Geisen noted that in January she, along with Mark Knudson from Tualatin Valley Water District, will meet with Rob Drake, City Manager at the City of Cornelius to discuss their possible interest in joining the Consortium. Ms. Geisen said the City of Troutdale is waiting for City Council action to join the Consortium and hopes it will be soon.

Ms. Geisen extended the invitation to meet with any Consortium member staff or Board member as needed.

Annual Report: Ms. Geisen mentioned that the FY 2016/17 Consortium annual report was completed and mailed out to all Consortium Board and Technical Committee members.

FY 2018/19 Consortium Budget and Work Plan: Ms. Geisen advised that she is still waiting for staffing costs from the City of Portland at which time she will then be able to better define the budget numbers. Ms. Geisen stated that she will have this information available for the January EC meeting.

Legislative Update: Ms. Geisen advised that the Oregon Health Authority (OHA), Public Health Division proposed rulemaking to amend Oregon Administrative Rules, chapter 333, division 61, relating to water system master plans and water system management and operations. The proposed amendments include a requirement for water systems with 300 connections or more or serving over 1,000 people to submit a seismic risk assessment and mitigation plan as part of its water system master plan. Ms. Geisen said however, the amendment language was somewhat vague and caused concern. Ms. Geisen advised that she participated in a group along with Eugene Water and Electric Board, Tualatin Valley Water District, West Slope Water District, Rockwood Water PUD, Special Districts Association of Oregon, and League of Oregon Cities to look at the language in the amendment and make revisions to more clearly reflect the intent of the Oregon Resilience Plan. A letter was submitted (included in the meeting materials packet) to OHA to voice support for the intent behind the proposed rule but express concerns with the ambiguity of the proposed amendment language and suggested modifications.

Consortium Executive Committee Meeting
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Ms. Geisen reminded EC members that the Consortium wrote letters in opposition of House Bill 3337-A. The bill would eliminate the minimum experience and examination requirements to install and maintain irrigation systems currently needed to become a licensed landscape contractor in the State of Oregon. Ms. Geisen advised that Consortium has been working with the landscape industry for years on education and training because the landscape industry is a major gateway to summer water efficiency. She stated that this bill undermines some of the licensing requirements for landscape jobs under \$8,000. Ms. Geisen advised that the bill did not pass but Governor Brown was approached by several legislators to see if a resolution of some sort could be developed to establish criteria under which a limited license could be issued with the goal of allowing more people to enter this profession. Ms. Geisen noted that she participated in a conference call with representatives from the Landscape Contractors Association, the League of Oregon Cities, and other water providers to communicate water provider concerns. She noted that the group also followed up with a meeting with Lauri Aunan, Natural Resources Policy Advisor to Governor Brown, to discuss these concerns.

Conservation and Emergency Preparedness Program Update: Bonny Cushman, Program Coordinator mentioned that she is meeting with key representatives in the Landscape Construction Professionals (LCP) community. She noted that the purpose of the meetings is to reconnect with the LCP community, communicate water issues with them, and learn from them about how to best partner on common issues. She advised that the Trade Ally subcommittee will use this information to shape its efforts.

Ms. Cushman reported that the Consortium was selected to do a presentation on waterwise technologies and practices at the Oregon Landscape Contractors Association EXPO on December 13. She noted that Steve Carper from Tualatin Valley Water District will present.

Ms. Cushman mentioned that approximately one half of the school assembly programs have already been scheduled for this year. The Consortium provides one free Consortium-sponsored show for each of the members. Members have an opportunity to purchase additional shows at the same negotiated rate should they want to offer more shows to schools in their service area.

Ms. Cushman advised that media partner selections have been made for the 2018 media outreach campaign. KATU, channel 2 has been selected for the conservation media messaging for both the indoor and outdoor campaign. KUNP will continue to be the Consortium's Spanish language media partner. The Consortium will again partner with KGW, channel 8 for the September emergency preparedness media campaign.

Ms. Cushman distributed a handout that outlined the Consortium's 2017 Preparedness Month accomplishments. Ms. Cushman provided a summary of participation by the Consortium and other agencies, organizations, and community groups in the #14Gallons Challenge, the media campaign, and the social media efforts.

Ms. Cushman reported that the one-gallon emergency water bags have been delivered. Each Consortium member received a start-up supply of 300 bags and eight Consortium members purchased a supply of additional co-branded bags.

New Member/Representative Onboarding: Ms. Geisen advised that Consortium staff is looking for thoughts/ideas on current onboarding materials and other types of engagement that might be helpful when a new individual member Councilor/Commissioner/Director is assigned to the Consortium Board. Ms. Geisen advised that currently a welcome packet that includes a welcome letter, the current work plan and budget documents, a Consortium brochure, annual report, a meeting schedule and the strategic plan is sent to new Board members to help familiarize them with the Consortium and its work. Ms. Geisen advised that recently a document (included in the meeting materials packet) has been developed that outlines the Consortium's three core program areas and the benefits of Consortium membership. Ms. Geisen commented that she gets the sense that members may be looking for something more or perhaps need materials presented in a different way. Ms. Geisen asked for EC member feedback on how to introduce new Board members to the Regional Water Providers Consortium. What is the most helpful information for a new Board member to receive from the Consortium and how can Consortium staff assist with onboarding new member representatives?

Mayor Axelrod commented that when he became South Fork Water Board's representative on the Consortium Board he was a bit unsure of what his role and responsibilities were and how he could contribute to the organization. He noted it might be helpful to provide the managers with information on Board member roles and responsibilities, and expectations so they can share them with their Board representatives.

Director Tom Lewis says education of individual boards is important. He noted that Rockwood Water PUD has recently added two new board members and it is incumbent upon him as their Consortium Board representative to keep them informed of the work and importance of the Consortium.

Commissioner Ernie Platt commented that the relationship between the individual member agency's staff representative (CTC member) and elected official representative is important. He noted that it is important that an agency is involved at both the staff and elected levels. Elected officials rely on their staff to be informed so the more well-informed staff is the better.

It was suggested that the name of the individual entity CTC member could be included in the welcome letter so a new Board member would know who within their organization they can contact to learn more about the Consortium.

Mayor Axelrod suggested that the Consortium website URL could be more prominent on the new overview and benefits piece. He commented that the website has a wealth of information that could be helpful.

Ms. Geisen asked if Executive Committee members had any additional thoughts, comments, ideas to e-mail them to her.

Strategic Plan Update: Ms. Geisen mentioned that progress has been made towards the update of the Strategic Plan. Consortium staff has worked with consultant Chris Wallace Caldwell to engage the CTC, EC, Board, EPC and CCC on the update. Ms. Geisen reminded EC members that both the CTC and EC went through a process of mapping the internal and external landscape

Consortium Executive Committee Meeting
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of the Consortium. This included identifying strengths, weaknesses, opportunities and threats. The CTC provided a preliminary assessment, and the EC reviewed and added their input at their September meeting. The Consortium Board spent most of their October meeting discussing their hopes and concerns for the strategic plan, the mission statement, and identifying what the Consortium must do over the next five years to be successful.

Ms. Geisen said staff has been working towards synthesizing themes, validating key challenges and identifying strategic initiatives. In addition, staff worked on updating the mission statement to make it more aspirational, highlighting the Consortium's collaborative nature as suggested by the Board.

A memorandum was included in the meeting materials that included draft strategic challenges and priorities as well as a draft mission statement. Ms. Geisen advised that Consortium staff is looking for the EC to provide input and direction on the key challenges, mission statement, as well as key priorities. Ms. Geisen reviewed the challenges and priorities. She noted some of the take-aways from these discussions included:

- Themes: need to make sure people know, especially internally, who we are, what we do and why it's important; Consortium is great at leveraging expertise to implement programs; members are resources for each other; external communications and speaking with a united voice is important, ensuring audiences have access to information; using influence for policy change; membership outreach.
- Priorities – emergency preparedness/interconnections work; conservation; building relationships; metrics/outcomes that are measurable; acknowledge fiscal pressures in coming years; seeking funding; being leaders in water issues.
- Current Strategic Plan – too many “things” – missions, values, goals etc. Is there an easier, more succinct way to say what we need to say?
- Context of value of water, need to increase the awareness of the value of water; opportunity through Consortium to use vehicles and activities we do to drive that message home; can it be center piece, main theme of Plan
- Consensus of the CTC was to keep the three strategies as is or similar; three legs of stool still good ones
- Limit each strategy to five bullets

Ms. Geisen shared a draft mission statement that was developed after meeting with the various Consortium committees and the Board. The statement read:

Together we provide leadership to improve the planning, management, stewardship, and resiliency of drinking water in the Portland metropolitan region.

We do this by:

- *Providing a member-based network of peers to share knowledge, technical expertise, and resources on water supply issues and opportunities.*
- *Promoting regional water conservation programs and wise stewardship of water resources.*

Consortium Executive Committee Meeting
Minutes of December 6, 2017

- *Improving regional emergency preparedness among water providers to better safeguard our region and our customers.*
- *Leveraging member resources to achieve economies of scale.*

EC members discussed the draft mission statement and proposed revisions. There was consensus that the content and direction of the mission statement, and challenges and priorities resonated with EC members. Ms. Geisen noted that at the January CTC and EC meetings work will begin on developing an action plan template for each strategic priority that includes tactics, responsible parties and metrics.

The meeting was adjourned at 7:17 p.m. The next meeting of the Executive Committee is January 10, 2018 in Chinook Conference Room, 400 Building, 400 SW 6th Avenue, Portland.

Submitted by Patty Burk, Consortium Staff

DRAFT MISSION STATEMENT

We provide leadership in the planning, management, stewardship, and resiliency of drinking water in the Portland metropolitan region.

We do this by:

- Providing a member-based network of peers to share knowledge, technical expertise, and resources.
- Promoting regional water conservation programs and stewardship.
- Strengthening regional emergency preparedness among water providers to safeguard the region and our communities/customers.
- Leveraging member resources to achieve economies of scale.

DRAFT Focus Areas and Strategic Priorities

Meeting Water Needs

Make best use of available water resources and partnerships to meet regional water needs as outlined in the Regional Water Supply Plan

Provide public education and outreach materials that promote conservation, source water protection, and value of water

Increase
access →
Convey the importance of efficient water use to diverse audiences and stakeholders

Anticipate and respond to changes in demand and customer/public expectations

Provide programs and resources that help water providers meet water conservation requirements

Emergency Preparedness and Resiliency

Educate public about emergency preparedness and the importance of water

Obtain and develop resources that will help members and the region meet preparedness goals and requirements

Facilitate planning, projects, and training opportunities that strengthen members' ability to plan for, respond to, and recover from extreme events

Collaborate with state and regional stakeholders to improve regional communication, emergency preparedness, response and recovery

Support each other through mutual aid, and data and resource sharing

Strengthening Regional Partnerships

Increase awareness of the Consortium's value, mission, programs, and the benefits of membership.

Build strong community relationships and be trusted source for drinking water related information.

Maintain Board and staff continuity and effectiveness through succession planning, effective on-boarding and member engagement

Address issues of importance through legislative advocacy

Facilitate a network of peers that members can rely on for information, expertise, resources, and sub-regional partnerships.

2012 Strategic Plan – Consortium Values

- **Acting in a consensus manner to the greatest degree possible so that the Consortium can speak with one voice on matters that impact every water provider**
- Implementing regional conservation programs collectively provides a more economical service to our individual customers and allows the Consortium to speak with one voice on the importance of conservation
- **Protecting and advocating the protection of existing and potential sources of drinking water**
- Providing reliable and safe water supplies to meet the needs of the metropolitan area for the long term through the actions of individual member entities
- Providing technical and educational support to individual members for their use in the provision of water supplies and programs at the subregional level
- **Providing emergency preparedness services that enable more effective response by individual entities and backup to each other during emergencies**
- **Building partnerships to explore options, implement mutually beneficial programs, and operate systems while retaining individual decision making authority and accountability to customers**
- Recognizing the need to demonstrate positive value to each participant member and their customers
- Sharing information about water systems to better serve customers and communicate with customers the value of programs delivered by Consortium and its individual members in helping to meet water needs
- **Ensuring that sensitive information collected by the Consortium is protected from public disclosure as directed by Oregon law and rules, and that such information shared among individual members is also protected**

Revised DRAFT Values

The members of the Consortium are committed to the following values in working together with each other and with our partners:

- **RESPECT:** Be respectful of our differences and willing to engage in open, honest and constructive dialogue as befits the stewards of drinking water resources in the region.
- **CONSENSUS:** Act in a consensus manner so that the Consortium can speak with one voice on matters that impact every water provider.
- **STEWARDSHIP:** Advocate for stewardship and wise use of existing and potential sources of drinking water.
- **PARTNERSHIP:** Explore regional options and mutually beneficial solutions, while retaining individual decision making authority and accountability to customers.
- **RESILIENCY:** Strengthen our ability to provide regional emergency preparedness resources that support resilient infrastructure and more effective response by individual entities and backup to each other during emergencies.
- **TRUST:** Protect sensitive system information collected by the Consortium as directed by Oregon law and rules.
- **TRANSPARENCY:** Conduct the business of the Consortium in an open and transparent manner to be accountable to member organizations, the community, and public.

REGIONAL WATER PROVIDERS CONSORTIUM DRAFT BUDGET & WORK PLAN—FISCAL YEAR 2018 - 2019

FY 18/19 FY 17/18

Administration and Public Involvement	Staff and Material and Services	FTE	Hours	Cost	Cost	
<p>Work program & budget development, contracting, fiscal management & reporting, personnel management, business logistics, Consortium Board, Executive Committee, Consortium Technical Committee meetings and topic development, and other advisory bodies of the Consortium. Public inquiry support, public meeting set up, review of public involvement strategy, and website support. Materials and services includes meeting support, meeting room rental, public outreach, postage, etc. Administration staff to provide support to all program areas.</p> <p>Graphic Designer: utilize professional services to provide design support for emergency preparedness, conservation and other program materials</p> <p>Websites: includes managing and updating website and social media, website hosting, web programmer and related costs for conserveh2o and regionalh2o including merging both websites under regionalh2o.org</p>	Administration	0.7		\$96,247	\$91,525	
	Program Specialist		450	\$33,440	\$30,600	
	Graphic Designer		20	\$1,700		
	Project Manager		400	\$45,712	\$34,643	
	Materials & Services			\$14,000	\$14,000	
	Graphic Designer			\$20,000	\$10,000	
	Websites (hosting and maintenance)			\$17,000	\$14,750	
	Total Materials and Services			\$51,000	\$38,750	
	Total Staff Time		1.2		\$177,098	\$156,768
	Total for Administration and PI				\$228,098	\$195,518

Emergency Preparedness Program

<p>Continue work in emergency preparedness as outlined in the strategic plan goals. Includes staff support to the Consortium's Emergency Planning Committee and participation in the Regional Disaster Preparedness Organization. Includes emergency training and exercises, grant application and equipment support, update and development of emergency coordination and communication resources, update and continued development of emergency preparedness modules, maintenance of the regional Interconnections geodatabase and public outreach and education. Support Implementation of Oregon Resilience Plan.</p> <p>How to Video: develop video(s) for website and social media that cover water-related emergency preparedness topics (treatment, sources, etc.)</p> <p>Sinking Fund: initiate sinking fund for next interconnections update</p> <p>Trimet Bus Sides: continue three-month bus side campaign with water-related tips on preparedness</p> <p>Exercise and Training: regional exercise and Consortium-sponsored trainings</p> <p>TV preparedness campaign: ads and stories promoting and incorporating the Consortium's water-focused emergency preparedness messaging via a television campaign.</p> <p>Develop and print new outreach materials: develop new outreach materials and provide members with start-up supply and opportunity to order at reduced price.</p>	Project Manager		250	\$28,570	\$34,643	
	Program Coordinator		500	\$42,220	\$49,800	
	Program Specialist		300	\$22,293	\$20,400	
	Materials & Services			\$2,000	\$2,000	
	How-to Videos for website			\$2,500	\$2,000	
	Printing of outreach material			\$10,000		
	Trimet Bus Side on Emer Prep			\$22,000	\$22,000	
	Sinking Fund (Interconnections Update)			\$3,000	\$3,000	
	Exercise and Training			\$2,000	\$2,000	
	TV preparedness campaign			\$15,000	\$14,600	
	Total Materials and Services			\$56,500	\$45,600	
	Total Staff Time		0.6		\$93,083	\$104,843
	Total for Emergency Preparedness				\$149,583	\$150,443

Regional Coordination

<p>Intergovernmental Coordination: includes staff participation on major federal, state and regional issues that affect water providers, with emphasis on the Oregon Water Resources Department programs and activities, Oregon Resilience Plan, Oregon legislative session and coordination with other regional stakeholders. Share climate change research and application with Consortium members.</p> <p>Drinking Water Advisory (DWA) Look-Up Tool: continues work with Portland's Bureau of Technology Services to maintain a web-based application on www.PublicAlerts.org as a way for the general public to determine if they are affected by a DWA.</p> <p>Program Evaluation: utilizes consultant services to conduct program evaluation of outreach program to determine effectiveness of messaging and effective outreach methods.</p> <p>Population and Household Estimates: under new three-year IGA, continue working with the Population Research Center at Portland State University to update the population and household estimates and forecasts for water providers.</p>	Economist		40	\$4,411	\$4,182
	GIS Tech Support		100	\$6,671	\$6,330
	Project Manager		395	\$45,141	\$48,717
	Program Coordinator		125	\$10,555	\$10,375
	Drinking Water Advisory look-up			\$5,000	\$5,000
	Program Evaluation Project			\$25,000	\$10,000
	PSU Population Forecast Project			\$21,800	\$9,300
	Total Materials and Services			\$51,800	\$24,300
Total Staff Time		0.4		\$66,778	\$69,604
Total Regional Collaboration				\$118,578	\$93,904

**Regional Water Providers Consortium Technical Committee
Strategic Plan Discussion Notes
January 3, 2018**

Focus Areas:

Meeting Water Needs:

Initiatives and Tactics:

#1 – Make best use of available water resources and partnerships to meeting regional water needs as outlined in the Regional Water Supply Plan

- Understand source/supply
- Recognize multiple sources are available
- Enable coordination and sharing of information
- Confidence in adequate supply
- Conduct regular “state of supply” review – are we following the RWSP?
- Regular review of demands – share this information amongst members
- Sharing amongst members in a forward way – must connect the dots

#2 – Provide public educations and outreach materials that promote conservation, source water protection, and value of water

- Continue participation/partnership in the Children’s Clean Water Festival
- Focus on diverse audiences
- Fire protection education
- Explore value of water campaign/messaging – water by the numbers, i.e., # of hydrants, miles of pipe, number of staff, what it takes to get water to the tap
- Increase and integrate public health/public safety messaging; we are in the public health and safety business

#3 – Convey the importance of efficient water use to diverse audiences and stakeholders

- **Did not discuss. Ran out of time**

#4 – Anticipate and respond to changes in demand and customer /public expectations

- Include climate change work
- Monitor climate impacts on supply
- Update from PWB on climate science/effects of supply (Board meeting presentation)
- Develop high-level information on emerging contaminants
- Curtailment coordination – knowing who to call
- Need to know who ^{are} customers are and how to communicate with them
- Need to know what the customer’s expectations are
- Understand how to communicate with customers/public – is target audience still engaged in mainstream media? Do we need to increase social media efforts? What is the best vehicle to get our messaging to the public?

#5 – Provide programs and resources that help water providers meet water conservation requirements (Division 86)

- Continue current or like programs - public education outreach materials, media outreach, youth education programs, device distribution

Emergency Preparedness:

Initiatives and Tactics:

#1 – Educate the public about emergency preparedness and the importance of water

- Diverse outreach – age, language, geography, demographics
- Social media, business alliances, public events, community organizations, neighborhood associations
- CERT/NET

#2 – Develop and obtain resources that will help members and the region meet preparedness goals and requirements

- Develop a grant strategy
 - Identify preparedness needs
 - Assist members in accessing grants
- Identify additional partners/stakeholders beyond water providers (e.g., large businesses -Intel, Nike, Fire districts)

#3 – Facilitate planning, projects, and training opportunities that strengthen members' ability to plan for, respond to, and recover from extreme events

- Physical exercises – Table top: Interconnections, interties – Consider whether/how exercises can expand in size and scope
- Continue GIS/Asset Management work
- Use of Equipment
- Recovery
 - Working with FEMA
 - “Day 14” to recovery
 - Region-wide Co-Op

#4 – Collaborate with state and regional stakeholders to improve regional communication, emergency preparedness, response and recovery

- Collaborate with State and regional stakeholders
- Finalize stranded worker agreement
- Emergency contact list updates
- Continue relationships with FEMA, ORWARN, OEM, county emergency staff, RDPO
- Inventory of public and private EOCs

#5 – Support each other through mutual aid, and data and resource sharing

- Keep track of member regional inventory (maybe via GIS?)
- Conversation regarding communication in emergencies
 - Primary and secondary

- Radios
- Emerging technologies – ions, drones
- Members invite and include other members in:
 - Training opportunities (as applicable)
 - Grant opportunities (to avoid competing)
- Make sure response is flexible on small and large-scale disasters – fire, vandalism, 9.0 apocalypse

Strengthening Regional Partnerships:

Initiatives and Tactics:

#1 – Increase awareness of the Consortium’s value, mission, programs, and the benefits of membership

- Presentations to Council and Boards by Consortium staff – annually or semi-annually
- PNWS-AWWA
- Share annual report with full Council and Boards – electronically or hard copy by CTC

#2 – Build strong community relationships and be the trusted source for drinking water related information

- Bonny audit web
- Social media engagement - providers “like” Consortium – multi language; CCR language – new each year
- Post CCRs for members
- DWA – how do we let them know?

#3 – Maintain Board and staff continuity and effectiveness through succession planning, effective on-boarding and member engagement

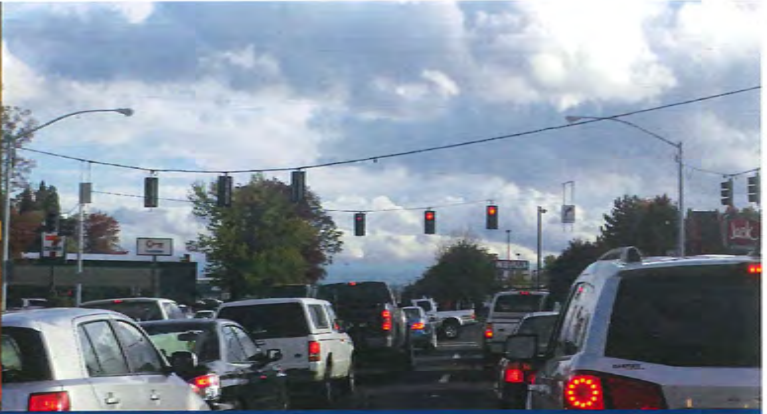
- Meet with new CTC members
- Social events?
- Put meeting minutes on member page for each committee

#4 – Address issues of importance through legislative advocacy

- Continue Consortium staff bringing things forward
- Willamette reallocation
- Identify list of issues
- Member resources (i.e., Clark B.), OWUC

#5 – Facilitate a network of peers that members can rely on for information, expertise, resources, and sub-regional partnerships

- More training – all things water
- Train the trainer
- Panels, brown bags



MAP-IT* NEEDS YOU

*McLoughlin Area Plan Implementation Team

WE ARE:

Your Community Planning Organizations

(Oak Grove | Jennings Lodge | Clackamas)

Your Neighborhood Business Owners

Your Local Leaders

WE'VE HELPED REALIZE:

- New Sidewalks (1700 ft since 2012)
- New Street Lights
- Neighborhood Banners installed

WE'RE WORKING ON:

- Neighborhood Zoning
- Habitat Connections
- More New Sidewalks
- McLoughlin Community Design Plan
- Lake Oswego Bike-Ped Bridge
- Park Avenue/North End
Economic Revitalization

GET INVOLVED SO WE CAN ALL CREATE...

- Better area land-use
- Sustainable development
- Win-win Investments
- Attractive shopping
(and more customers!)
- Affordable homes

LEARN MORE AT:
CLACKAMAS.US/MAPIT

Please Join us at our next monthly meeting:
1st Tuesday, 6:30 p.m. @ Oak Lodge Water Services
14611 SE River Rd, Oak Grove, OR 97267

North Clackamas Urban Watersheds Council



2016-2017
ANNUAL REPORT

Creeks and Community Together We Thrive

What does it mean to protect and restore urban watersheds? To ensure the lands and streams that flow through our daily lives not only look beautiful, but function in a manner that supports those that have called these lands and streams home longer than most. Those plants and animals from the iconic salmon to the dragonfly larvae that make this region unique. All these beings who create the fabric of all we hold dear.



For Kellogg, Mt. Scott, River Forest, Boardman, and Rinearson Creeks this work entails a multifaceted approach to transform past harms, protect what is left, and demand a resilient future. At NCUWC we are doing just that and with your commitment and support we can transform our lands and waters into vibrant ecosystems that not only help wildlife but improves our own health and wellbeing and strengthens our sense of place. We are not impassive observers, but active in our belonging and stewardship.

NCUWC is on the ground everyday working towards these ambitions. We are engaged on all fronts by participating in regional partnerships that address limiting factors to recover fish, by addressing acres of impervious surface to return streams to a more natural state, by planting acres of native trees and shrubs, by demanding the removal of Kellogg Dam, by offering solutions and protections during land use hearings, and by inspiring our neighbors on why all this matters.

Join us as a volunteer, as a donor, as an advocate. Join us as we continue to transform our ecological and community landscapes for a resilient future. There is nothing to wait for.

NCUWC Service Area

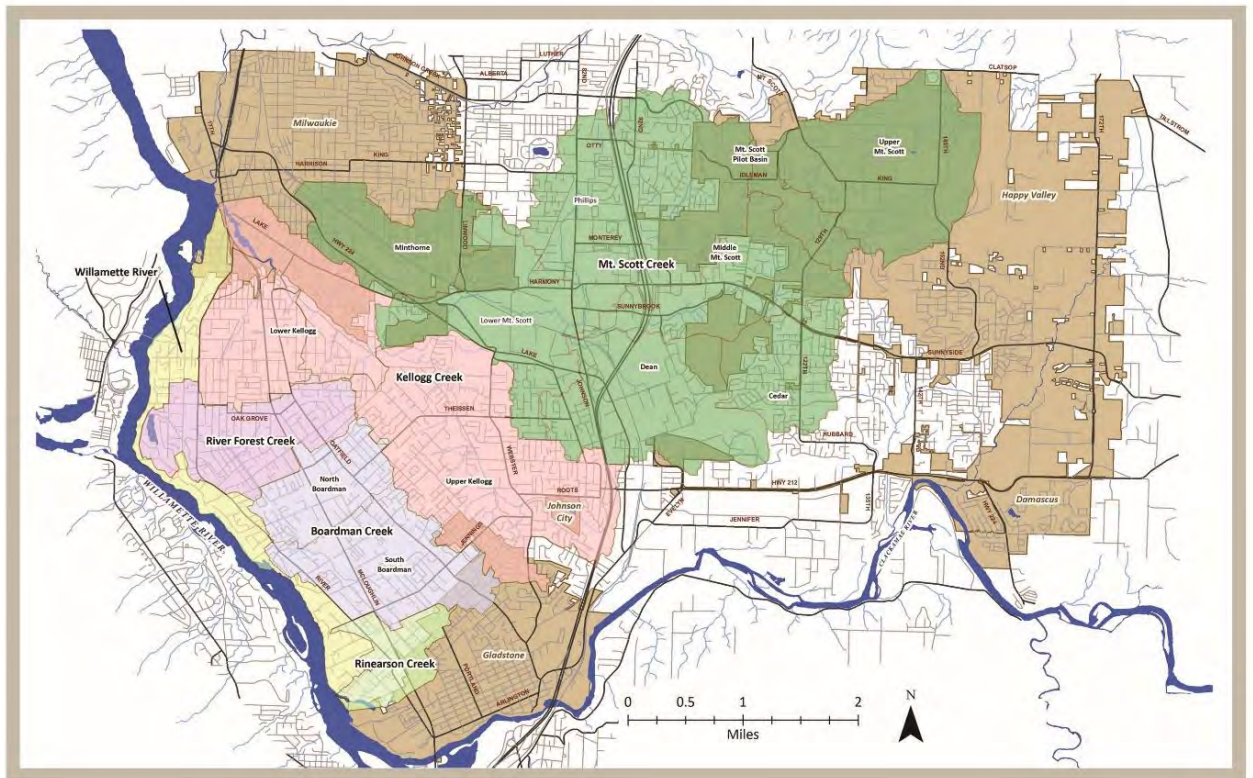
The **North Clackamas Urban Watersheds Council's mission** is to protect and enhance our watersheds' water quality, fish, and wildlife habitat. We envision people and nature flourishing in a healthy ecosystem. To achieve our mission, we advocate on behalf of the watershed, partner with public and private entities, engage in prioritized restoration projects, and foster community stewardship. The Clackamas Board of County Commissioners formally recognized NCUWC as the watershed council representing the Kellogg, Mt. Scott, Rinearson, Boardman, and River Forest watersheds on June 20, 2009.

Watershed Areas

Kellogg - Mt. Scott:	10,300 acres
Rinearson:	330 acres
Boardman:	1,300 acres
River Forest:	800 acres

The **total** area covered by the North Clackamas Urban Watersheds Council is 12,730 acres. All of it is within Clackamas County.

NORTH CLACKAMAS URBAN WATERSHEDS COUNCIL WATERSHED MAP



Where do you live in the watershed?

partner support by:



NORTH CLACKAMAS
PARKS & RECREATION DISTRICT

NCUWC Board and Staff

Joseph Edge, Chair & Resident of River Forest Creek

Terry Gibson, Vice Chair & Resident of Boardman Creek

Cecilia Seiter, Treasurer & Resident of Milwaukie

Mona Thomason, Secretary & Lake Road Neighborhood District Association

Steve Berliner, Jennings Lodge Community Planning Organization

Dick Shook, Friends of Kellogg & Mt. Scott Creeks

Mark Fitzsimmons, Resident of Alder Creek

Paul Heimowitz, Resident of Boardman Creek

Bob Bohannon, Resident & Oak Grove Community Council

Caleb Mammen, Resident Kellogg Creek

James Cronin, Resident Kellogg Creek

Chris Runyard, Tsunami Crew / 3-Creeks Natural Area

Tonia Williamson, North Clackamas Parks & Recreation District (NCPRD)

Lara Christensen, Oak Lodge Water Services District (OLWS)

John Nagy, Clackamas County Water Environment Services (WES)

Lisa Batey, City of Milwaukie

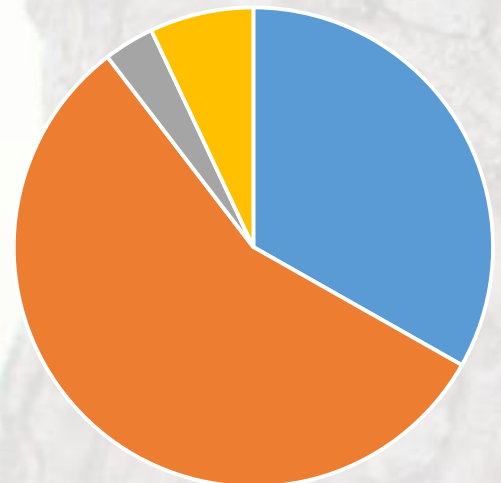
Chris Randall, City of Happy Valley

Andrew Collins-Anderson, NCUWC Executive Director

Financials

Staff:	\$47,173
Restoration Contractors:	\$80,117
Administration:	\$4,856
Reserve:	\$9,949
Total:	\$142,095

Budget 2016-2017



■ Staff ■ Contracted Expenses ■ Administration ■ Reserve

NCUWC Programs

Streamside Stewards Program



The **Streamside Stewards Program (SSP)** has been the core program of NCUWC since 2011. Through the program, NCUWC recruits and partners with landowners to perform habitat restoration along creeks and in riparian areas. NCUWC works with Mosaic Ecology LLC as our restoration contractor. Our goals are to enhance riparian corridors of Kellogg, Mt. Scott, Boardman, Rinearson, and River Forest Creeks to improve water quality and habitat. In 2016-2017 the program had over 100 active properties enrolled in the program

Watershed Protection

The NCUWC Board sees the value of restoration of the watersheds, but is also dedicated to the protection of the creeks, natural areas, and rare and unique species and habitats that remain in the watersheds. NCUWC has a active land use committee that comments on land use proposals, and looks to educate and promote best practices for the future resilience of our watersheds.



Planning and Monitoring



NCUWC is actively engaged in regional partnerships such as the Clackamas Partnership, is planning for a stormwater retrofit program in 2018, is continuing to demand for Kellogg Dam's removal, and is monitoring water temperatures in the creeks. NCUWC is always grant writing and pursuing new partners and projects to bring resources and opportunities to the watersheds and community.

Outreach and Education

NCUWC volunteers contributed over 1,000 hours in 2016 - 2017!

Highlights for 2016 - 2017:

On July 16, 2017 NCUWC produced the first Remove Kellogg Dam Community Celebration and Duck Race. The event successfully engaged community members on the importance of Kellogg Creek, why the dam should be removed, and how they can stay involved.

In 16/17 NCUWC partnered on or produced **11** education and restoration events. NCUWC also gave **6** presentations and participated in **7** outreach events throughout the watersheds.



Funders & Partners

NCUWC would like to thank all of our partners, volunteers, and funders for their commitment to helping to improve the health of our watersheds! With so many dedicated people and multiple flourishing relationships, we are excited to move into the future as a growing and effective watershed council.

Funders – Oak Lodge Water Services District (OLWS), Clackamas County Water Environment Services (WES), Clackamas Soil and Water Conservation District (CSWCD), Metro, Patagonia, and Oregon Watershed Enhancement Board (OWEB)

Nonprofits and Community Partners – The Wetlands Conservancy, Clackamas Partnership, Schoolyard Farms, Lower Columbia Estuary Partnership, River Network, Din In Community, Friends of Trees, Portland Audubon Society, Willamette Riverkeeper, Johnson Creek Watershed Council, Clackamas Basin River Council, Greater Oregon City Watershed Council, Free Kellogg Creek, and Milwaukie Presbyterian Church

Agencies – Oregon Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife (ODFW), and North Clackamas Parks & Recreation District (NCPRD)

Cities – City of Happy Valley, City of Gladstone, and City of Milwaukie

Businesses – Mosaic Ecology LLC and Cascade Environmental Group

Citizen Planning Organizations (CPOs) and Neighborhood District Associations (NDA) – Jennings Lodge CPO, Oak Grove Community Council, Lake Road NDA, Island Station NDA, and Clackamas CPO



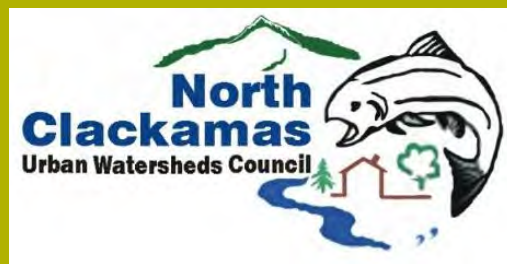
North Clackamas Urban Watersheds Council July 2016 - June 2017 Annual Report

Annual Report by

Andrew Collins-Anderson, Executive Director

Cover Photo by Steve Berliner

Photos: Jim Cronin, John Nagy, Lauren Cary, and
Andrew Collins-Anderson



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www.ncuwc.org