

OAK LODGE WATER SERVICES DISTRICT

BUDGET COMMITTEE



April & May 2021

“Enhancing Our Community’s Water Environment”



REMOTE MEETINGS of the BUDGET COMMITTEE

Committee Attendance by Zoom Video/Telephone

Public Attendance by Telephone Only

All Meetings Held at 6:00 p.m.

April 13, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Call for Public Comment

During Public Comment, members of the public are welcome to testify for a maximum of three minutes on each agenda item.

3. Committee Orientation
4. Election of Budget Committee Officers
5. Consent Agenda
 - a. April 28, 2020 Budget Committee Meeting Minutes
 - b. April 30, 2020 Budget Committee Meeting Minutes
 - c. May 5, 2020 Budget Committee Meeting Minutes
6. Presentation of the Budget Message
7. Adjourn Meeting

April 15, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Call for Public Comment
3. Presentation of the Proposed Budget
4. Adjourn Meeting

April 22, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Call for Public Comment
3. Presentation of the Capital Improvement Plan
4. Adjourn Meeting

April 27, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Public Hearing on the Proposed Budget
3. Committee Deliberation
4. Adjourn Meeting

April 29, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Call for Public Comment
3. Committee Deliberation
4. Adjourn Meeting

May 4, 2021

1. Call to Order and Meeting Facilitation Protocols
2. Call for Public Comment
3. Committee Deliberation
4. Adjourn Meeting



STAFF REPORT

| | |
|-----------------|---------------------------------------|
| To | Budget Committee |
| From | Gail Stevens, Finance Director |
| Title | Election of Budget Committee Officers |
| Item No. | 4 |
| Date | April 13, 2021 |

Summary

Annual election of Budget Committee Officers for the following positions: Chair and Secretary/Vice Chair.

Background

Oregon Local Budget Law ORS 294.336(9) requires the Budget Committee to elect a presiding officer from among its members at the first meeting after its appointment. The Oak Lodge Water Services District Budget Committee has named the office of the presiding officer the Budget Committee Chair.

Historically, the Budget Committee has also elected a Secretary to chair meetings in the absence of the presiding officer. The formal title of this position is Secretary/Vice Chair, mirroring the titles and responsibilities of the Oak Lodge Water Services District Board of Directors.

Other responsibilities of both officers include execution of the budget document and execution of approved meeting minutes.

Past Budget Committee Actions

During the fiscal year 2020/2021 budget process the following Budget Committee members served as officers:

John Klum as Budget Committee Chair
Amanda Gresen as Budget Committee Secretary/Vice Chair

John Klum has recently stepped down from the Budget Committee.

Recommendation

Staff requests that the Budget Committee appoint the Chair and Secretary/Vice Chair for the 2021/2022 Oak Lodge Water Services District Budget Committee.

Suggested Budget Committee Motion

“I move that the Budget Committee elect _____ as Chair for fiscal year 2021/2022.”

“I move that the Budget Committee elect _____ as Secretary/Vice Chair for fiscal year 2021/2022.”



CONSENT AGENDA

To Budget Committee
From Sarah Jo Chaplen, General Manager
Title Consent Agenda
Item No. 5
Date April 13, 2021

Summary

The Board of Directors has a standing item on the regular monthly meeting agenda called "Consent Agenda." It is proposed that the Budget Committee do the same for its regular business during the first meeting of each fiscal year. This subset of the regular agenda provides for the Committee 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:

- a. **April 28, 2020 Budget Committee Meeting Minutes**
- b. **April 30, 2020 Budget Committee Meeting Minutes**
- c. **May 5, 2020 Budget Committee Meeting Minutes**

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

Staff requests that the Budget Committee approve the items listed under the Consent Agenda.

Suggested Budget Committee Motion

"I move to approve the Consent Agenda."

Approved By _____

Date _____



**BUDGET COMMITTEE
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.
APRIL 28, 2020**

Budget Committee – Members Present via Zoom:

| | |
|----------------|------------------------|
| Kevin Williams | Board of Directors |
| Paul Gornick | Board of Directors |
| Mark Knudson | Board of Directors |
| Susan Keil | Board of Directors |
| Ginny Van Loo | Board of Directors |
| John Klum | Citizen Representative |
| Amanda Gresen | Citizen Representative |
| Robert Weber | Citizen Representative |
| Ron Weigel | Citizen Representative |
| Joseph Healy | Citizen Representative |

Oak Lodge Water Services Staff – Present via Zoom:

| | |
|------------------------|---------------------------------|
| Sarah Jo Chaplen | General Manager |
| Jason Rice | District Engineer |
| David Mendenhall Plant | Operations Manager |
| Aleah Binkowski-Burk | Human Resources/Payroll Manager |
| Todd Knapp Field | Operations Manager |
| Brad Lyon Field | Operations Supervisor |
| Laural Casey | District Recorder |

Visitors and Consultants – Present via Zoom:

| | |
|-----------|-----------------------|
| Rob Moody | Merina & Company, LLP |
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1. Call to Order

Chair Klum called the meeting to order at 6:02 p.m.

2. Meeting Facilitation Protocols

General Manager Chaplen welcomed everyone and asked District Recorder Casey to facilitate a roll call. District Recorder Casey facilitated the roll call of Budget Committee members, staff, and consultants.

General Manager Chaplen overviewed the general protocols of a virtual meeting due to the COVID-19 pandemic.

3. Call for Public Comment

Chair Klum asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were none.

Chair Klum asked District Recorder Casey if there were any members of the public in attendance. District Recorder Casey confirmed that there was two.

Neil Schulman representing the North Clackamas Watersheds Council thanked the Board for their letter of support.

4. Consent Agenda

Director Knudson stated the correct name of the AWWA as the American Water Works Association. District Recorder Casey noted the change.

Chair Klum invited a motion. Director Gornick moved to approve the Consent Agenda. Director Keil seconded. President Williams asked District Recorder Casey to conduct a roll call vote. Voting Aye: Citizen Representatives Klum, Gresen, Weber, Weigel, and Healy; and Directors Williams, Gornick, Knudson, Keil, and Van Loo.

MOTION CARRIED

5. Budget Message

General Manager Chaplen overviewed current District considerations in place due to COVID-19 and the pandemic's financial implications on the budget. She detailed changes being made in operations to mitigate the spread of the disease as well as the steady continuation of service and commitment to customers.

6. Presentation of the Budget

Financial Consultant Moody highlighted a broad overview of the Proposed Budget. He detailed stable service levels, anticipated capital improvement projects, a proposed utility rate study, an emergency customer program, and the lack of employee wage cost of living adjustments (COLA) due to ongoing labor negotiations.

Chair Klum asked about how the COLA would be budgeted for if requested in labor negotiations. Financial Consultant Moody stated that a budget adjustment would have to be approved by the Board of Directors. Chair Klum asked if the changes would be made to the operating budget or through a supplemental budget. Financial Consultant Moody explained the change would most likely be made to the budget by moving funds around. Director Keil clarified that the funds generally were found in contingency. Financial Consultant Moody confirmed.

Financial Consultant Moody reviewed the PERS contribution in the Proposed Budget. Chair Klum asked for clarification on how the State's fund matching program worked. Financial Consultant Moody detailed the level of uncertainty on if the program would continue due to the current economic instability. Chair Klum asked if the District's contribution would be available to utilize regardless of the State's fund matching program availability. Financial Consultant Moody confirmed. Director Van Loo asked if the District planned to allocate another nine hundred thousand dollars to PERS. Financial Consultant Moody confirmed the proposal.

Financial Consultant Moody continued to outline the Proposed Budget including increased operating funds, transfers to capital for projects, and target fund balancing. He discussed proposed increases to water and sewer rates and overviewed the rate process.

Director Williams asked if the citizen representatives on the Budget Committee had been informed that the Proposed Budget can be modified by the Budget Committee. Financial Consultant Moody explained the authority of the Budget Committee. Chair Klum overviewed his experience and understanding of the roles and responsibilities of the Budget Committee.

Director Gornick asked whether the Administration Fund was included in the Operating Fund increase. Financial Consultant Moody confirmed. Director Gornick asked what caused the increase in each fund. Financial Consultant Moody explained that each fund would be covered individually. He overviewed the general increase as due to deferred materials and services maintenance, communication and outreach, filled vacant staff positions, and a significant increase to health care costs.

Director Van Loo asked if the Proposed Budget was the most conservative budget that could be put together stating concern about a rate increase while so many people are out of work. Financial Consultant Moody answered the Budget was the most conservative and fiscally responsible budget to provide the essential services to the District's customers.

Citizen Representative Weber asked if the Proposed Budget included the proposed rate increase. Financial Consultant Moody confirmed and explained the calculation of rate increases to determine revenue increases, stating they are not a one-to-one ratio. Citizen Representative Weber asked if the 4.5 increase applied equally across the service charges for water, sanitary, and stormwater. Financial Consultant Moody stated there was a difference between commercial and residential customers. General Manager Chaplen spoke to the average residential customer and the percentage based on average consumption. Citizen Representative Weber added that there may be possible customer confusion regarding the rate increase and what they are billed for.

Citizen Representative Weber asked if the fifteen percent increase was over the budgeted or estimated costs for the current fiscal year. Financial Consultant Moody answered that the increase is over the actual fiscal year costs reflected in the Estimated Actual column. Citizen Representative Weber stated the increase calculated out to be much higher at 28.7 percent. Director Gornick explained the Estimated Actual column does not include unfilled positions, so the number is lower than the budgeted amount. Financial Consultant Moody agreed and noted that the budget line also includes other benefit costs as well.

Director Keil stated going line by line was much easier way to determine if the Budget is the most conservative option. She asked what the correlation between rate and revenue increases. Financial Consultant Moody did not have an exact answer due to the complexity of the calculations. Director Keil mentioned she had many questions after reading the Budget line by line. Financial Consultant Moody stated the management team was available to answer line item questions. Director Knudson spoke about the effects cutting the budget too much would have on the level of service provided to District customers. He outlined the efforts made by the

Finance Sub-Committee to balance a conservative approach to the budget, the District's level of service, and capital improvement projects.

After deliberation, the Budget Committee agreed to continue the presentation and hold questions and comments until the end.

Financial Consultant Moody detailed the Administrative Services Fund made up of the Finance, Human Resources, Technical Services, and Vehicle Maintenance Departments. He overviewed changes in the Drinking Water, Wastewater, and Watershed Protection Funds as well as transfers out of the funds. Financial Consultant Moody explained the Debt Service Funds including the District's low interest rates because property taxes are not levied. He described the Capital funds for Water, Sanitary, and Wastewater Protection and explained how each are funded.

Director Gornick asked what the increase for contracted services was for in the Administration Fund under Finance and Technical Services. Financial Consultant Moody explained the Finance Department's fund increase included the rate study, the rate relief program, financial consulting services, and the Non-Revenue Water Audit. He stated the Technical Services' fund increase was due to upgrades to both the SCADA and GIS systems.

Director Knudson asked if the rate increase included the impacts of the Low-Income Program. Financial Consultant Moody explained how the Low-Income Program factors into the calculation of rates, as well as an estimate of uncollectible bills due to the COVID-19 pandemic. Director Knudson discussed including the Low-Income Program and uncollectible bills as budgeted items. Financial Consultant Moody explained the local budget law constraints regarding budgeting bad debt versus expenditures. Director Knudson asked if the District could identify them as a reduction in revenue. Financial Consultant Moody confirmed. Director Knudson asked how the Low-Income Program could be identified as an expense.

Director Van Loo asked Director Knudson if he was encouraging a Low-Income Program and a separate temporary program for customer assistance during the pandemic. Director Knudson confirmed his advocacy was for no change to be made to the Low-Income Program. Director Keil asked if the Low-Income Program had remained stable between the current fiscal year and the Projected Budget. General Manager Chaplen and Financial Consultant Moody confirmed and explained the Low-Income Program. Director Knudson explained how including the Low-Income Program and the uncollectible debt would create greater transparency in the Budget.

Director Keil asked about the budgetary increase for staff training in every fund and what the Records Management line item included. Human Resources Manager Binkowski-Burk overviewed the costs associated with the District's current records management facility and increased storage, recall, and destruction costs. She detailed the costs associated with staff training, noting the Linked-In learning membership being utilized during the pandemic to cover subjects the Special Districts Association of Oregon does not provide. Human Resources Manager Binkowski-Burk highlighted the need for more robust training for the incoming Finance Director and other new employees. Field Operations Manager Knapp explained the need for his staff to stay current on their certifications as well as new employees on both the Water and

Collections teams. He noted that the current fiscal year budget did not include much of a budget for trainings and stated the importance of continuing education. General Manager Chaplen added the new PACP training as important as well. Plant Operations Manager Mendenhall overviewed the additional employee being covered by the Wastewater fund and the added Plant Operator trainings for certifications. District Engineer Rice outlined the various employees holding certifications which must be maintained.

Director Keil asked about the increase in costs to purchase water. Financial Consultant Mood explained the line item was based on the North Clackamas County Water Commission's (NCCWC) anticipated sales to the District. General Manager Chaplen provided insight as to how that cost was calculated by NCCWC.

Director Keil asked about the increased maintenance costs reflected across many of the Budget's funds. Field Operations Manager overviewed the various maintenance projects that have been identified in the field. He described the balance between reactive and preventative maintenance in both the water and collections systems. Director Keil asked if the District was overspending the line item. Field Operations Manager stated it has not been overspent and explained that projects have just been scaled back.

Director Gornick noted the discrepancy between the amounts in the maintenance line items throughout the Budget. Financial Consultant Moody stated he would correct those lines in the next version. Director Keil noted a clerical error in the title of page 19. Financial Consultant Moody confirmed the correction.

Field Operations Manager Knapp completed his explanation of maintenance cost increases, explaining that the water meter replacement project as a driving factor.

Director Van Loo asked what the line item for Other Employee Benefits covered. Financial Consultant Moody and Human Resources Manager Binkowski-Burk detailed benefits including long- and short-term disability, life insurance, and administrative flex-spending costs.

Director Van Loo asked what Other Purchased Services in the Wastewater Fund was for. Financial Consultant Moody stated he would get back to the Committee regarding the line item.

Director Van Loo asked where office supplies and fuel/oil are budgeted for. Financial Consultant Moody explained that the items had been consolidated into the Administration and Vehicle Funds.

Director Van Loo asked what the increase in Building and Grounds was for. Financial Consultant Moody stated it was for maintenance and landscaping of District properties. General Manager Chaplen added that the line item included pump stations. Plant Operations Manager Mendenhall noted the current fiscal year's budget underfunded the line item and added that HVAC is now under the line item as well. He stated that projects like a new roof on a small building and a temporary building will be included. General Manager Chaplen included the need to be good neighbors to the customers around District facilities and safety concerns as driving factors for an increase in the line item.

Citizen Representative Gresen asked about the impact of the COVID-19 pandemic on revenue sources like SDCs and whether they have been modified. Financial Consultant Moody stated development is budgeted very conservatively across the funds. General Manager Chaplen outlined the best practices regarding not using SDCs to budget for ongoing operations. District Engineer Rice noted the last two year's SDC revenue had been artificially high due to the development of the Jennings Lodge subdivision and that the District is not fast growing like other communities.

Citizen Representative Gresen asked if the Board Travel and Training budget lines are necessary. General Manager Chaplen explained that funds are budgeted for the entire Board to attend conferences and liaison meetings. Director Keil asked what the current amount was. Human Resources Manager Binkowski-Burk noted the line was moved from the General Administration Fund to Human Resources due to District Recorder Casey's role facilitating Board events. Financial Consultant Moody explained the new lines were a consolidation of various lines across all departments. Director Williams clarified that Board compensation for attending liaison meetings was captured in another budget line. Directors Keil and Gornick agreed the line seemed high. Financial Consultant Moody stated this line could be budgeted for at the discretion of the Committee. Director Keil stated the Proposed Budget anticipates attendance at one hundred meetings over the course of the year. General Manager Chaplen confirmed and spoke to Board attendance at the SDAO conference, noting the change in price each year. Citizen Representative Gresen asked if an analysis of the various conferences that could be potentially deferred due to COVID had been completed. General Manager Chaplen confirmed. Citizen Representative Gresen asked if the amount left was critical certifications. General Manager Chaplen spoke to the high level of certifications needed in the District's operations.

Citizen Representative Weber noted a formatting error on page 25 and Director Gornick stated there was a similar error on page 9. Financial Consultant stated the changes would be made.

Citizen Representative Weber asked about the purpose of the transfers and large contingencies in the capital funds. Financial Consultant Moody explained efforts to smooth the impacts of budgeting large items over several years. General Manager Chaplen detailed the balancing act that takes place while forecasting for long term capital projects. Chair Klum advocated for budgeting large capital projects incrementally and noted the contingency increase in all funds. Financial Consultant Moody overviewed governmental contingency budgeting.

Citizen Representative Healy asked about the Health and Dental Insurance increases and how the various line items are calculated for the Budget. Financial Consultant Moody overviewed how the budget for new positions are approximated. Citizen Representative Healy asked how vacant positions are approximated. Financial Consultant Moody stated he could present a more detailed analysis at the next Budget Committee meeting. Human Resources Manager Binkowski-Burk noted that some positions were budgeted for a full year but were hired halfway through the year. Director Keil stated the insurance increase is horrendous but clarified that the insurance is offered through SDAO is much cheaper than if the District were to provide private insurance. Director Gornick asked if the increase was due to a number of large claim cases. Human Resources Manager Binkowski-Burk confirmed.

Director Knudson noted a discrepancy between the number of employees in the Wastewater Fund narrative and organizational chart. Financial Consultant Moody confirmed the error and the change.

Citizen Representative Healy asked what caused the increase in drinking water costs between fiscal year 2018 and fiscal year 2019. Financial Consultant Moody noted the skewed numbers due to a NCCWC budget true-up credit. Director Williams explained the discrepancy caused by NCCWC standardizing the billing rates for each of the partners. General Manager Chaplen gave historical insight on NCCWC true-ups and detailed the services provided by the partners.

Chair Klum asked about the anticipated consumption decrease affecting District revenue and whether it reflected the decrease of commercial water use during the COVID-19 pandemic. Financial Consultant Moody confirmed.

Chair Klum asked if the Contracted Services on page 12 of the Capital Improvement Plan was for the Water Resiliency Plan. District Engineer Rice stated the budget was for the Stormwater Master Plan and local enhancement programs. He noted he would discuss it at length during his presentation.

Chair Klum asked about the Contracted Services in the Administrative Fund. Financial Consultant Moody explained it was for the Non-Revenue Water Audit, Financial Consulting, and the rate relief program.

Citizen Representative Gresen asked if the increase in the Communications budget line is appropriate for a conservative budget. District Engineer Rice overviewed the various required publications and other commitments covered in the line item. He noted that the line could be reduced but that the public would notice a deficit in services. Citizen Representative Gresen agreed. District Engineer spoke to the value of community partnerships. Director Keil agreed and stated that if the Budget Committee decided the rate increase is too high, that staff should oversee deciding what lines to decrease. Directors Keil and Williams spoke regarding the MS4 Stormwater Permit and the required workload that has resulted in partnerships with other local agencies. District Engineer Rice detailed the added value of those partnerships.

Citizen Representative Gresen asked the District's paperless billing options. General Manager Chaplen confirmed a paperless option and spoke to the different types of customers who utilize the system and those who enjoy visiting the District offices.

Plant Operations Manager Mendenhall circled back to the earlier question regarding Other Purchased Services explaining they were inclusive of services from the City of Milwaukie, Water and Environmental Services (WES), and the Pump Station 6 Survey.

7. Presentation of the Capital Improvement Plan

After deliberation, Chair Klum and General Manager Chaplen decided to defer the Capital Improvement Presentation until the next meeting.

General Manager Chaplen thanked the Budget Committee and Chair Klum thanked the staff's diligence in preparing the Budget.

8. Adjourn Regular Meeting

Chair Klum adjourned the meeting at 8:46 p.m.



**BUDGET COMMITTEE
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.
APRIL 30, 2020**

Budget Committee – Members Present via Zoom:

| | |
|----------------|------------------------|
| Kevin Williams | Board of Directors |
| Paul Gornick | Board of Directors |
| Mark Knudson | Board of Directors |
| Susan Keil | Board of Directors |
| Ginny Van Loo | Board of Directors |
| John Klum | Citizen Representative |
| Amanda Gresen | Citizen Representative |
| Robert Weber | Citizen Representative |
| Ron Weigel | Citizen Representative |
| Joseph Healy | Citizen Representative |

Oak Lodge Water Services Staff – Present via Zoom:

| | |
|------------------------|---------------------------------|
| Sarah Jo Chaplen | General Manager |
| Jason Rice | District Engineer |
| David Mendenhall Plant | Operations Manager |
| Aleah Binkowski-Burk | Human Resources/Payroll Manager |
| Todd Knapp | Field Operations Manager |
| Brad Lyon | Field Operations Supervisor |
| Laural Casey | District Recorder |

Visitors and Consultants – Present via Zoom:

| | |
|-----------|-----------------------|
| Rob Moody | Merina & Company, LLP |
|-----------|-----------------------|

1. Call to Order

Chair Klum called the meeting to order at 6:03 p.m.

2. Meeting Facilitation

General Manager Chaplen welcomed everyone and asked District Recorder Casey to facilitate a roll call. District Recorder Casey facilitated the roll call of Budget Committee members, staff, and consultants.

General Manager Chaplen overviewed the general protocols of a virtual meeting due to the COVID-19 pandemic.

3. Presentation of the Capital Improvement Plan

Financial Consultant Moody overviewed the clerical adjustments made to the Proposed Budget at the request of the Budget Committee. He explained insurance cost discrepancies as identified by Citizen Representative Healy in the prior meeting. Citizen Representative Weber

asked if the personnel services and benefit cost numbers were correct in the Proposed Budget. Financial Consultant Moody confirmed and stated some adjustments needed to be made to reallocate costs across funds and divisions.

Director Van Loo asked for an answer to her question from the prior meeting regarding Other Purchased Services. Financial Consultant Moody explained the line item covered services provided by the City of Milwaukie and the City of Gladstone for District customers. Director Van Loo and General Manager Chaplen discussed the boundaries of the District and what entities provided service to customers.

Director Van Loo asked if Records Management would be a one-time or ongoing cost. Human Resources Manager Binkowski-Burk answered that the ten thousand dollars was an estimate of costs related to managing the District's records projects and that each year would have a different estimate. Director Williams asked if the Technical Services building could be used for records storage. General Manager Chaplen noted there were several options being looked at. District Engineer Rice explained the need for some records to have off-site storage and how housing the records at Technical Services would take away a public meeting room. He shared the history on the line item that had originated in his budget for fiscal year 2020. District Engineer Rice summarized the work to be done by staff with the ten thousand dollars and the cost savings to be found by not contracting with a third party.

District Engineer Rice detailed the four areas which are funded by the Capital Improvement Plan's (CIP) budget. He discussed the process of budgeting for projects many years in advance and overviewed how a project is placed on the CIP, detailing the importance and value of master plans. District Engineer Rice overviewed the Watershed Protection projects and the proposed Stormwater Master Plan. He summarized the proposed Wastewater projects and the upcoming Sanitary Master Plan. General Manager Chaplen clarified that there would be more projects upon the completion of the Sanitary Master Plan. District Engineer Rice confirmed and explained how each year would vary but that the bottom line and process would not fluctuate much. He overviewed the Vehicle Program and the cost savings found through the program. District Engineer Rice overviewed the Drinking Water projects including the Water Resiliency Plan due in 2021. He detailed the placeholder for projects to be identified upon the completion of the Water Master Plan.

Citizen Representative Weber asked if the budgeted costs related to the master plans was for consultants. District Engineer Rice confirmed. He noted the District's practice to use in-house skills whenever possible.

Citizen Representative Weber remarked that many of the projects seem to be necessary or have multiple benefits to the District. He asked which projects have undergone a cost-benefit analysis. District Engineer Rice overviewed the projects in which an analysis is completed. Plant Operations Manager Mendenhall mentioned the programs that pay the District for projects to be completed.

Citizen Representative Weber asked what the vehicle replacement schedule is based on. Field Operations Manager Knapp answered that the District's inventory is evaluated each year based on State guidelines of age, miles, and maintenance costs.

Citizen Representative Weigel asked about the secondary clarifier project, specifically if the primary clarifiers were previously rehabbed. District Engineer Rice stated the Plant does not have primary clarifiers. Citizen Representative Weigel asked why both clarifiers were being replaced in one year. District Engineer Rice explained the Plant has four clarifiers, two of which were new with the Plant.

Citizen Representative Healy stated the future year numbers all seemed to be in current dollars and as they are calculated in the financial software in future years, they would look different. District Engineer Rice confirmed that the numbers are revisited each year to take inflation into account. Director Knudson asked if there was an inflationary rate built into the financial rate model. Financial Consultant Moody confirmed the existence of a simple model.

Director Knudson asked if the Budget anticipated a one hundred percent completion rate of the funded projects. Financial Consultant Moody and District Engineer Rice confirmed. District Engineer Rice stated his goal is to complete every project. Director Knudson stated there was some inherent conservatism in the ultimate completion rate of District projects. District Engineer Rice confirmed the existence of contingencies and stated that it was better than requiring more supplemental budgeting.

Director Knudson asked if a regional decant facility has been discussed. District Engineer Rice explained various options open to the District and regional partners. Director Knudson asked when the facility would be planned for. District Engineer Rice stated a timeline was difficult to pinpoint, but that he would continue to have conversations with regional partners based on District site plans.

Director Knudson spoke about the importance of field crew data gathering and asked if they were assisting with the lateral repairs project and inventory planning. District Engineer Rice confirmed conversations with Field Operations Manager Knapp regarding the best way to accomplish the project and data gathering.

Director Knudson observed that the Water Resiliency Plan could identify areas of need and wanted the Budget Committee to understand that the estimate is best case due to required projects found in the Water Master Plan and the Water Resiliency Plan. District Engineer Rice agreed.

Director Keil compared the current fiscal year and proposed budget numbers for the Capital Fund noting the difference in ending balances. District Engineer Rice explained the year-end balance for fiscal year 2020 as a product of liquid reserves set aside for new building planning.

Director Keil asked what percentage of planned projects are completed and what percentage of capital funds are not utilized each year. District Engineer Rice stated that some projects are budgeted for knowing there is a chance it will not be completed in the fiscal year, which gives

the District the opportunity to budget and set rates accordingly. He noted the infrequency of the scenario as well as the Board's authority to approve or deny projects even after they have been budgeted for. District Engineer Rice stated the goal is to have a one hundred percent completion rate. Director Keil indicated the issue was about budgeting for more than what can be accomplished. District Engineer Rice explained the calendar that displays every project being completed and that while projects can be taken off the list, it does not indicate they do not need to be completed. Director Keil noted she is accustomed to a more robust asset management system to aid in prioritizing projects across the three service areas. District Engineer Rice noted the District does not have a Sanitary Master Plan to weigh assets against each other, but efforts are being made to get the District there. Field Operations Manager Knapp added that the new certification system will provide prioritization of the sewer system. District Engineer Rice noted the District's system is not sophisticated enough to compare the different service systems against each other. Director Gornick noted the estimated Capital Outlay fell well below what was budgeted for and asked if the funds were shuffled to the reserves. Financial Consultant Moody confirmed that in prior years the ending fund balance rolls into the beginning fund balance of the next year. Director Keil asked why all three funds exhibit this. District Engineer Rice reiterated the previous fiscal year's goal to give the District the most flexibility when buying new buildings or land.

Director Keil asked how large of a property is required for a decant facility and why the process would not be facilitated separately from a new administration building. District Engineer Rice agreed that many factors would need to be weighed. Director Keil asked that the next CIP have a Business Case to analyze cost benefits of projects. General Manager Chaplen agreed on the importance of having a complete analysis across the utilities and touched on the evolution of the decant project. District Engineer noted that the decant project is in the CIP, but not in the Proposed Budget for the coming fiscal year.

Director Van Loo asked what material the aeration basin baffle wall would be made of. Plant Operations Manager Mendenhall answered that it would most likely be a perforated fiberglass wall.

Director Van Loo asked if the blue van identified in the CIP was new. Field Operations Manager Knapp said it was not. District Engineer Rice clarified that the picture is of the vehicle to be replaced and discussed how vehicle replacement is assessed.

Chair Klum asked when any capital projects identified in the Water Resiliency Plan would need to be completed. District Engineer Rice explained that the document identifies the projects but that there is no requirement to complete them.

Chair Klum asked if the Pump Station 5 project would replace the generator. District Engineer Rice stated the goal of the program is to identify the needs of the pump stations and the generators would only be replaced if it was necessary. He explained various pump station issues and the goal to spend less over time. Plant Operations Manager Mendenhall added that due to their age, the pump stations do not meet confined space entry standards and the program's focus is on safety compliance.

Chair Klum asked if the Water Master Plan is completed. District Engineer Rice stated the final chapters are being reviewed. Chair Klum asked about the timeline for the Sanitary Master Plan. District Engineer Rice stated the Proposed Budget would allocate funds for the plan to be completed by June 2021.

Chair Klum commented regarding vehicle replacement, stating that years and mileage are not always reliable, but maintenance costs are usually a good indicator.

Director Van Loo asked how the budget would be impacted if there was no rate increase. Financial Consultant Moody explained how reserves would be utilized to control the increase of routine service costs. General Manager Chaplen added that deferred rate increases would cause higher rate increases in future years. Chair Klum noted that the proposed rate increase calculates to approximately twelve cents per day and asked if twelve cents was worth risking higher rates in future years. He believed more emphasis should be placed on relief for struggling individuals instead of cutting the rates. Director Williams stated agreement with Director Van Loo and suggested discussing a lesser rate increase of two percent. Director Gornick reviewed the rate increases for the previous fiscal years and noted that eight weeks ago he would have felt good about a 4.5 percent rate increase but is very concerned now. General Manager Chaplen overviewed the current government outlook on the economic issues being faced. She predicted that the economic event would be felt for much longer than one fiscal year. Director Knudson voiced concern over setting a dangerous precedent of using reserves or not supporting inflationary rate increases. He suggested making budgetary cuts but was reluctant to cut capital improvement projects due to the huge need. Director Knudson proposed the Budget Committee identify a target rate increase and give staff the ability to make the line item decisions on how to best achieve it.

Citizen Representative Gresen reported on utility rate and budgetary decisions being made by organizations within the same geographical area of the District. She asked for the District to consider a policy regarding low-income bracketing where there would be different rates for each income brackets.

Director Keil stated there are categories within the budget with clear increases, noting that there are some areas that can be cut. She explained her disinterest in the Budget Committee's involvement in deciding which lines should be reduced but stated Board Compensation should be cut in half.

Financial Consultant Moody explained how revenue is calculated based on a one percent rate increase. The Budget Committee deliberated a target rate increase and the budgetary decrease that would be required. Financial Consultant Moody outlined what direction would be needed from the Budget Committee and summarized the two available options: to reduce costs or to reduce reserves. The Budget Committee discussed not reducing capital improvement funds due to the District's need for the projects to be completed.

Citizen Representative Healy asked how the District could help customers in financial distress due to COVID-19 regardless of what rate is decided upon. He advocated for funding more customer assistance programs. Chair Klum agreed. General Manager Chaplen overviewed the

upcoming special meeting regarding a proposed Emergency Customer Assistance Program (ECAP).

The Budget Committee deliberated how staff could methodically reduce budget line items to lessen the proposed rate increase. Staff and the Budget Committee discussed the current funding for the District's Low-Income Program proposed ECAP.

Director Gornick offered setting the proposed rate increase at 2.5 percent. Director Knudson countered with three percent, stating 0.5 percent would be earmarked for the ECAP. Director Van Loo presented a two percent rate increase. Director Williams voices support of Director Knudson's proposal. Financial Consultant Moody suggested the Budget Committee make a motion.

Director Knudson moved to set the target revenue requirement of a net three percent aggregate rate increase across all three utilities with .5 percent earmarked for the ECAP. Financial Consultant Moody asked for clarification on whether the motion was a three percent rate increase for the customer across the services or a three percent increase for water and a three percent increase for wastewater. Director Knudson asked for the current proposed rate increase. Director Gornick stated there was no proposed increase to the surface water rate. Director Knudson stated his motion was for a three percent rate increase for the average residential customer. Director Van Loo asked what the proposed rate increase equated to in dollars. Financial Consultant Moody replied it would be \$4.88 per billing cycle, noting that is every two months for the average residential customer. Director Williams seconded. Chair Klum asked District Recorder Casey to conduct a roll call vote. Voting Aye: Citizen Representatives Klum, Gresen, Weber, Weigel, and Healy; and Directors Williams, Gornick, Knudson, and Keil. Voting Nay: Director Van Loo.

MOTION CARRIED

Citizen Representative Gresen suggested positive communication with customers regarding the Emergency Customer Assistance Program. Director Keil asked that the communication be very specific.

District Engineer Rice asked for clarification on where the Budget Committee was requesting staff make budget reductions. The Budget Committee outlined parameters on balancing reductions within the various funds. General Manager Chaplen noted savings to be found in future years by investing in opportunities like the Public Employees Retirement System side account.

The Budget Committee thanked staff for their flexibility during the Committee's deliberation.

4. Public Hearing

Chair Klum opened the hearing for public testimony.

Chair Klum asked District Recorder Casey if any written comments had been submitted. District

Recorder Casey confirmed there were none.

Chair Klum asked District Recorder Casey if there were any members of the public in attendance. District Recorder Casey confirmed there were none

Hearing no further testimony, Chair Klum closed the public hearing.

5. Committee Deliberation of Budget

Chair Klum restated the Budget Committee's previous deliberation.

It was decided a motion to approve the budget would need to wait until review of the revised budget at the next meeting. The budget approval process was discussed.

Director Knudson thanked the Budget Committee for their engagement and attention to detail. Director Keil directed the thanks to the citizen representatives of the Budget Committee.

6. Adjourn Regular Meeting

Chair Klum adjourned the meeting at 9:11 p.m.



**BUDGET COMMITTEE
[REMOTE] REGULAR MEETING MINUTES – 6:00 P.M.
MAY 5, 2020**

Budget Committee – Members Present via Zoom:

| | |
|----------------|------------------------|
| Kevin Williams | Board of Directors |
| Paul Gornick | Board of Directors |
| Mark Knudson | Board of Directors |
| Susan Keil | Board of Directors |
| Ginny Van Loo | Board of Directors |
| John Klum | Citizen Representative |
| Amanda Gresen | Citizen Representative |
| Robert Weber | Citizen Representative |
| Ron Weigel | Citizen Representative |
| Joseph Healy | Citizen Representative |

Oak Lodge Water Services Staff – Present via Zoom:

| | |
|----------------------|---------------------------------|
| Sarah Jo Chaplen | General Manager |
| Jason Rice | District Engineer |
| David Mendenhall | Plant Operations Manager |
| Aleah Binkowski-Burk | Human Resources/Payroll Manager |
| Todd Knapp | Field Operations Manager |
| Brad Lyon | Field Operations Supervisor |
| Laural Casey | District Recorder |

Visitors and Consultants – Present via Zoom:

| | |
|-----------|-----------------------|
| Rob Moody | Merina & Company, LLP |
|-----------|-----------------------|

1. Call to Order

Chair Klum called the meeting to order at 6:04 p.m.

2. Meeting Facilitation Protocols

General Manager Chaplen welcomed everyone and asked District Recorder Casey to facilitate a roll call. District Recorder Casey facilitated the roll call of Budget Committee members, staff, and consultants.

General Manager Chaplen overviewed the general protocols of a virtual meeting due to the COVID-19 pandemic.

3. Presentation of the Revised Proposed Budget for FY 2021

Financial Consultant Moody outlined the adjustments to the Proposed Budget for FY 2021 as a result of the rates approved by the Budget Committee on April 30, 2020.

Citizen Representative Weber asked if the seventy thousand dollars for the Emergency Customer Assistance Program was placed in the Administrative Contracted Services fund. Financial Consultant Moody confirmed.

Citizen Representative Weber asked about the one hundred and fifty-thousand-dollar reduction in the Wastewater Reclamation Capital fund. Financial Consultant Moody and District Engineer Rice confirmed a clerical error in the number.

Citizen Representative Weber moved to return the Capital Improvement projects under the Wastewater Reclamation Capital fund back to \$2,330,000. Director Van Loo seconded. Chair Klum asked District Recorder Casey to conduct a roll call vote. Voting Aye: Citizen Representatives Klum, Gresen, Weber, Weigel, and Healy; and Directors Williams, Gornick, Knudson, Keil, and Van Loo.

MOTION CARRIED

Director Knudson noted that the bottom line of the fund had stayed the same. Financial Consultant Moody confirmed the formula issue that would be resolved.

Financial Consultant Moody stated that the movement to approve the budget would need to be made to include amendments.

Director Gornick asked to confirm the columns within the budget document under the Wastewater and Water funds included the changes and not the totals. Financial Consultant Moody confirmed.

Director Knudson asked to confirm the bulk of the adjustments made to the budget during revision were to system maintenance. Financial Consultant Moody confirmed.

Director Keil asked what specific line items were cut from Wastewater Materials and Services. Financial Consultant Moody explained the reductions to Administrative Services, System Maintenance, and Contracted Services.

Director Van Loo asked about the added election costs in the Human Resources budget. Financial Consultant Moody explained it was a previous oversight of an amount due to the County for the May 2021 election process.

Chair Klum asked about the five-thousand-dollar reduction in Temp Services. General Manager Chaplen answered that the reduction was made in the Field Operations fund normally used for extra help and succession planning.

Chair Klum asked what the total dollar amount was for all adjustments made. Financial Consultant Moody confirmed the total deduction of \$192,500.

4. Additional Public Hearing

Chair Klum asked District Recorder Casey if any written comments had been submitted. District Recorder Casey stated there were none.

Chair Klum asked District Recorder Casey if there were any members of the public in attendance. District Recorder Casey confirmed that there was one.

Neil Schulman representing the North Clackamas Watersheds Council expressed support of the proposed budget with continued support of community projects during the unprecedented time. Mr. Schulman was pleased to see the Stormwater Master Plan moving forward and thanked the Committee for support of those who are having financial difficulties due to COVID-19.

5. Committee Deliberation of Budget

Director Williams thanked the Citizen Representatives of the Budget Committee for the effort put into the budget. Director Gornick seconded the appreciation of the Citizen Representatives noting that every Budget Committee member reviewed the details of the budget. Director Knudson thanked the entire Budget Committee and District staff, specifically General Manager Chaplen and Financial Consultant Moody, for presenting a thoughtful budget and the added challenge of requested reductions. Director Keil agreed that the Budget Committee has been a seamless team working with the staff and stated appreciation for the proactive approach to the budget. Director Van Loo thanked everyone for the cooperative effort. Secretary/Vice Chair Gresen thanked the staff for their time to deliver a final product. Citizen Representative Weber thanked the Board for the opportunity to participate on the Budget Committee for the first time and to the staff for balancing the numbers. Citizen Representative Weigel stated appreciation for the opportunity to serve on the Committee and looked forward to watching District Engineer Rice complete capital improvements. As a new community member, Citizen Representative Healy thanked the Board for the ability to serve on the Committee. He also thanked District Recorder Casey for maintaining order during the meetings. Chair Klum thanked staff for producing a thorough budget and for revisions even when there were no easy cuts to be made.

Chair Klum invited a motion. Director Gornick moved to approve the proposed budget for fiscal year 2020/2021 with the amendment previously passed regarding the clerical error in the Wastewater Capital Fund. Director Keil seconded. Chair Klum asked District Recorder Casey to conduct a roll call vote. Voting Aye: Citizen Representatives Klum, Gresen, Weber, Weigel, and Healy; and Directors Williams, Gornick, Knudson, Keil, and Van Loo.

MOTION CARRIED

Chair Klum asked what the next steps in the budget process would be. General Manager Chaplen outlined the public hearing and Board adoption of the budget on May 19, 2020 followed by a public hearing and Board adoption of the District rates and fees on June 16, 2020.

Chair Klum asked about the ratepayer communication regarding the public hearing. General Manager Chaplen confirmed that all ratepayers would receive a postcard regarding the public hearing in June.

Director Keil asked if the Emergency Customer Assistance Program would be defined by the public hearing. General Manager Chaplen confirmed that the Board of Directors would be discussing the program during the special meeting at 9 a.m. on May 6, 2020.

6. Adjourn Regular Meeting

Chair Klum adjourned the meeting at 6:45 p.m.



Proposed Budget

2021-2022



14496 SE River Road, Oak Grove, Oregon 97267
(503) 654-7765
@OakLodgeWater
oaklodgewaterservices.org



About the District

The Oak Lodge Water Services District (District) is committed to creating a clean water environment and a healthy community. The District provides reliable drinking water, sanitary sewer, and watershed protection services to nearly 29,000 people in Oak Grove, Jennings Lodge, and portions of Milwaukie and Gladstone.

Drinking Water Services

The District provides customers safe, reliable drinking water from the Clackamas River. Customer rates fund essential services, including purchasing clean water and maintaining daily operations, and investments in infrastructure.

Sanitary Sewer Services

The District collects wastewater from homes and businesses so the water can be cleaned and safely returned to the Willamette River. Customer rates fund essential services, including wastewater treatment, maintaining daily operation, and investments in treatment plant and infrastructure.

Watershed Protection Services

The District helps protect the environment by monitoring water quality in local waterways and helping to keep the Clackamas County-owned stormwater system clean. Customer rates fund watershed protection activities necessary to comply with state and federal water quality permit requirements.

Boardman Wetlands

The new park and trail in Jennings Lodge was completed in 2020 and is featured on the cover page of the Budget. This 5.8-acre nature park and restored wetlands features a play area, a scenic boardwalk trail loop, and outdoor educational areas. This was a result of a partnership between the District and the North Clackamas Parks & Recreation District. The park provides recreational activities for all ages, opportunities to connect with nature, and access to observe the diverse ecology of wetland habitats.



**FISCAL YEAR 2021-2022
PROPOSED BUDGET**

BUDGET COMMITTEE

APPOINTED OFFICIALS

Ann-Marie Cordova, Position 1

Amanda Gresen, Position 2

Robert Weber, Position 3

Ron Weigel, Position 4

Jim Martin, Position 5

ELECTED BOARD OF DIRECTORS

Paul Gornick, President

Ginny Van Loo, Vice President/Secretary

Mark Knudson, Treasurer

Susan Keil, Director

Kevin Williams, Director

BUDGET OFFICER

Gail Stevens, Finance Director



**FISCAL YEAR 2021-2022
PROPOSED BUDGET**

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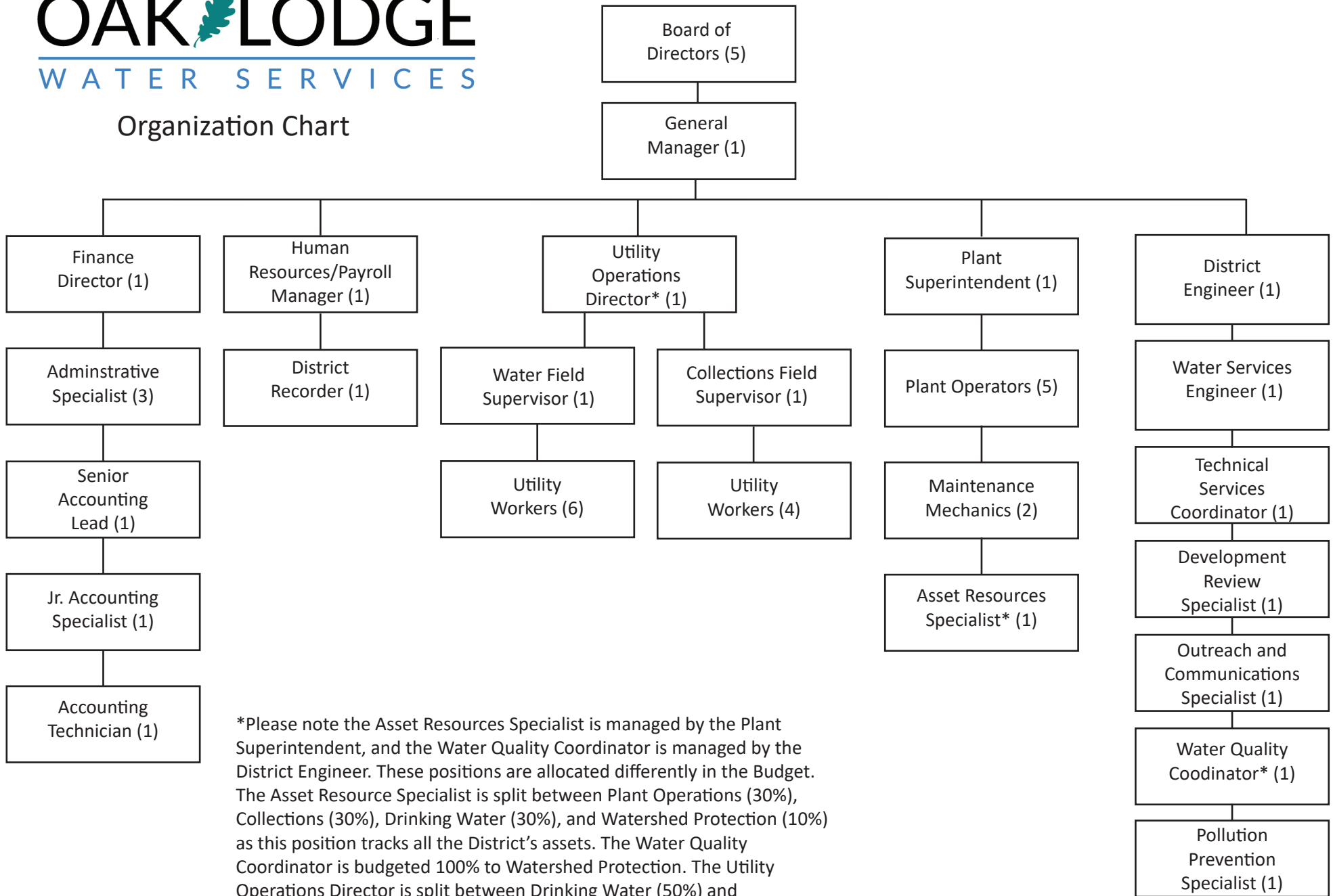


2021/2022 FISCAL YEAR BUDGET CALENDAR

| | |
|--------------------------|--|
| Tuesday, April 13, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Orientation• Budget Message• Administrative Tasks |
| Thursday, April 15, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Presentation of Budget |
| Thursday, April 22, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Presentation of Capital Improvement Plan |
| Tuesday, April 27, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Public Hearing & Committee Deliberation |
| Thursday, April 29, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Committee Deliberation |
| Tuesday, May 4, 2021 | Budget Committee Meeting <ul style="list-style-type: none">• Committee Deliberation (as needed) |
| Tuesday, May 18, 2021 | Regular Board of Directors Meeting <ul style="list-style-type: none">• Budget Adoption |

To mitigate the spread of COVID-19, all meetings will be held remotely beginning at 6:00 p.m. unless otherwise stated.

Organization Chart



*Please note the Asset Resources Specialist is managed by the Plant Superintendent, and the Water Quality Coordinator is managed by the District Engineer. These positions are allocated differently in the Budget. The Asset Resource Specialist is split between Plant Operations (30%), Collections (30%), Drinking Water (30%), and Watershed Protection (10%) as this position tracks all the District's assets. The Water Quality Coordinator is budgeted 100% to Watershed Protection. The Utility Operations Director is split between Drinking Water (50%) and Collections (50%).



BUDGET MESSAGE

Members of the Oak Lodge Water Services District Board, Citizen Members of the Budget Committee, and Residents of our District---submitted for your information is the 2021-2022 Budget. The following pages highlight aspects of the District's Budget based on the current status and as influenced by prior periods as well as our vision of the coming year and beyond.

STATE OF THE STATE

Four times a year (in March, June, September, and December) the Oregon Economic and Revenue Forecast is released. The Oregon economic forecast is published by the Department of Administrative Services to provide information to planners and policy makers in state agencies and private organizations for use in their decision-making processes. It is the basis for much of the budgeting in Oregon state government. In the March 2021 Oregon Economic and Revenue Forecast Report, it states on page one:

"The economy is emerging from a dark winter. The resurgent virus of a few months ago is in full retreat. The outlook brightens with every inoculation. The stage is set for stronger economic growth this year and next than the U.S. has experienced in decades, possibly generations. The combination of increased vaccinations, large and swift federal policy responses, and a more resilient underlying economy, results in a cycle unlike anything experienced before.

Most encouraging is that the amount of economic scarring to date in terms of business closures and permanent layoffs is much better than first feared. Total personal income is higher today than it was prior to the pandemic, despite Oregon having 160,000 fewer jobs. Households, particularly those in the middle and upper parts of the income distribution have built up considerable amounts of savings. As the pandemic continues to wane, pent-up demand will be unleashed, fueling growth in the months ahead. The shift in spending out of physical goods and back into labor-intensive, in-person consumer services will raise employment significantly. While the labor market remains in a deep hole today, a bit more than half of those lost jobs will be regained this year. The rest will be regained next year. Oregon's economy will return to full employment by early 2023, or 6-9 months sooner than expected in previous forecasts.

Although many are suffering, aggregate income has risen sharply during the recession. As an income tax state, Oregon's primary revenue instruments have followed suit. The General Fund revenue outlook has brightened accordingly. Immediately following the start of the pandemic, the revenue outlook was revised down by around \$2 billion. As of the current forecast, this hole has completely been filled. The new outlook calls for a bit more revenue than was expected before the recession began.

Many factors are playing into the unexpectedly strong revenue collections, but two reasons stand out. First, the unprecedented amount of federal aid has translated into around \$1.5 billion in additional tax liability. Second, unlike previous recessions, asset markets have continued to gain value and corporate income has held steady.”

STATE OF THE DISTRICT

The past year has been unique in terms of the sheer number of different natural disasters experienced by the District and the District’s customers. There has been plague, fire, high winds, storms, and ice leading to more people working from home, unhealthy levels of smoke, downed trees, electrical outages, and high-water issues. Throughout them all Oak Lodge Water Services District (OLWSD) continued to deliver services day in, day out meeting the District Commitments:

Our Commitments

-  Protect public health
-  Provide excellent customer service
-  Make smart investments and keep rates affordable
-  Keep our streams and rivers clean

The District is positioned to address any further challenges head on in the coming year and take full advantage of opportunities for customers, team members, and the community. The proposed budget for fiscal year 2021-22 is an illustration of that position and the District’s commitment to success.

Since the beginning, the District has implemented the Board of Director’s goals and adjusted to priorities dictated by changes in the business environment and the local and national economies. The District provides a high level of service to customers in the form of water quality, reliable wastewater collection and treatment, watershed protection, and exceptional customer service. While faced with the recent and unprecedented reality of COVID-19, the District has continued to meet the needs and wants of customers and protect District team members. The District would not have been able to continue to deliver services in the midst of the variety of natural disasters without the flexibility and

creativity of each one of the District's team members and the historical investments made to strengthen the resiliency of the utility infrastructure owned by the District's customers. It is this pattern of thoughtful, comprehensive planning and prudent investment by the Budget Committee and the Board which will position the District in good stead for a future of continued reliable service delivery as desired and expected by District customers.

THE 2021-2022 BUDGET

The 2021-22 Budget reflects the current policy direction of the District's Board of Directors. That direction is clear in providing high-quality, reliable service at a reasonable cost to rate payers. The Budget reflects a stable level of service in the coming fiscal year without significant changes in operations. The District's capital plans and initiatives drive spending in each of the next few years (see the Capital Improvement Plan section of the Budget) as the District continues to address the needs of an aging collections and distribution infrastructure. Personnel services and materials and services costs are experiencing modest increases due to the impact of COVID-19 on the supply chain and cost-of-living adjustment (COLA) increases approved as part of the current collective bargaining agreement.

The Budget is a comprehensive document containing detailed revenues and expenditures for all funds operated by the District. The operating and capital budgets contained within this document have been prepared in accordance with Oregon Local Budget Law, per Oregon Revised Statutes (ORS) 294.305 to 294.565, the State Rules for (ORS) Chapter 264 Water Districts, (ORS) Chapter 450 Sanitary Districts, and (ORS) Chapter 198 Special Districts. The Budget represents a prudent and fiscally responsible financial plan for District operations and capital improvements during the next fiscal year and establishes a base for several years beyond.

SUMMARY OVERVIEW

This Budget has had extensive analysis and scrutiny and will continue to position the District as a solid, forward-thinking, fiscally responsible organization in service to District customers. The following summary highlights specific items contained in the 2021-2022 budget, and estimated effects on rates.

Financial Policies

The District's suite of financial policies approved by the Board have been applied to the 2021-22 budget. The District places emphasis on maintenance of appropriate fund balances and reserves in operating funds (Administrative Services, Drinking Water, Wastewater, and Watershed Protection Funds). Operating funds have budgeted contingencies for unexpected and unknown items, as well as transfers to cover debt service, and to capital funds for current and future construction, major maintenance, or replacement of infrastructure. While the District does not budget for full cost recovery related to depreciation of District assets, the Budget has provided for consideration of vehicles and equipment replacement in future years.

When considering the overall resources of the District, fund balances and reserves combine to provide one leg of a three-legged approach, with the other two legs being rates and financing. When managed together, they provide a stable strategy for operations and the acquisition and replacement of capital assets. The District is now actively working toward managing of fund balances and reserves to provide a smoothing of rate impacts for customers and a proactive, thoughtful approach to managing the District's systems.

Personnel Services Estimates

The District completed negotiations with the AFSCME bargaining unit representing the administrative and operations team members and a new three-year contract began July 1, 2020. The budget for the 2021-22 fiscal year does reflect the COLAs for both last year at 2.2% and 1.4% this year, which was not included in the prior year's costs.

The rates identified in this budget for the Public Employees Retirement System (PERS) are lower than anticipated. During the 2019-20 and 2020-21 fiscal years the District made a lump sum contribution of \$300,000 and \$552,000 respectively to "buy down" unfunded actuarial liability. The 2021-22 Budget includes an additional \$550,000 contribution to PERS for the same purpose. To date with these contributions the District has offset increases of PERS rates by a combination of two reductions, 0.72% and 1.29%, equally applied to Tier 1, Tier 2 and OPSRP rates. Continued contributions is a key strategy and is in the best financial interest of the District over the long run.

Consolidation of Buildings

The District's fiscal year 2021-22 budget defers consolidation of the District's facilities. If opportunities present which might be explored, discussion will be raised with the Facilities Sub-Committee and the Board of Directors.

Capital Planning

The fiscal year 2021-22 budget continues with a long-term capital plan for each of the water, wastewater, and watershed protection utilities. The Water System Master Plan was completed in the fall of 2020 and has provided for the anticipated level of capital necessary to meet that plan's requirements. The District began work on the Sanitary System Master Plan in the 2020-2021 fiscal year. That work will update capital plans in the wastewater collections system and plant and is anticipated to be completed by June 30, 2022. The fiscal year 2021-22 Budget includes funding for capital projects related to projects identified in the Water System Master Plan, the wastewater collections system and treatment plant, pending completion of master planning, and for watershed protection infrastructure. Details of these projects can be found in the Capital Improvement Plan section of this Budget.

Capital expenditures are made from the capital funds. Resources to the capital funds are in the form of transfers from the respective operating funds (i.e., Drinking Water Fund to Water Capital Fund). Transfers are in turn funded through rates. Looking forward in the

capital plans of the District, there may be opportunities to employ other financing strategies in the form of debt financing or partnerships with other governmental entities to accomplish specific capital projects.

Rate Impacts

Each of the items discussed above and typical inflationary increases result in proposed rate increases in all three utilities. The Management Team has been meeting over the last several weeks to submit to the Budget Committee a complete, fiscally prudent, and accurate Budget. As mentioned previously, this budget reflects priorities in accordance with the goals of the Board of Directors.

Stable, predictable rates are preferred by customers and promote the growth of the local economy. The fiscal year 2021-22 Budget incorporates anticipated rate increases in the three operating funds:

- Drinking Water with a 3.0% increase, an average of \$1.57 per two-month billing cycle;
- Wastewater with a 3.0% increase, an average of \$2.02 per two-month billing cycle; and
- Watershed Protection with a 2.5% increase, an average of \$0.48 per two-month billing cycle.

For illustration purposes, the District identifies an “average residential customer” as a single-family residence with a 5/8-inch meter and average water consumption for a two-month billing period of twelve (12) CCF. As a result of the proposed rates, the average estimated two-month bill for this average residential customer will increase a total of 3% or \$5.25 to \$182.53 from the current \$177.28.

BUDGET ASSUMPTIONS

The 2021-2022 adopted Budget incorporates the following assumptions:

Revenue Assumptions

- Increase in rates for Water, Wastewater and Watershed utilities.
- Maintained conservative base units for revenue forecasting.
- Non-payment of bills by customers at 2% (based on history).

Expenditure Assumptions

- 3% inflationary increase in materials and services.
- Medical and Dental estimates an increase in rates of 10.5%.
- PERS employer contribution rate for fiscal 2021-22 is lower than anticipated due to the continued contribution to PERS Side Accounts.
- Step increases for eligible employees.
- Prior year’s 2.2% and current year’s 1.4% cost of living (COLA) adjustment.
- Continued funding of customer assistance programs.

Overall Strategies for the 2021-2022 Budget and Beyond

- Continue to manage rates in the context of stable operations and planned infrastructure maintenance and replacement.
- Continue to maintain prudent fund balances and reserves.
- Complete master plan for wastewater utility.

CONCLUDING THOUGHTS

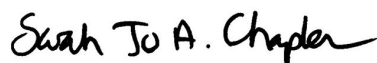
The District's financial status is strong and is projected to continue along this path as the District continues the focus on long-range planning and building a strong asset management program for all the infrastructure and equipment needed to deliver services. It is anticipated the Sanitary Sewer Master Plan will be completed by June 30, 2022.

The District's services are delivered 24 hours a day. The District strives to do this with an emphasis on cost-effective operations balancing both the near and far term maintenance, replacement, redundancy, and expansion needs of the utility infrastructure owned by all the District's customers.

ACKNOWLEDGEMENTS

This Budget was developed by the District's Management Team with assistance from District staff. The members of the Management Team come from various backgrounds and perspectives to represent the interests of the District. We want to acknowledge their hard-work, efforts, and engagement and extend the District's appreciation. We also want to thank the Board and the Budget Committee for their work in ensuring the District's Budget addresses what is needed for service delivery to customers now and into the future.

Like other local governments, the District will need to continue to be nimble, able to respond to changes resulting from the pandemic for our customers or changing requirements from State or Federal regulators. The District needs to be able to consistently deliver services - services that are key to our customers' health, every day without any interruption. Customers depend upon the District. We hereby respectfully submit the OLWSD District Proposed Budget for Fiscal Year 2021-2022.



Sarah Jo Chaplen
General Manager



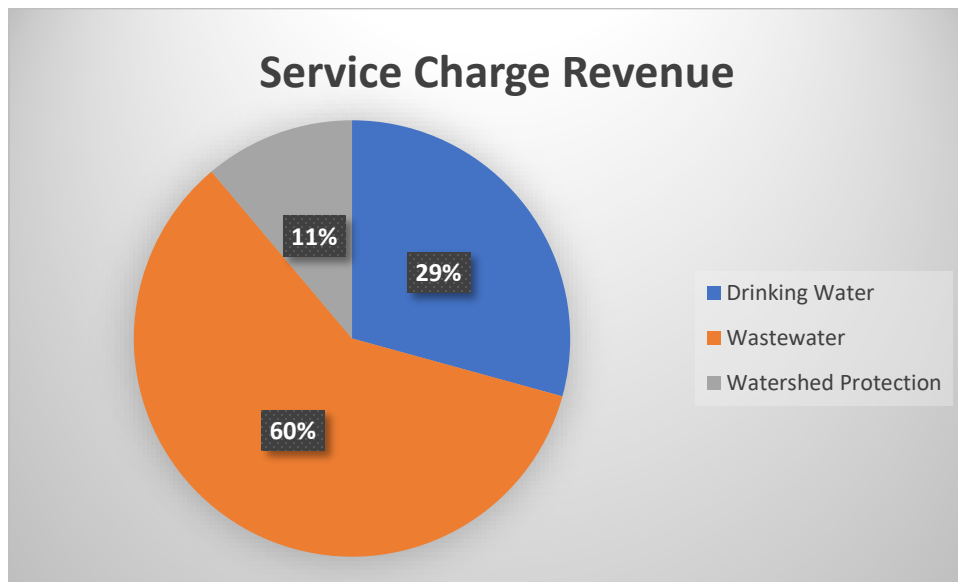
Gail Stevens
Finance Director and Budget Officer

SUMMARY BUDGET HIGHLIGHTS

The fiscal year 2021-22 budget for the District totals \$40.6 million (total resources and total uses) and can be summarized as follows: \$5.5 million for Administrative Services, \$5.5 million for Drinking Water, \$10.1 million for Wastewater, \$2.3 million for Watershed Protection, \$4.6 million for Debt Service, and \$12.6 million in capital.

Resources

Service charges revenue is the primary resource to each of the operating funds. Service charges combine with interest income, system development charges (SDC), other miscellaneous revenues, and beginning fund balance in each of the funds to comprise total resources. Revenue from service charges across the operating funds (Drinking Water Fund, Wastewater Reclamation Fund and Watershed Protection Fund) is illustrated in the chart below:



Resources within each fund support the operations and capital requirements associated with each utility's respective functions. Personnel services and materials and services are accounted for within each operating fund. Support services, debt requirements, and capital costs are budgeted and recorded in separate funds to which each operating fund makes transfers.

Fees are set in June each year with a July 1 effective date. Fees are set based on estimated requirements for each fund as a whole and in consideration of future operations and capital plans as projected.

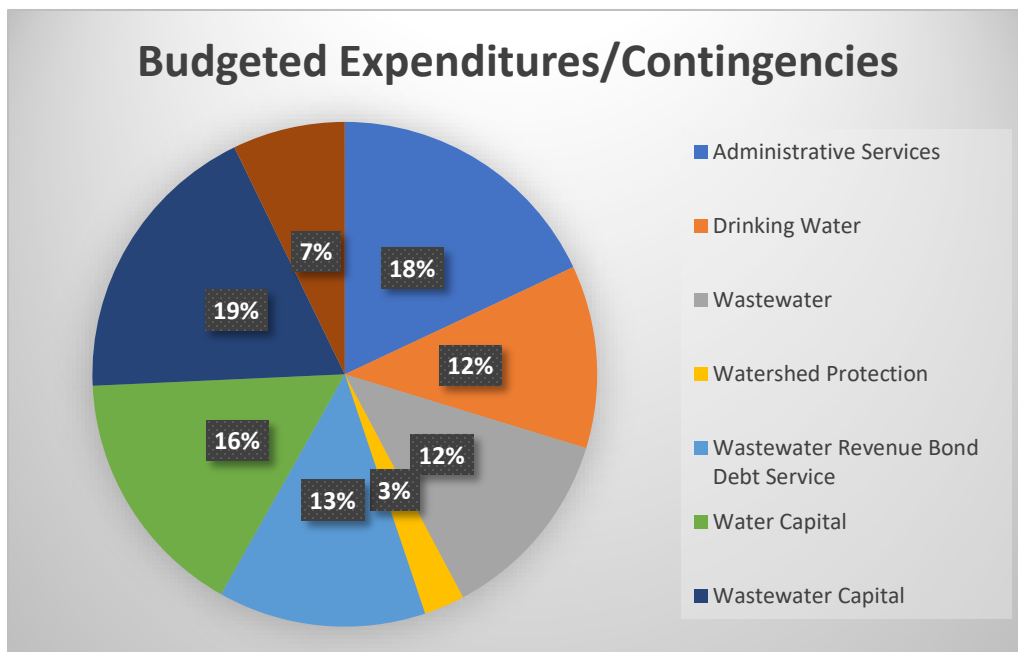
The fiscal year 2021-22 budget anticipates a nominal rate increase in the Drinking Water, Wastewater Reclamation Funds, and Watershed Protection of 3.0, 3.0 and 2.5%,

respectively. The resulting increase in the average, residential bimonthly bill is estimated at \$5.25, an increase of 3% in the overall bill when compared to fiscal year 2020-21.

Uses

Operating expenditures are budgeted by division within the Administrative Services Fund, and by category within each of the other funds. Personnel services and capital make up the majority of budgeted expenditures of the District for fiscal year 2021-22. Personnel services comprise 17.8% of the District’s budgeted expenditures (excluding transfers) and capital spending makes up another 21.4%. The remaining budgeted requirements of the District include materials and services at 17.5%, debt service at 12.2%, special payments to PERS at 1.8%, and contingencies and reserves at 29.3%.

The chart below illustrates total expenditures (excluding transfers) by fund. Transfers among funds are excluded so as not to distort actual expenditures to parties outside of the District.



Personnel Services

The District budget includes 39 full-time regular (FTE) positions, this is an increase of 2 FTE over prior year. Benefit costs reflect increases in health insurance and quoted rates from providers. Employee insurance rates, which includes medical, dental, life, short-term disability, and long-term disability reflect a 10.5% increase.

PERS contributions are the other largest component of employee benefits. PERS rates on a biennial basis, and the scheduled rates for Fiscal Years 2021-22 and 2022-23 were set at 23.18% for Tier 1 and 2 members, and 19.21% for OPSRP members. The District

has contributed \$300,000 in fiscal year 2019-20 and \$552,000 in fiscal year 2020-21. These contributions have resulted in rates of 21.89% for Tier 1 and 2 members, and 17.92% for OPSRP members. Currently, 21% of District payroll is Tier 1 and 2, and 79% is OPSRP.

Materials and Services

This category represents operational expenditures for goods and services supporting the District. Legal, audit and accounting, and other contractual services are budgeted within this category, as are utilities, repairs and maintenance, and supplies. The increases budgeted for fiscal year 2021-22 result primarily from stepping up maintenance efforts related to the water and wastewater systems and anticipated inflationary increases in goods and services costs from vendors.

Capital Expenditures

A consistent and thoughtful approach to asset management, major maintenance, and replacement allows the District to proactively plan and project significant cost items, and plan resources to avoid volatile rate impacts to our customers. Maintenance of capital reserves is one component of the District's strategies for funding capital needs: the others being rates and debt financing. Separate capital funds are established to account for capital expenditures and ensure funding for future needs. Transfers from the operating fund provides resources to the capital funds and is complemented by interest earnings.

The fiscal year 2021-22 budget provides for capital spending in the Drinking Water Capital Fund of \$3.2 million, the Wastewater Reclamation Capital Fund of \$2.8 million, and the Watershed Protection Capital Fund of \$450 thousand. Each of the capital funds budgets for contingency to allow for flexibility in management of planned projects, funding for future year capital plans, and consideration for future replacement of equipment and vehicles.

**OAK LODGE WATER SERVICES DISTRICT
RESOURCES SUMMARY – BY PROGRAM
FISCAL YEAR 2021-2022**

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | Fund | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|-----------------|-----------------|------------------------|-------------------|-------------------|------------------|
| Administrative Services | | | | | | |
| \$ - | \$ - | \$ 335,000 | Fund Balance | \$ 978,000 | \$ - | \$ - |
| \$ - | \$ 30,199 | \$ 1,000 | Other revenue | \$ 61,400 | \$ - | \$ - |
| \$ - | \$ 1,444,000 | \$ 1,908,000 | Transfer In - Fund 10 | \$ 1,500,000 | \$ - | \$ - |
| \$ - | \$ 2,028,000 | \$ 2,026,000 | Transfer In - Fund 20 | \$ 1,899,000 | \$ - | \$ - |
| \$ - | \$ 1,029,000 | \$ 635,000 | Transfer In - Fund 30 | \$ 1,008,000 | \$ - | \$ - |
| \$ - | \$ 4,531,199 | \$ 4,905,000 | Total | \$ 5,446,400 | \$ - | \$ - |
| Drinking Water | | | | | | |
| \$ 3,632,780 | \$ 2,430,387 | \$ 1,527,000 | Fund Balance | \$ 1,086,000 | \$ - | \$ - |
| \$ 3,877,075 | \$ 3,945,069 | \$ 4,038,000 | Water Sales | \$ 4,159,000 | \$ - | \$ - |
| \$ 399,785 | \$ 412,360 | \$ 100,000 | SDCs | \$ - | \$ - | \$ - |
| \$ 328,790 | \$ 386,228 | \$ 348,000 | Leases & Other | \$ 292,000 | \$ - | \$ - |
| \$ 8,238,430 | \$ 7,174,043 | \$ 6,013,000 | Total | \$ 5,537,000 | \$ - | \$ - |
| Wastewater Reclamation | | | | | | |
| \$ 5,393,413 | \$ 1,315,555 | \$ 1,842,000 | Fund Balance | \$ 834,900 | \$ - | \$ - |
| \$ 7,656,925 | \$ 8,199,915 | \$ 8,270,000 | Wastewater Charges | \$ 8,466,000 | \$ - | \$ - |
| \$ 315,502 | \$ 592,263 | \$ 125,000 | SDCs | \$ 125,000 | \$ - | \$ - |
| \$ 110,343 | \$ 60,281 | \$ 40,000 | Other revenue | \$ 40,000 | \$ - | \$ - |
| \$ - | \$ - | \$ - | Transfer In - Fund 40 | \$ 623,800 | \$ - | \$ - |
| \$ 13,476,183 | \$ 10,168,013 | \$ 10,277,000 | Total | \$ 10,089,700 | \$ - | \$ - |
| Watershed Protection | | | | | | |
| \$ 2,999,484 | \$ 465,068 | \$ 410,000 | Fund Balance | \$ 659,000 | \$ - | \$ - |
| \$ 1,470,770 | \$ 1,554,434 | \$ 1,548,000 | Watershed Charges | \$ 1,582,000 | \$ - | \$ - |
| \$ 420,024 | \$ 54,053 | \$ 28,000 | Other Revenue | \$ 29,000 | \$ - | \$ - |
| \$ 4,890,278 | \$ 2,073,555 | \$ 1,986,000 | Total | \$ 2,270,000 | \$ - | \$ - |
| Wastewater GO Debt Service | | | | | | |
| \$ 783,053 | \$ 660,960 | \$ 333,000 | Fund Balance | \$ 623,800 | \$ - | \$ - |
| \$ 26,552 | \$ 15,006 | \$ 7,000 | Interest Revenue | \$ - | \$ - | \$ - |
| \$ 122,729 | \$ 117,300 | \$ 111,000 | Interest Subsidy | \$ - | \$ - | \$ - |
| \$ 1,548,123 | \$ 1,350,500 | \$ 812,000 | Transfers In | \$ - | \$ - | \$ - |
| \$ 2,480,457 | \$ 2,143,766 | \$ 1,263,000 | Total | \$ 623,800 | \$ - | \$ - |
| Wastewater Revenue Bond Debt Service | | | | | | |
| \$ 1,215,131 | \$ 1,374,167 | \$ 682,000 | Fund Balance | \$ 587,000 | \$ - | \$ - |
| \$ 29,991 | \$ 16,738 | \$ 16,084 | Interest Revenue | \$ 6,000 | \$ - | \$ - |
| \$ 1,755,812 | \$ 1,100,000 | \$ 2,871,000 | Transfers In | \$ 3,412,000 | \$ - | \$ - |
| \$ 3,000,934 | \$ 2,490,905 | \$ 3,569,084 | Total | \$ 4,005,000 | \$ - | \$ - |
| Water Capital | | | | | | |
| \$ - | \$ 3,236,048 | \$ 3,942,000 | Fund Balance | \$ 4,135,000 | \$ - | \$ - |
| \$ - | \$ - | \$ - | SDCs | \$ 200,000 | \$ - | \$ - |
| \$ 1,394,267 | \$ 94,115 | \$ 50,000 | Other | \$ 40,000 | \$ - | \$ - |
| \$ 2,700,000 | \$ 1,675,000 | \$ 500,000 | Transfers In | \$ 500,000 | \$ - | \$ - |
| \$ 4,094,267 | \$ 5,005,163 | \$ 4,492,000 | Total | \$ 4,875,000 | \$ - | \$ - |
| Wastewater Capital | | | | | | |
| \$ - | \$ 4,220,098 | \$ 4,605,000 | Fund Balance | \$ 4,535,000 | \$ - | \$ - |
| \$ 489,125 | \$ 444,672 | \$ 75,000 | Other Revenue | \$ 50,000 | \$ - | \$ - |
| \$ 5,000,000 | \$ 1,300,000 | \$ 1,000,000 | Transfers In | \$ 1,000,000 | \$ - | \$ - |
| \$ 5,489,125 | \$ 5,964,770 | \$ 5,680,000 | Total | \$ 5,585,000 | \$ - | \$ - |
| Watershed Protection Capital | | | | | | |
| \$ - | \$ 1,816,320 | \$ 1,481,000 | Fund Balance | \$ 1,687,000 | \$ - | \$ - |
| \$ 252,675 | \$ 36,387 | \$ 40,000 | Other Revenue | \$ 15,000 | \$ - | \$ - |
| \$ 3,537,000 | \$ 430,000 | \$ 500,000 | Transfers In | \$ 480,000 | \$ - | \$ - |
| \$ 3,789,675 | \$ 2,282,707 | \$ 2,021,000 | Total | \$ 2,182,000 | \$ - | \$ - |
| \$ 45,459,349 | \$ 41,834,121 | \$ 40,206,084 | TOTAL RESOURCES | \$ 40,613,900 | \$ - | \$ - |

**OAK LODGE WATER SERVICES DISTRICT
REQUIREMENTS SUMMARY – BY PROGRAM
FISCAL YEAR 2021-2022**

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | Fund | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|----------------------|----------------------|--------------------------------|----------------------|-------------------|------------------|
| Administrative Services | | | | | | |
| \$ - | \$ 1,764,417 | \$ 2,032,500 | Personnel Services | \$ 2,293,000 | \$ - | \$ - |
| - | 1,868,080 | 2,252,000 | Materials & Services | 2,267,000 | - | - |
| - | - | - | Capital Outlay | 35,000 | - | - |
| - | 300,000 | 552,000 | Special Payments | 550,000 | - | - |
| - | - | 68,500 | Contingency | 301,400 | - | - |
| - | 598,702 | - | Unappropriated fund balance | - | - | - |
| <u>\$ -</u> | <u>\$ 4,531,199</u> | <u>\$ 4,905,000</u> | Total | <u>\$ 5,446,400</u> | <u>\$ -</u> | <u>\$ -</u> |
| Drinking Water | | | | | | |
| \$ 1,262,739 | \$ 920,587 | \$ 1,037,500 | Personnel Services | \$ 1,047,000 | \$ - | \$ - |
| 1,845,303 | 1,420,733 | 1,443,500 | Materials & Services | 1,567,000 | - | - |
| - | 209,522 | 209,801 | Debt Service | 209,000 | - | - |
| 2,700,000 | 3,119,000 | 2,408,000 | Transfers | 2,000,000 | - | - |
| - | - | 914,199 | Contingency | 714,000 | - | - |
| 2,430,388 | 1,504,201 | - | Unappropriated fund balance | - | - | - |
| <u>\$ 8,238,430</u> | <u>\$ 7,174,043</u> | <u>\$ 6,013,000</u> | Total | <u>\$ 5,537,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Wastewater | | | | | | |
| <i>Treatment</i> | | | | | | |
| \$ 1,362,672 | \$ 1,006,597 | \$ 1,078,000 | Personnel Services | \$ 1,140,000 | \$ - | \$ - |
| 1,194,605 | 804,996 | 936,000 | Materials & Services | 1,040,900 | - | - |
| <i>Collections</i> | | | | | | |
| 986,601 | 692,756 | 702,500 | Personnel Services | 737,000 | - | - |
| 312,815 | 77,912 | 110,000 | Materials & Services | 105,500 | - | - |
| 8,303,935 | 5,778,500 | 6,709,000 | Transfers | 6,311,000 | - | - |
| - | - | 741,500 | Contingency | 755,300 | - | - |
| 1,315,555 | 1,807,252 | - | Unappropriated fund balance | - | - | - |
| <u>\$ 13,476,183</u> | <u>\$ 10,168,013</u> | <u>\$ 10,277,000</u> | Total | <u>\$ 10,089,700</u> | <u>\$ -</u> | <u>\$ -</u> |
| Watershed Protection | | | | | | |
| \$ 504,517 | \$ 46,095 | \$ 136,500 | Personnel Services | \$ 154,000 | \$ - | \$ - |
| 321,135 | 25,070 | 105,000 | Materials & Services | 299,100 | - | - |
| 62,558 | 62,558 | 62,558 | Debt Service | 64,000 | - | - |
| 3,537,000 | 1,459,000 | 1,135,000 | Transfers | 1,488,000 | - | - |
| - | - | 546,942 | Contingency | 264,900 | - | - |
| 465,068 | 480,832 | - | Unappropriated fund balance | - | - | - |
| <u>\$ 4,890,278</u> | <u>\$ 2,073,555</u> | <u>\$ 1,986,000</u> | Total | <u>\$ 2,270,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Wastewater GO Debt Service | | | | | | |
| \$ 1,819,497 | \$ 1,809,847 | \$ 638,101 | Debt Service | \$ - | \$ - | \$ - |
| - | - | - | Transfers | 623,800 | - | - |
| 660,960 | 333,919 | 624,899 | Reserve for future expenditure | - | - | - |
| <u>\$ 2,480,457</u> | <u>\$ 2,143,766</u> | <u>\$ 1,263,000</u> | Total | <u>\$ 623,800</u> | <u>\$ -</u> | <u>\$ -</u> |
| Wastewater Revenue Bond Debt Service | | | | | | |
| \$ 1,626,767 | \$ 1,812,342 | \$ 2,969,084 | Debt Service | \$ 3,411,805 | \$ - | \$ - |
| 1,374,167 | 678,563 | 600,000 | Reserve for future expenditure | 593,195 | - | - |
| <u>\$ 3,000,934</u> | <u>\$ 2,490,905</u> | <u>\$ 3,569,084</u> | Total | <u>\$ 4,005,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Water Capital | | | | | | |
| \$ 858,220 | \$ 775,331 | \$ 1,515,000 | Capital Outlay | \$ 3,180,000 | \$ - | \$ - |
| - | - | 2,977,000 | Contingency | 1,695,000 | - | - |
| 3,236,048 | 4,229,832 | - | Reserve for future expenditure | - | - | - |
| <u>\$ 4,094,267</u> | <u>\$ 5,005,163</u> | <u>\$ 4,492,000</u> | Total | <u>\$ 4,875,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Wastewater Capital | | | | | | |
| \$ 1,269,027 | \$ 712,146 | \$ 2,450,000 | Capital Outlay | \$ 2,774,000 | \$ - | \$ - |
| - | - | 3,230,000 | Contingency | 2,811,000 | - | - |
| 4,220,098 | 5,252,624 | - | Reserve for future expenditure | - | - | - |
| <u>\$ 5,489,125</u> | <u>\$ 5,964,770</u> | <u>\$ 5,680,000</u> | Total | <u>\$ 5,585,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Watershed Protection Capital | | | | | | |
| \$ 1,973,355 | \$ 1,105,392 | \$ 465,000 | Capital Outlay | \$ 450,000 | \$ - | \$ - |
| - | - | 1,556,000 | Contingency | 1,732,000 | - | - |
| 1,816,320 | 1,177,315 | - | Reserve for future expenditure | - | - | - |
| <u>\$ 3,789,675</u> | <u>\$ 2,282,707</u> | <u>\$ 2,021,000</u> | Total | <u>\$ 2,182,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 45,459,349</u> | <u>\$ 41,834,121</u> | <u>\$ 40,206,084</u> | TOTAL REQUIREMENTS | <u>\$ 40,613,900</u> | <u>\$ -</u> | <u>\$ -</u> |

**Administrative Services Fund
Fund 05**

Purpose: The Administrative Services Fund centralizes the accounting and reporting for support services within the District – General Administration and Finance, Human Resources, Technical Services, and Vehicle Maintenance. Each of these support services are funded through transfers from the District’s operating funds on a predetermined basis of allocation.

Goals: The goal of the Administrative Services Fund is to provide an efficient and fair means to capture and allocate support services costs

Full Time Employees (FTE): 16

Major Funding Source(s): Operating transfers from the Drinking Water, Wastewater Reclamation, and Watershed Protection Funds.

The following provides a brief description of support services accounted for in the Administrative Services Fund.

Administration & Finance – Division 01

The Administration & Finance Division accounts for activities related to the District’s general administration, finance, and management. There are eight (8) full time employees within the Division comprised of the General Manager, Finance Director, Sr. Accounting Lead, Jr. Accounting Specialist, Accounting Technician, and three (3) Administrative Specialist II. The Senior Accounting Lead is a restructuring of a current position to a lead position with additional responsibilities. The Accounting Technician with a focus on accounts payable and one (1) Administrative Specialist II with a focus on finance collections are new positions.

Under the direct control of the District General Manager, this Division accounts for legal, audit, and other professional relationships and costs of the District. Office supplies and other central services costs related to administration of the District are budgeted in Division 01 as well – including janitorial, building maintenance, and utilities.

Under the direction of the Finance Director, activities and functions related to accounting, budgeting and financial reporting are accounted for in Division 01. Activities supporting the District’s general ledger accounting, accounts payable and receivable, and utility billing and collections are all budgeted within the Administration & Finance Division.

Human Resources – Division 02

The Human Resources Division consists of two full-time employees, the Human Resources (HR) and Payroll Manager and the District Recorder. The HR and Payroll Manager is responsible for the oversight of personnel management, District payroll, risk management, OSHA requirements affecting all staff, recruitment and hiring, staff training, on-boarding, employment law and labor contract compliance as well as the District’s insurance, including employee benefits, property, casualty, and worker’s compensation.

The District Recorder is responsible for managing the District’s records, public meetings, notices, packets, and minutes. The District Recorder is the District’s Election Official, serves as an executive assistant to both the General Manager and the HR and Payroll Manager, and manages the Records Management Team. The District Recorder tracks pertinent District lists, including

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

contracts and vendors. In managing the District’s records, the District Recorder ensures the District meets retention and destruction requirements for all records.

Board expenses are in the HR budget to coincide with the District Recorder’s duties. The total of the District’s property, casualty and cyber security insurance are budgeted in this Division to reflect the HR Manager’s oversight of insurance and claims. Finally, all telephone and cell services are budgeted in Division 02 with oversight by the HR and Payroll Manager. Uniforms have been moved from individual funds to all reside in the HR budget for overall District oversight.

Technical Services – Division 03

Organizationally and for reporting purposes, the Technical Services Division is home to seven (7) full-time employees; the District Engineer, Water Services Engineer, Technical Services Coordinator, Development Review Specialist, Water Quality Specialist, Outreach and Communications Specialist, and Pollution Prevention Specialists. The Water Quality Specialist position is budgeted in the Watershed Protection Fund. Together, these positions provide direct support to the operating funds with respect to State issued permits, development review and permit issuance, project inspections, engineering, capital project management, information technology for the District, education, and outreach.

The District’s information technology costs including hardware, software, and support services are budgeted within Division 03. Communications and outreach costs of the District are also budgeted within Technical Services.

Vehicle Maintenance – Division 04

The Vehicle Maintenance Division budgets and accounts for all maintenance and fuel costs related to the District’s vehicles. The Division has no directly assigned FTE.

Fund 05 - Administrative Services Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-----------------|---------------------|---------------------|---------------------|----------------------------|--------------------------------------|---------------------|-------------------|------------------|
| | | | | 05-00- Resources | | | | |
| \$ - | \$ - | \$ 335,000 | \$ 599,000 | 3500 | Beginning Fund Balance | \$ 978,000 | | |
| - | - | - | - | 4230 | Contract Services Revenue | 57,400 | | |
| - | 20,015 | - | 16,000 | 4320 | State Grant Revenue | - | | |
| - | 4,932 | - | 3,000 | 4610 | Investment Revenue | 3,000 | | |
| - | 3,209 | 1,000 | 19,000 | 4630 | Miscellaneous Revenues | 1,000 | | |
| - | 2,042 | - | - | 4640 | Proceeds from sale of capital assets | - | | |
| | | | | 05-29- Transfers In | | | | |
| - | 1,444,000 | 1,908,000 | 1,908,000 | 4910 | Transfer In from Fund 10 | 1,500,000 | | |
| - | 2,028,000 | 2,026,000 | 2,026,000 | 4920 | Transfer In from Fund 20 | 1,899,000 | | |
| - | 1,029,000 | 635,000 | 635,000 | 4930 | Transfer In from Fund 30 | 1,008,000 | | |
| \$ - | \$ 4,531,199 | \$ 4,905,000 | \$ 5,206,000 | Total Resources | | \$ 5,446,400 | \$ - | \$ - |

**OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022**

Fund 05 - Administrative Services Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|---------------------|---------------------|-------------------|-------------------------------------|-------------------------------|---------------------|-------------------|------------------|
| Division 01 - Finance/Administration | | | | | | | | |
| 05-01- Personnel Services - 8 FTE | | | | | | | | |
| \$ - | \$ 578,847 | \$ 590,500 | \$ 581,000 | 5110 | Regular employees | \$ 720,000 | | |
| - | 11,523 | 5,000 | - | 5120 | Temporary/Seasonal | - | | |
| - | 6,974 | 5,000 | 9,000 | 5130 | Overtime | 5,000 | | |
| - | 88,607 | 115,000 | 98,000 | 5210 | Health/Dental insurance | 172,000 | | |
| - | 41,103 | 43,000 | 40,000 | 5230 | Social Security | 56,000 | | |
| - | 113,724 | 124,000 | 119,000 | 5240 | Retirement | 143,000 | | |
| - | 4,503 | 4,000 | 5,000 | 5250 | Trimet/WBF | 12,000 | | |
| - | 12,960 | 5,000 | 14,000 | 5260 | Unemployment | 5,000 | | |
| - | 7,599 | 8,000 | 600 | 5270 | Workers compensation | 1,000 | | |
| - | 197 | 5,000 | 6,000 | 5290 | Other employee benefits | 2,000 | | |
| \$ - | \$ 866,036 | \$ 904,500 | \$ 872,600 | Total Personnel Services | | \$ 1,116,000 | \$ - | \$ - |
| 05-01- Materials and Services | | | | | | | | |
| Professional and technical services | | | | | | | | |
| \$ - | \$ 302,303 | \$ 375,000 | \$ 287,000 | 6110 | Legal services | \$ 375,000 | | |
| - | 106,534 | 45,000 | 69,000 | 6120 | Accounting and audit services | 50,000 | | |
| - | 320,162 | 248,000 | 179,000 | 6155 | Contracted Services | 229,000 | | |
| - | 34,530 | 35,000 | 33,000 | 6180 | Dues and subscriptions | 47,000 | | |
| - | 11,122 | 9,000 | 14,000 | 6220 | Electricity | 14,000 | | |
| - | 1,532 | 1,000 | 4,000 | 6240 | Natural gas | 4,000 | | |
| - | 21,066 | 20,000 | 19,000 | 6290 | Other utilities | 10,000 | | |
| - | 14,614 | 25,000 | 14,000 | 6310 | Janitorial services | 25,000 | | |
| - | 9,312 | 18,000 | 18,000 | 6320 | Buildings and grounds | 20,000 | | |
| - | - | 1,000 | - | 6410 | Mileage | 1,000 | | |
| - | 14,078 | 12,000 | 800 | 6420 | Staff training | 12,000 | | |
| - | 4,492 | - | - | 6440 | Board expense | - | | |
| - | 20,688 | 25,000 | 27,000 | 6510 | Office supplies | 32,000 | | |
| - | 335 | 2,000 | - | 6530 | Small tools and equipment | - | | |
| - | 673 | 500 | - | 6560 | Uniforms | - | | |
| - | 850 | - | - | 6610 | Board Compensation | - | | |
| - | 2,361 | 2,000 | 2,000 | 6730 | Communications | 2,000 | | |
| - | 2,137 | 1,000 | 1,000 | 6740 | Advertising | 1,000 | | |
| - | 3,487 | 1,000 | 5,000 | 6760 | Equipment rental | 5,000 | | |
| - | 130,862 | 125,000 | 134,000 | 6770 | Bank charges | 140,000 | | |
| - | 450 | 1,000 | 3,000 | 6780 | Taxes, Fees, Permits | 3,000 | | |
| - | 2,644 | 97,000 | 21,000 | 6785 | ECAP Payments | 76,000 | | |
| - | 427 | 1,000 | - | 6900 | Miscellaneous expense | 1,000 | | |
| \$ - | \$ 1,004,659 | \$ 1,044,500 | \$ 830,800 | Total Materials and Services | | \$ 1,047,000 | \$ - | \$ - |

**OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022**

Fund 05 - Administrative Services Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|-------------------|-------------------|-------------------|-------------------------------------|-------------------------|-------------------|-------------------|------------------|
| Division 02 - Human Resources | | | | | | | | |
| 05-02- Personnel Services - 2 FTE | | | | | | | | |
| \$ - | \$ 124,587 | \$ 155,000 | \$ 162,000 | 5110 | Regular employees | \$ 187,000 | | |
| - | 618 | 5,000 | 2,000 | 5130 | Overtime | 5,000 | | |
| - | 10,687 | 26,000 | 21,000 | 5210 | Health/Dental insurance | 27,000 | | |
| - | 9,473 | 12,000 | 13,000 | 5230 | Social Security | 15,000 | | |
| - | 21,604 | 27,000 | 27,000 | 5240 | Retirement | 34,000 | | |
| - | 985 | 1,000 | 2,000 | 5250 | Trimet/WBF | 3,000 | | |
| - | 2,548 | 2,000 | 200 | 5270 | Workers compensation | 1,000 | | |
| - | 303 | 2,000 | - | 5290 | Other employee benefits | 1,000 | | |
| \$ - | \$ 170,805 | \$ 230,000 | \$ 227,200 | Total Personnel Services | | \$ 273,000 | \$ - | \$ - |
| 05-02- Materials and Services | | | | | | | | |
| \$ - | \$ 17,608 | \$ - | \$ - | 6155 | Contracted Services | \$ 15,000 | | |
| - | - | 5,000 | 6,000 | 6175 | Records management | 8,000 | | |
| - | 662 | 1,000 | 1,000 | 6180 | Dues and subscriptions | - | | |
| Utilities | | | | | | | | |
| - | 56,635 | 57,000 | 51,000 | 6230 | Telephone | 57,000 | | |
| Travel and Training | | | | | | | | |
| - | 495 | 1,000 | - | 6410 | Mileage | 1,000 | | |
| - | 14,213 | 22,000 | 10,000 | 6420 | Staff training | 22,000 | | |
| - | - | - | - | 6430 | Certifications | - | | |
| - | - | 7,000 | 200 | 6440 | Board Expense | 7,000 | | |
| Supplies | | | | | | | | |
| - | 1,517 | 1,000 | 700 | 6510 | Office supplies | 1,000 | | |
| - | 90 | 1,000 | 4,000 | 6540 | Safety supplies | 1,000 | | |
| - | - | 2,500 | - | 6610 | Board Compensation | 2,500 | | |
| - | - | 5,000 | 5,000 | 6620 | Elections Costs | - | | |
| - | 152,267 | 240,000 | 240,000 | 6720 | Insurance | 270,000 | | |
| - | - | 6,000 | 3,000 | 6730 | Communications | 4,000 | | |
| - | 5,334 | 5,000 | 6,000 | 6740 | Advertising | 5,500 | | |
| - | - | - | - | 6900 | Miscellaneous expense | 1,000 | | |
| \$ - | \$ 248,820 | \$ 353,500 | \$ 326,900 | Total Materials and Services | | \$ 431,000 | \$ - | \$ - |

**OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022**

Fund 05 - Administrative Services Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|-----------------|-----------------|-------------------|-------------------------------------|-------------------------------|-------------------|-------------------|------------------|
| Division 03 - Technical Services | | | | | | | | |
| 05-03- Personnel Services - 6 FTE | | | | | | | | |
| \$ - | \$ 489,612 | \$ 602,000 | \$ 497,000 | 5110 | Regular employees | \$ 624,000 | | |
| - | 969 | 5,000 | 3,000 | 5130 | Overtime | 5,000 | | |
| - | 99,728 | 112,000 | 90,000 | 5210 | Health/Dental Insurance | 93,000 | | |
| - | 35,597 | 44,000 | 36,000 | 5230 | Social Security | 49,000 | | |
| - | 90,267 | 112,000 | 84,000 | 5240 | Retirement | 120,000 | | |
| - | 3,803 | 4,000 | 4,000 | 5250 | Trimet/WBF | 10,000 | | |
| - | - | 5,000 | - | 5260 | Unemployment | - | | |
| - | 7,599 | 9,000 | 700 | 5270 | Workers compensation | 1,000 | | |
| - | - | 5,000 | - | 5290 | Other employee benefits | 2,000 | | |
| \$ - | \$ 727,576 | \$ 898,000 | \$ 714,700 | Total Personnel Services | | \$ 904,000 | \$ - | \$ - |
| 05-03- Materials and Services | | | | | | | | |
| \$ - | \$ 173,979 | \$ 306,000 | \$ 250,000 | 6155 | Contracted Services | \$ 212,000 | | |
| - | 6,576 | 10,000 | 4,000 | 6180 | Dues and subscriptions | - | | |
| - | 244,723 | 237,000 | 237,000 | 6350 | Computer maintenance | 309,000 | | |
| - | 245 | - | - | 6390 | Other repairs and maintenance | - | | |
| - | 314 | 3,000 | 500 | 6410 | Mileage | 3,000 | | |
| - | 6,230 | 16,000 | 5,000 | 6420 | Staff training | 15,000 | | |
| - | - | 1,000 | 300 | 6430 | Certifications | 500 | | |
| - | 10,457 | 3,000 | 7,000 | 6510 | Office supplies | - | | |
| - | - | - | - | 6530 | Small tools and equipment | 6,000 | | |
| - | 1,362 | 8,000 | 4,000 | 6540 | Safety Supplies | 2,500 | | |
| - | 198 | - | - | 6560 | Uniforms | - | | |
| - | 70,744 | 149,000 | 107,000 | 6730 | Communications | 119,000 | | |
| - | - | - | - | 6900 | Miscellaneous expense | 1,000 | | |
| \$ - | \$ 514,828 | \$ 733,000 | \$ 614,800 | Total Materials and Services | | \$ 668,000 | \$ - | \$ - |
| Division 04 - Vehicle Services | | | | | | | | |
| 05-04- Materials and Services | | | | | | | | |
| \$ - | \$ 49,277 | \$ 50,000 | \$ 48,000 | 6330 | Vehicle/equipment maintenance | \$ 50,000 | | |
| - | 50,497 | 71,000 | 41,000 | 6520 | Fuel and oils | 71,000 | | |
| \$ - | \$ 99,773 | \$ 121,000 | \$ 89,000 | Total Materials and Services | | \$ 121,000 | \$ - | \$ - |
| 05-04- Capital Outlay | | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | 7540 | Vehicles | \$ 35,000 | | |
| \$ - | \$ - | \$ - | \$ - | Total Capital Outlay | | \$ 35,000 | \$ - | \$ - |
| 05-25- Special Payments | | | | | | | | |
| \$ - | \$ 300,000 | \$ 552,000 | \$ 552,000 | 6990 | Special Payments - PERS | \$ 550,000 | | |
| \$ - | \$ 300,000 | \$ 552,000 | \$ 552,000 | Total Special Payments | | \$ 550,000 | \$ - | \$ - |
| Non-divisional | | | | | | | | |
| 05-29- Contingency | | | | | | | | |
| \$ - | \$ - | \$ 68,500 | \$ - | 9000 | Contingency | \$ 301,400 | | |
| \$ - | \$ - | \$ 68,500 | \$ - | Total Contingency | | \$ 301,400 | \$ - | \$ - |
| \$ - | \$ 3,932,497 | \$ 4,905,000 | \$ 4,228,000 | Total Appropriations | | \$ 5,446,400 | \$ - | \$ - |
| \$ - | \$ 598,702 | \$ - | \$ 978,000 | Unappropriated ending fund balance | | \$ - | \$ - | \$ - |
| \$ - | \$ 4,531,199 | \$ 4,905,000 | \$ 5,206,000 | Total Requirements | | \$ 5,446,400 | \$ - | \$ - |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

**Drinking Water Fund
Fund 10**

Purpose: The purpose of the Drinking Water Fund is to manage and direct operations related to distribution of potable drinking water to the District’s residents and customers.

The District maintains and operates a water transmission and distribution system to deliver water purchased directly from the North Clackamas County Water Commission (NCCWC). NCCWC takes water from the Clackamas River, treats it, and wholesales to customers including the District. The District is also part owner of the treatment plant operated by the NCCWC.

Goals: The following details the goals of the Drinking Water Fund:

- Efficiently meet the drinking water collection, transmission, and distribution needs of the community through uninterrupted service delivery.
- Provide fire protection.
- Protect community health.
- Provide safe drinking water to the community.

Full Time Employees (FTE): 7.80

Major Funding Source(s): Water service charges billed to District customers.

The Drinking Water Fund budgets and accounts for the cost of purchased water and all associated costs of delivering safe drinking water to District customers including system maintenance, and a share of the support costs attributable to the water operations via transfers to the Administrative Services Fund. The Drinking Water Fund also makes transfers to a capital fund for capital projects related to the distribution system.

The Utility Operations Director splits his time between water distribution and wastewater collections activities, and directly supervises a water field supervisor and six (6) water utility workers within the Drinking Water Fund. The Asset Resource Specialist is allocated at 0.3 FTE to the Drinking Water Fund.

Fund 10 - Drinking Water Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-------------------------|---------------------|---------------------|---------------------|------------------------|----------------------------|---------------------|-------------------|------------------|
| 10-00- Resources | | | | | | | | |
| \$ 3,632,780 | \$ 2,430,387 | \$ 1,527,000 | \$ 1,505,000 | 3500 | Beginning Fund Balance | \$ 1,086,000 | | |
| 26,960 | 30,578 | 32,000 | 28,000 | 4210 | Water sales - CRW | 30,000 | | |
| 3,877,075 | 3,945,069 | 4,038,000 | 4,013,000 | 4211 | Water sales | 4,159,000 | | |
| 16,391 | 14,385 | 20,000 | 100 | 4215 | Penalties and late charges | 10,000 | | |
| 399,785 | 412,360 | 100,000 | 311,000 | 4220 | System development charges | - | | |
| 41,349 | 53,400 | 40,000 | 54,000 | 4230 | Contract services Revenue | - | | |
| 31,905 | 22,085 | 10,000 | 37,000 | 4240 | Service installations | 10,000 | | |
| 161,748 | 173,020 | 200,000 | 187,000 | 4280 | Rents and leases | 200,000 | | |
| 24,722 | 13,004 | 10,000 | 19,000 | 4290 | Other charges for services | 10,000 | | |
| - | 7,179 | - | - | 4320 | State Grant Revenue | - | | |
| 5,470 | 14,561 | 10,000 | 7,000 | 4610 | Investment revenue | 7,000 | | |
| 20,245 | 58,017 | 26,000 | 26,000 | 4630 | Miscellaneous revenues | 25,000 | | |
| \$ 8,238,430 | \$ 7,174,043 | \$ 6,013,000 | \$ 6,187,100 | Total Resources | | \$ 5,537,000 | \$ - | \$ - |

**OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022**

Fund 10 - Drinking Water Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|-------------------|---------------------|---------------------|---------------------------------|------------------------------|---------------------|-------------------|------------------|
| Division 20 - Drinking Water Operations | | | | | | | | |
| 10-20- Personnel Services - 7.80 FTE * | | | | | | | | |
| \$ 851,067 | \$ 593,777 | \$ 655,500 | \$ 646,000 | 5110 | Regular employees | \$ 669,000 | | |
| 4,660 | - | - | - | 5120 | Temporary/Seasonal employees | - | | |
| 21,300 | 25,151 | 35,000 | 42,000 | 5130 | Overtime | 29,000 | | |
| 140,215 | 104,274 | 140,000 | 130,000 | 5210 | Health/Dental insurance | 139,000 | | |
| 64,786 | 54,646 | 47,000 | 51,000 | 5230 | Social Security | 52,000 | | |
| 149,329 | 123,345 | 132,000 | 137,000 | 5240 | Retirement | 123,000 | | |
| 6,674 | 4,809 | 5,000 | 6,000 | 5250 | Trimet/WBF | 11,000 | | |
| 11,232 | 5,142 | 8,000 | - | 5260 | Unemployment | - | | |
| 13,373 | 9,282 | 9,000 | 17,000 | 5270 | Workers compensation | 19,000 | | |
| 103 | 161 | 6,000 | 300 | 5290 | Other employee benefits | 5,000 | | |
| \$ 1,262,739 | \$ 920,587 | \$ 1,037,500 | \$ 1,029,300 | Total Personnel Services | | \$ 1,047,000 | \$ - | \$ - |

* Administrative personnel services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

| | | | | | | | | |
|--|---------------------|---------------------|---------------------|-------------------------------------|---------------------------------|---------------------|-------------|-------------|
| 10-20- Materials and Services ** | | | | | | | | |
| Professional and technical services | | | | | | | | |
| \$ 84,624 | \$ - | \$ - | \$ - | 6110 | Legal services | \$ - | | |
| 4,163 | - | - | - | 6120 | Accounting and audit services | - | | |
| 97,119 | 155 | 20,000 | 6,000 | 6155 | Contracted Services | 71,000 | | |
| 22,569 | - | - | - | 6180 | Dues and subscriptions | - | | |
| Utilities | | | | | | | | |
| 38,197 | 30,549 | 27,000 | 30,000 | 6220 | Electricity | 32,000 | | |
| 17,154 | 948 | - | - | 6230 | Telephone | - | | |
| 2,984 | 3,783 | 3,000 | 3,000 | 6240 | Natural gas | 3,000 | | |
| 3,866 | 1,982 | - | 3,000 | 6290 | Other utilities | 3,000 | | |
| Repairs and maintenance | | | | | | | | |
| 6,708 | 167 | - | - | 6310 | Janitorial services | - | | |
| 9,190 | 7,382 | 5,000 | 10,000 | 6320 | Buildings and grounds | 10,000 | | |
| 25,220 | - | - | - | 6330 | Vehicle/equipment maintenance | - | | |
| 212,148 | 207,278 | 200,000 | 196,000 | 6340 | Distribution system maintenance | 250,000 | | |
| 58,628 | - | - | - | 6350 | Computer maintenance | - | | |
| 35,863 | 42,134 | 35,000 | 40,000 | 6390 | Other repairs and maintenance | - | | |
| Travel and Training | | | | | | | | |
| 521 | 112 | - | - | 6410 | Mileage | - | | |
| 12,246 | 7,975 | 10,000 | 2,000 | 6420 | Staff training | 15,000 | | |
| 820 | 1,405 | 2,000 | 2,000 | 6430 | Certifications | 2,000 | | |
| 1,794 | - | - | - | 6440 | Board Expense | - | | |
| Supplies | | | | | | | | |
| 10,414 | 544 | - | 500 | 6510 | Office supplies | - | | |
| 19,377 | - | - | - | 6520 | Fuel and oils | - | | |
| 25,522 | 6,305 | 9,000 | 9,000 | 6530 | Small tools and equipment | 9,000 | | |
| 11,991 | 15,281 | 15,000 | 14,000 | 6540 | Safety Supplies | 10,000 | | |
| 2,685 | 1,605 | 2,000 | 5,000 | 6550 | Operational Supplies | 7,000 | | |
| 236 | 5,016 | 2,000 | 100 | 6560 | Uniforms | - | | |
| 416 | - | - | - | 6590 | Other supplies | - | | |
| 468 | - | - | - | 6610 | Board compensation | - | | |
| 1,030,578 | 1,060,505 | 1,084,000 | 1,105,000 | 6710 | Purchased water | 1,127,000 | | |
| 5,321 | 10,561 | 5,000 | 17,000 | 6715 | Water quality program | 12,000 | | |
| 54,464 | - | - | - | 6720 | Insurance | - | | |
| 6,391 | 38 | - | - | 6730 | Communications | - | | |
| 189 | - | - | - | 6740 | Advertising | - | | |
| 720 | - | 3,500 | - | 6760 | Equipment rental | 3,000 | | |
| 34,203 | - | - | - | 6770 | Bank charges | - | | |
| 8,213 | 16,368 | 20,000 | 11,000 | 6780 | Taxes, Fees, Permits | 12,000 | | |
| 282 | 639 | 1,000 | 200 | 6900 | Miscellaneous expense | 1,000 | | |
| 19 | - | - | - | 6910 | Cash over/short | - | | |
| \$ 1,845,303 | \$ 1,420,733 | \$ 1,443,500 | \$ 1,453,800 | Total Materials and Services | | \$ 1,567,000 | \$ - | \$ - |

** Administrative materials and services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 10 - Drinking Water Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-----------------------------|---------------------|---------------------|---------------------|------------------------------------|---------------------------------------|---------------------|-------------------|------------------|
| 10-24- Debt Service | | | | | | | | |
| Principal payments | | | | | | | | |
| \$ - | \$ 175,000 | \$ 179,000 | \$ 179,000 | 6815 | 2019 Zions Bank Loan - Due 02/01/2022 | \$ 183,000 | | |
| Interest payments | | | | | | | | |
| - | 16,768 | 15,400 | 15,400 | 6825 | 2019 Zions Bank Loan - Due 08/01/2021 | 13,000 | | |
| - | 17,754 | 15,401 | 15,401 | 6825 | 2019 Zions Bank Loan - Due 02/01/2022 | 13,000 | | |
| <u>\$ -</u> | <u>\$ 209,522</u> | <u>\$ 209,801</u> | <u>\$ 209,801</u> | Total Debt Service | | <u>\$ 209,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Non-divisional | | | | | | | | |
| 10-29- Transfers Out | | | | | | | | |
| \$ - | \$ 1,444,000 | \$ 1,908,000 | \$ 1,908,000 | 8105 | Transfer Out to Fund 05 | \$ 1,500,000 | | |
| 2,700,000 | 1,675,000 | 500,000 | 500,000 | 8171 | Transfer Out to Fund 71 | 500,000 | | |
| <u>\$ 2,700,000</u> | <u>\$ 3,119,000</u> | <u>\$ 2,408,000</u> | <u>\$ 2,408,000</u> | Total Transfers | | <u>\$ 2,000,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| 10-29- Contingency | | | | | | | | |
| - | - | 914,199 | - | 9000 | Contingency | \$ 714,000 | \$ - | \$ - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 914,199</u> | <u>\$ -</u> | Total Contingency | | <u>\$ 714,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 5,808,042</u> | <u>\$ 5,669,842</u> | <u>\$ 6,013,000</u> | <u>\$ 5,100,901</u> | Total Appropriations | | <u>\$ 5,537,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 2,430,388 | \$ 1,504,201 | \$ - | \$ 1,086,199 | Unappropriated ending fund balance | | \$ - | \$ - | \$ - |
| <u>\$ 8,238,430</u> | <u>\$ 7,174,043</u> | <u>\$ 6,013,000</u> | <u>\$ 6,187,100</u> | Total Requirements | | <u>\$ 5,537,000</u> | <u>\$ -</u> | <u>\$ -</u> |

*** Drinking water capital expenditures are budgeted in Fund 71 beginning with Fiscal Year 18-19.

**Wastewater Reclamation Fund
Fund 20**

Purpose: The purpose of the Wastewater Reclamation Fund is to manage operating and capital requirements related to activities of the wastewater reclamation program.

Wastewater reclamation activities comprise managing a wastewater collection system totaling 100 miles in length, five strategically located wastewater pumping stations, and a facility that reclaims an average of 4 million gallons of wastewater per day. In a given fiscal year the District collects, treats, and reclaims more than 1.4 billion gallons of wastewater.

The District holds a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Oregon Department of Environmental Quality (DEQ) that allows the District to be responsible for the management of the wastewater reclamation program in its service area. The NPDES Permit establishes mandatory water quality standards for the discharge of reclaimed water into the watershed. The main outfall point is located at the reclamation facility and discharge goes directly into the Willamette River.

Goals: The following details the goals of the Wastewater Reclamation Fund:

- Efficiently meet the wastewater collection, transmission, and reclamation needs of the community through uninterrupted service delivery.
- Provide environmental protection for the Willamette River.
- Protect community health.

Full Time Employees (FTE): 14.10; 8.30 FTE in Wastewater Treatment (Division 21) and 5.80 FTE in Wastewater Collections (Division 22)

Major Funding Source(s): Wastewater service charges billed to District customers.

The Wastewater Reclamation Fund is divided between two divisions: treatment and collections. The Treatment Division budgets and accounts for direct costs of treatment including electricity, chemicals, equipment, hauling and land application of biosolids, operation and maintenance, and other costs. The Collections Division is charged with maintenance of the system that brings wastewater to the plant. The Fund also pays a share of support services costs to the Administrative Services Fund via operating transfers based on an analysis of relative support received. The Fund also makes transfers to support capital projects and to cover debt service requirements related to the improvements and expansion at the treatment plant.

Staffing within the Wastewater Reclamation Fund is divided functionally between treatment and collection responsibilities. The Plant Superintendent directly oversees the treatment operations and directs the five (5) plant operators, two (2) mechanics, and the asset resource specialist position. The collections team is comprised of one-half of the Utility Operations Director position and four (4) collections utility workers. The Asset Resource Specialist is allocated at 0.3 FTE each to the Treatment and Collections Divisions, respectively.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 20 - Wastewater Reclamation Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|----------------------------|---------------------|---------------------|---------------------|------------------------|----------------------------|---------------------|-------------------|------------------|
| 20-00- Resources | | | | | | | | |
| \$ 5,393,413 | \$ 1,315,555 | \$ 1,842,000 | \$ 1,808,000 | 3500 | Beginning Fund Balance | \$ 834,900 | | |
| 7,656,925 | 8,199,915 | 8,270,000 | 8,152,000 | 4212 | Wastewater charges | 8,466,000 | | |
| 8,134 | 6,816 | 10,000 | - | 4215 | Penalties and late charges | 10,000 | | |
| 315,502 | 592,263 | 125,000 | 285,000 | 4220 | System development charges | 125,000 | | |
| 44,433 | 12,106 | 10,000 | - | 4240 | Service installations | - | | |
| 14,304 | 14,964 | 10,000 | 25,000 | 4290 | Other charges for services | 20,000 | | |
| - | 4,220 | - | 1,000 | 4320 | State Grants | - | | |
| 1 | 7,540 | 5,000 | 2,000 | 4610 | Investment revenue | 2,000 | | |
| 43,471 | 14,636 | 5,000 | 100 | 4630 | Miscellaneous revenues | 8,000 | | |
| 20-29- Transfers In | | | | | | | | |
| - | - | - | - | 4940 | Transfer In from Fund 40 | 623,800 | | |
| <u>\$13,476,183</u> | <u>\$10,168,013</u> | <u>\$10,277,000</u> | <u>\$10,273,100</u> | Total Resources | | <u>\$10,089,700</u> | <u>\$ -</u> | <u>\$ -</u> |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 20 - Wastewater Reclamation Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|---------------------|---------------------|-------------------|---|-----------------------------------|---------------------|-------------------|------------------|
| Division 21 - Wastewater Treatment Operations | | | | | | | | |
| 20-21- Personnel Services - 8.30 FTE * | | | | | | | | |
| \$ 927,171 | \$ 621,112 | \$ 608,000 | \$ 591,000 | 5110 | Regular employees | \$ 706,000 | | |
| 21,693 | - | 35,000 | - | 5120 | Temporary/Seasonal | - | | |
| 44,910 | 60,432 | 45,000 | 70,300 | 5130 | Overtime | 40,000 | | |
| 147,120 | 136,042 | 179,000 | 150,000 | 5210 | Health/Dental insurance | 178,000 | | |
| 73,798 | 50,866 | 55,000 | 49,600 | 5230 | Social Security | 55,000 | | |
| 136,227 | 122,726 | 131,000 | 109,000 | 5240 | Retirement | 127,000 | | |
| 7,673 | 5,277 | 5,000 | 5,200 | 5250 | Trimet/WBF | 11,000 | | |
| - | - | 5,000 | - | 5260 | Unemployment | - | | |
| 3,973 | 10,101 | 9,000 | 15,700 | 5270 | Workers compensation | 18,000 | | |
| 107 | 40 | 6,000 | 700 | 5290 | Other employee benefits | 5,000 | | |
| \$ 1,362,672 | \$ 1,006,597 | \$ 1,078,000 | \$ 991,500 | Total Personnel Services - Treatment | | \$ 1,140,000 | \$ - | \$ - |
| 20-21- Materials and Services ** | | | | | | | | |
| Professional and technical services | | | | | | | | |
| \$ 48,691 | \$ - | \$ - | \$ - | 6110 | Legal services | \$ - | | |
| 5,828 | - | - | - | 6120 | Accounting and audit services | - | | |
| 113,449 | 59,966 | 133,000 | 117,100 | 6155 | Contracted Services | 170,000 | | |
| 8,527 | 1,655 | 6,000 | - | 6180 | Dues and subscriptions | - | | |
| Utilities | | | | | | | | |
| 283,259 | 255,770 | 260,000 | 286,300 | 6220 | Electricity | 276,000 | | |
| 22,352 | 965 | - | - | 6230 | Telephone | - | | |
| 958 | 874 | 1,000 | 1,500 | 6240 | Natural gas | 2,000 | | |
| 78,654 | 98,436 | 81,000 | 39,000 | 6250 | Solid Waste Disposal | 82,000 | | |
| 6,282 | 1,131 | 1,000 | 2,000 | 6290 | Other utilities | 2,000 | | |
| Repairs and maintenance | | | | | | | | |
| 8,645 | 9,095 | 10,000 | 9,000 | 6310 | Janitorial services | 10,000 | | |
| 42,726 | 82,240 | 57,000 | 54,000 | 6320 | Buildings and grounds | 58,000 | | |
| 23,227 | - | - | - | 6330 | Vehicle and equipment maintenance | - | | |
| 70,648 | 144,363 | 270,000 | 235,000 | 6342 | WRF system maintenance | 270,000 | | |
| 72,683 | 80 | - | - | 6350 | Computer maintenance | - | | |
| - | - | - | - | 6390 | Other repairs and maintenance | - | | |
| Travel and Training | | | | | | | | |
| 551 | - | 1,000 | - | 6410 | Mileage | 1,000 | | |
| 16,613 | 5,709 | 9,000 | 1,400 | 6420 | Staff training | 9,000 | | |
| 363 | 420 | 2,000 | 700 | 6430 | Certifications | 2,000 | | |
| 925 | - | - | - | 6440 | Board travel and training | - | | |
| Supplies | | | | | | | | |
| 11,206 | 708 | - | - | 6510 | Office supplies | - | | |
| 33,725 | - | - | 600 | 6520 | Fuel and oils | - | | |
| 9,676 | 20,663 | 26,000 | 29,000 | 6525 | Chemicals | 30,000 | | |
| 14,754 | 9,905 | 10,000 | 1,300 | 6530 | Small tools and equipment | 10,000 | | |
| 27,054 | 17,034 | 20,000 | 10,200 | 6540 | Safety supplies | 20,000 | | |
| 22,800 | 11,390 | 14,000 | 5,400 | 6550 | Operational supplies | 14,000 | | |
| 15,569 | 25,727 | 9,000 | 13,200 | 6560 | Uniforms | - | | |
| 10,788 | 7,609 | 10,000 | 4,400 | 6590 | Other supplies | 10,000 | | |
| 263 | - | - | - | 6610 | Board Compensation | - | | |
| 116,777 | (4,265) | - | - | 6720 | Insurance | - | | |
| 648 | - | - | - | 6730 | Communications | - | | |
| 195 | - | - | 500 | 6740 | Advertising | 1,000 | | |
| 14,921 | 9,202 | 15,000 | 5,600 | 6750 | Other purchased services | - | | |
| 53,167 | - | - | - | 6770 | Bank charges | - | | |
| 51,134 | 46,318 | - | 66,400 | 6780 | Taxes, Fees, Permits | 72,900 | | |
| 7,547 | - | 1,000 | 100 | 6900 | Miscellaneous expense | 1,000 | | |
| \$ 1,194,605 | \$ 804,996 | \$ 936,000 | \$ 882,700 | Total Materials and Services - Treatment | | \$ 1,040,900 | \$ - | \$ - |

* Administrative personnel services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

** Administrative materials and services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 20 - Wastewater Reclamation Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|-------------------|-------------------|-------------------|---|-----------------------------------|-------------------|-------------------|------------------|
| Division 22 - Wastewater Collections Operations | | | | | | | | |
| 20-22- Personnel Services - 5.80 FTE * | | | | | | | | |
| \$ 691,413 | \$ 466,414 | \$ 460,500 | \$ 527,300 | 5110 | Regular employees | \$ 480,000 | | |
| 2,059 | - | - | - | 5120 | Temporary/Seasonal employees | - | | |
| 9,620 | 9,198 | 11,000 | 14,000 | 5130 | Overtime | 11,000 | | |
| 109,958 | 85,348 | 110,000 | 101,000 | 5210 | Health/Dental Insurance | 122,000 | | |
| 52,384 | 36,321 | 32,000 | 40,700 | 5230 | Social Security | 38,000 | | |
| 101,306 | 84,959 | 70,000 | 98,200 | 5240 | Retirement | 62,000 | | |
| 5,472 | 3,782 | 3,000 | 4,400 | 5250 | Trimet/WBF | 8,000 | | |
| - | - | 5,000 | - | 5260 | Unemployment | - | | |
| 14,343 | 6,734 | 7,000 | 9,200 | 5270 | Workers compensation | 11,000 | | |
| 46 | - | 4,000 | - | 5290 | Other employee benefits | 5,000 | | |
| \$ 986,601 | \$ 692,756 | \$ 702,500 | \$ 794,800 | Total Personnel Services - Collections | | \$ 737,000 | \$ - | \$ - |
| 20-22- Materials and Services - Collections ** | | | | | | | | |
| Professional and technical services | | | | | | | | |
| \$ 26,549 | \$ - | \$ - | \$ - | 6110 | Legal services | \$ - | | |
| 2,520 | - | - | - | 6120 | Accounting and audit services | - | | |
| 37,532 | - | - | - | 6155 | Contracted Services | - | | |
| 4,152 | - | - | - | 6180 | Dues and subscriptions | - | | |
| Utilities | | | | | | | | |
| 1,196 | - | - | - | 6220 | Electricity | - | | |
| 12,377 | 155 | - | - | 6230 | Telephone | - | | |
| 972 | 34 | - | - | 6240 | Natural gas | - | | |
| 8,390 | 92 | - | - | 6290 | Other utilities | - | | |
| Repairs and maintenance | | | | | | | | |
| 3,663 | - | - | - | 6310 | Janitorial services | - | | |
| 4,644 | 549 | 1,000 | 900 | 6320 | Buildings and grounds | 1,000 | | |
| 11,893 | - | - | - | 6330 | Vehicle and equipment maintenance | - | | |
| 45,123 | 38,142 | 50,000 | 18,400 | 6342 | Collection system maintenance | 50,000 | | |
| 46,978 | - | - | - | 6350 | Computer maintenance | - | | |
| 7,782 | 8,808 | 5,000 | 1,200 | 6390 | Other repairs and maintenance | 5,000 | | |
| Travel and Training | | | | | | | | |
| 498 | 466 | - | - | 6410 | Mileage | - | | |
| 5,082 | 4,458 | 8,000 | 500 | 6420 | Staff training | 8,000 | | |
| 1,585 | 640 | 2,000 | 500 | 6430 | Certifications | 2,000 | | |
| 925 | - | - | - | 6440 | Board travel and training | - | | |
| Supplies | | | | | | | | |
| 5,083 | 1,002 | - | - | 6510 | Office supplies | - | | |
| 5,960 | - | - | - | 6520 | Fuel and oils | - | | |
| 13,404 | 6,618 | 25,000 | 8,000 | 6530 | Small tools and equipment | 15,000 | | |
| 3,918 | 3,213 | 4,000 | 4,000 | 6540 | Safety Supplies | 4,000 | | |
| 2,054 | 1,987 | 5,000 | 1,200 | 6550 | Operational Supplies | 5,000 | | |
| 6,284 | 4,079 | 9,000 | 11,700 | 6560 | Uniforms | - | | |
| - | 90 | - | - | 6590 | Other supplies | - | | |
| 238 | - | - | - | 6610 | Board Compensation | - | | |
| 22,986 | - | - | - | 6720 | Insurance | - | | |
| 695 | - | - | - | 6730 | Communications | - | | |
| 130 | - | - | - | 6740 | Advertising | - | | |
| 3,532 | 2,093 | - | - | 6750 | Other purchased services | - | | |
| 13,622 | - | - | - | 6770 | Bank charges | - | | |
| 5,498 | 5,486 | - | 13,800 | 6780 | Taxes, Fees, Permits | 14,500 | | |
| 7,550 | - | 1,000 | - | 6900 | Miscellaneous expense | 1,000 | | |
| \$ 312,815 | \$ 77,912 | \$ 110,000 | \$ 60,200 | Total Materials and Services - Collections | | \$ 105,500 | \$ - | \$ - |

* Administrative personnel services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

** Administrative materials and services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 20 - Wastewater Reclamation Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-----------------------------|---------------------|---------------------|---------------------|------------------------------------|-------------------------|---------------------|-------------------|------------------|
| Non-divisional | | | | | | | | |
| 20-29- Transfers Out | | | | | | | | |
| \$ - | \$ 2,028,000 | \$ 2,026,000 | \$ 2,026,000 | 8105 | Transfer Out to Fund 05 | \$ 1,899,000 | | |
| 1,548,123 | 1,350,500 | 812,000 | 812,000 | 8140 | Transfer Out to Fund 40 | - | | |
| 1,755,812 | 1,100,000 | 2,871,000 | 2,871,000 | 8150 | Transfer Out to Fund 50 | 3,412,000 | | |
| 5,000,000 | 1,300,000 | 1,000,000 | 1,000,000 | 8172 | Transfer Out to Fund 72 | 1,000,000 | | |
| <u>\$ 8,303,935</u> | <u>\$ 5,778,500</u> | <u>\$ 6,709,000</u> | <u>\$ 6,709,000</u> | Total Transfers | | <u>\$ 6,311,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| 20-29- Contingency | | | | | | | | |
| \$ - | \$ - | \$ 741,500 | \$ - | 9000 | Contingency | \$ 755,300 | \$ - | \$ - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 741,500</u> | <u>\$ -</u> | Total Contingency | | <u>\$ 755,300</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$12,160,628</u> | <u>\$ 8,360,761</u> | <u>\$10,277,000</u> | <u>\$ 9,438,200</u> | Total Appropriations | | <u>\$10,089,700</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,315,555 | \$ 1,807,252 | \$ - | \$ 834,900 | Unappropriated ending fund balance | | \$ - | \$ - | \$ - |
| <u>\$13,476,183</u> | <u>\$10,168,013</u> | <u>\$10,277,000</u> | <u>\$10,273,100</u> | Total Requirements | | <u>\$10,089,700</u> | <u>\$ -</u> | <u>\$ -</u> |

**Watershed Protection Fund
Fund 30**

Purpose: The purpose of the Watershed Protection Fund is to manage operating and capital requirements related to activities of the watershed protection program.

Watershed protection activities comprise managing a surface water management collection system totaling 84 miles in length. The District is a joint holder of a National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit issued by the State of Oregon Department of Environmental Quality (DEQ) that allows the District to be jointly responsible for the management of watershed protection activities in its service area. The NPDES Permit establishes mandatory water quality standards for the discharge of un-reclaimed water into watersheds. Watersheds within the District service area include Boardman Creek and River Forest Creek; but discharge also occurs into Kellogg Creek and Rinearson Creek. All watersheds, or portions of watersheds, ultimately discharge to the Willamette River.

Goals: The following details the goals of the Wastewater Reclamation Fund:

- Educate residents, developers, contractors, businesses, industries, and youth about watershed protection.
- Protect local watersheds through planning, permits, and regulations.
- Minimize, or eliminate pollutants that may impair the proper functioning ecological condition of the area rivers, lakes, and streams.
- Operate, maintain, control, and regulate the negative impacts of surface water and storm water runoff to protect the community’s health and safety.
- Where feasible, mitigate storm water impacts on public and private property during normal conditions.

Full Time Employees (FTE): 1.10

Major Funding Source(s): Watershed protection surcharges billed to District customers.

The primary costs budgeted and accounted for in the Watershed Protection Fund relate to system maintenance and communications and outreach related to surface water management and programs. Transfers are made to fund capital projects as well as to the Administrative Services Fund to cover support services provided.

There is one (1) full-time Water Quality Specialist position budgeted within the Watershed Protection Fund. Organizationally, this position reports to the District Engineer. The Asset Resource Specialist is allocated at 0.1 FTE to the Watershed Protection Fund.

Fund 30 - Watershed Protection

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-------------------------|---------------------|---------------------|---------------------|------------------------|------------------------------|---------------------|-------------------|------------------|
| 30-00- Resources | | | | | | | | |
| \$ 2,999,484 | \$ 465,068 | \$ 410,000 | \$ 437,000 | 3500 | Beginning Fund Balance | \$ 659,000 | | |
| 1,470,770 | 1,554,434 | 1,548,000 | 1,541,000 | 4213 | Watershed protection charges | 1,582,000 | | |
| 1,813 | 1,848 | 2,000 | - | 4215 | Penalties and late charges | 1,000 | | |
| 68,927 | 24,684 | 20,000 | - | 4240 | Service Installations | - | | |
| - | 25,244 | 5,000 | 40,000 | 4290 | Other charges for services | 25,000 | | |
| 346,369 | - | - | - | 4300 | Grant Revenue | - | | |
| - | 630 | - | 2,000 | 4610 | Investment revenue | 2,000 | | |
| 2,915 | 1,647 | 1,000 | - | 4630 | Miscellaneous revenues | 1,000 | | |
| \$ 4,890,278 | \$ 2,073,555 | \$ 1,986,000 | \$ 2,020,000 | Total Resources | | \$ 2,270,000 | \$ - | \$ - |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 30 - Watershed Protection

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|------------------|-------------------|-------------------|---------------------------------|------------------------------|-------------------|-------------------|------------------|
| 30-23- Personnel Services - 1.10 FTE * | | | | | | | | |
| \$ 346,383 | \$ 33,524 | \$ 94,500 | \$ 52,000 | 5110 | Regular employees | \$ 92,000 | | |
| 3,136 | - | 2,000 | - | 5120 | Temporary/Seasonal employees | - | | |
| 749 | - | 1,000 | - | 5130 | Overtime | 1,000 | | |
| 66,670 | 3,588 | 8,000 | 13,000 | 5210 | Health / Dental insurance | 30,000 | | |
| 25,754 | 2,554 | 7,000 | 4,000 | 5230 | Social Security | 8,000 | | |
| 55,292 | 4,527 | 20,000 | 9,000 | 5240 | Retirement | 17,000 | | |
| 2,663 | 263 | 1,000 | 400 | 5250 | Trimet | 2,000 | | |
| - | - | 1,000 | 3,000 | 5260 | Unemployment | - | | |
| 3,799 | 1,638 | 1,000 | 2,000 | 5270 | Workers compensation | 3,000 | | |
| 71 | - | 1,000 | - | 5290 | Other employee benefits | 1,000 | | |
| \$ 504,517 | \$ 46,095 | \$ 136,500 | \$ 83,400 | Total Personnel Services | | \$ 154,000 | \$ - | \$ - |

* Administrative personnel services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

| | | | | | | | | |
|--|------------------|-------------------|------------------|-------------------------------------|-----------------------------------|-------------------|-------------|-------------|
| 30-23- Materials and Services ** | | | | | | | | |
| Professional and technical services | | | | | | | | |
| \$ 50,714 | \$ - | \$ - | \$ - | 6110 | Legal services | \$ - | | |
| 3,465 | - | - | - | 6120 | Accounting and audit services | - | | |
| 66,517 | 23,241 | 40,000 | 36,000 | 6155 | Contracted Services | 134,000 | | |
| 5,225 | - | - | - | 6180 | Dues and subscriptions | - | | |
| Utilities | | | | | | | | |
| 1,589 | - | - | - | 6220 | Electricity | - | | |
| 5,994 | 73 | - | - | 6230 | Telephone | - | | |
| 869 | - | - | - | 6240 | Natural gas | - | | |
| 586 | - | - | - | 6290 | Other utilities | - | | |
| Repairs and maintenance | | | | | | | | |
| 4,883 | - | - | - | 6310 | Janitorial services | - | | |
| 11,824 | - | - | - | 6320 | Buildings and grounds | - | | |
| 2,989 | - | - | - | 6330 | Vehicle and equipment maintenance | - | | |
| 600 | - | 50,000 | - | 6340 | System maintenance | 150,000 | | |
| 41,307 | - | - | - | 6350 | Computer maintenance | - | | |
| 2,866 | - | - | - | 6390 | Other repairs and maintenance | - | | |
| Travel and Training | | | | | | | | |
| 1,089 | - | - | - | 6410 | Mileage | - | | |
| 8,100 | - | 3,000 | - | 6420 | Staff training | 3,000 | | |
| 405 | - | - | - | 6430 | Certifications | - | | |
| 1,794 | - | - | - | 6440 | Board Travel and Training | - | | |
| Supplies | | | | | | | | |
| 6,900 | 105 | - | - | 6510 | Office supplies | - | | |
| 2,839 | - | - | - | 6520 | Fuel and oils | - | | |
| - | - | - | 2,000 | 6530 | Small tools and equipment | 6,000 | | |
| 2,224 | 569 | 500 | - | 6540 | Safety Supplies | 1,000 | | |
| 1,682 | - | - | - | 6550 | Operational Supplies | - | | |
| 1,186 | 1,082 | 1,500 | - | 6560 | Uniforms | - | | |
| 455 | - | - | - | 6610 | Board Compensation | - | | |
| 8,728 | - | - | - | 6720 | Insurance | - | | |
| 74,720 | - | 10,000 | 42,000 | 6730 | Communications | - | | |
| 77 | - | - | - | 6740 | Advertising | - | | |
| 2,071 | - | - | - | 6750 | Other purchased services | - | | |
| 9,235 | - | - | - | 6770 | Bank charges | - | | |
| 50 | - | - | - | 6780 | Taxes, Fees, Permits | 4,100 | | |
| 152 | - | - | - | 6900 | Miscellaneous expense | 1,000 | | |
| \$ 321,135 | \$ 25,070 | \$ 105,000 | \$ 80,000 | Total Materials and Services | | \$ 299,100 | \$ - | \$ - |

** Administrative materials and services are budgeted in Fund 05 beginning with Fiscal Year 19-20.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 30 - Watershed Protection

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-----------------------------|---------------------|---------------------|---------------------|----------------|------------------------------------|---------------------|-------------------|------------------|
| 30-24- Debt Service | | | | | | | | |
| | | | | | Principal payments | | | |
| \$ 57,644 | \$ 52,308 | \$ 54,233 | \$ 54,233 | 6814 | 2018 KS Statebank - Due 09/22/2020 | \$ 57,000 | | |
| | | | | | Interest payments | | | |
| 4,914 | 10,249 | 8,325 | 8,325 | 6824 | 2018 KS Statebank - Due 09/22/2020 | 7,000 | | |
| <u>\$ 62,558</u> | <u>\$ 62,558</u> | <u>\$ 62,558</u> | <u>\$ 62,558</u> | | Total Debt Service | <u>\$ 64,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| Non-divisional | | | | | | | | |
| 30-29- Transfers Out | | | | | | | | |
| \$ - | \$ 1,029,000 | \$ 635,000 | \$ 635,000 | 8105 | Transfer Out to Fund 05 | \$ 1,008,000 | | |
| 3,537,000 | 430,000 | 500,000 | 500,000 | 8173 | Transfer Out to Fund 73 | 480,000 | | |
| <u>\$ 3,537,000</u> | <u>\$ 1,459,000</u> | <u>\$ 1,135,000</u> | <u>\$ 1,135,000</u> | | Total Transfers | <u>\$ 1,488,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| 30-29- Contingency | | | | | | | | |
| \$ - | \$ - | \$ 546,942 | \$ - | 9000 | Contingency | \$ 264,900 | \$ - | \$ - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 546,942</u> | <u>\$ -</u> | | Total Contingency | <u>\$ 264,900</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 4,425,210</u> | <u>\$ 1,592,723</u> | <u>\$ 1,986,000</u> | <u>\$ 1,360,958</u> | | Total Appropriations | <u>\$ 2,270,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 465,068 | \$ 480,832 | \$ - | \$ 659,042 | | Unappropriated ending fund balance | \$ - | \$ - | \$ - |
| <u>\$ 4,890,278</u> | <u>\$ 2,073,555</u> | <u>\$ 1,986,000</u> | <u>\$ 2,020,000</u> | | Total Requirements | <u>\$ 2,270,000</u> | <u>\$ -</u> | <u>\$ -</u> |

**Wastewater General Obligation Debt Service Fund
Fund 40**

Purpose: To account for principal and interest payments related to the District's debt associated with the wastewater treatment plant.

General Obligation Bonds

On May 13, 2010, the District issued \$24,000,000 in General Obligations (GO) Bonds. The bonds were on a twenty-year term to maturity with coupon rates ranging from 2% to 4%. On December 20, 2017 the District defeased \$14,310,000 of the callable portion which had a 4% coupon; and replaced them with a bank loan that has an interest rate of 2.5% to save approximately \$915K in total debt service through fiscal year 2030. The remaining portion of the original 4% bonds was retired in fiscal year 2019-20.

State of Oregon Infrastructure Finance Authority Loans

On August 31, 2010, the State of Oregon Infrastructure Finance Authority (IFA) 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 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 net interest cost of the bond series to maturity is 2.71%.

On February 18, 2021, the State of Oregon Business Oregon refunded the bonds that funded the IFA loan. The District participated in the Bond Refunding, amending the loan agreement. Under the amended agreement, this debt is no longer secured by GO Bonds, now secured with a pledge of wastewater net revenue. All further debt service is transferred to Wastewater Revenue Bond Debt Service Fund.

The remaining fund balance at the end of fiscal year 2020-21 is transferred back to Wastewater Reclamation Fund, the original funding source.

Major Funding Source(s): Operating transfers from the Wastewater Reclamation Fund.

This fund budgets for scheduled principal and interest payments on the above-described debt.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 40 Wastewater General Obligation Debt Service

Resources

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|-----------------------------|---------------------|---------------------|---------------------|--|--------------------------|-------------------|-------------------|------------------|
| 40-00- Resources | | | | | | | | |
| \$ 783,053 | \$ 660,960 | \$ 333,000 | \$ 334,000 | 3500 | Beginning Fund Balance | \$ 623,800 | | |
| 26,552 | 15,006 | 7,000 | 3,500 | 4610 | Investment revenue | - | | |
| 122,729 | 117,300 | 111,000 | 112,400 | 4701 | Interest Subsidy | - | | |
| 40-29- Transfers In | | | | | | | | |
| 1,548,123 | 1,350,500 | 812,000 | 812,000 | 4920 | Transfer In from Fund 20 | - | | |
| \$ 2,480,457 | \$ 2,143,766 | \$ 1,263,000 | \$ 1,261,900 | Total Resources | | \$ 623,800 | \$ - | \$ - |
| 40-24- Debt Service | | | | | | | | |
| Principal payments | | | | | | | | |
| \$ 360,936 | \$ 368,036 | \$ 375,273 | \$ 375,273 | 6811 | 2010 IFA Loan Principal | \$ - | | |
| 1,080,000 | 1,120,000 | - | - | 6812 | 2010 GO Bond Principal | - | | |
| Interest payments | | | | | | | | |
| 44,000 | 44,800 | - | - | 6821 | 2010 GO Bond Interest | - | | |
| 290,561 | 277,011 | 262,828 | 262,828 | 6822 | 2010 IFA Loan Interest | - | | |
| 44,000 | - | - | - | 6821 | 2010 GO Bond Interest | - | | |
| \$ 1,819,497 | \$ 1,809,847 | \$ 638,101 | \$ 638,101 | Total Debt Service | | \$ - | \$ - | \$ - |
| 40-29- Transfers Out | | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | 8120 | Transfer Out to Fund 20 | \$ 623,800 | | |
| \$ - | \$ - | \$ - | \$ - | Total Transfers | | \$ 623,800 | \$ - | \$ - |
| \$ 1,819,497 | \$ 1,809,847 | \$ 638,101 | \$ 638,101 | Total Appropriations | | \$ 623,800 | \$ - | \$ - |
| \$ 660,960 | \$ 333,919 | \$ 624,899 | \$ 623,799 | Reserve for future expenditures | | \$ - | \$ - | \$ - |
| \$ 2,480,457 | \$ 2,143,766 | \$ 1,263,000 | \$ 1,261,900 | Total Requirements | | \$ 623,800 | \$ - | \$ - |

**Wastewater Revenue Bond Debt Service Fund
Fund 50**

Purpose: To account for principal and interest payments related to the District's non-property tax backed debt.

State of Oregon Department of Environmental Quality Clean Water State Revolving Fund Loan

In fiscal year 2011, the District received \$19,000,000 in loans from the State of Oregon Department of Environmental Quality Clean Water State Revolving Fund (SRF) Loan Program for Intended-Use Plans. Of the amount borrowed, \$12,573,566 or 66% of the funds comprised federal capitalization grant funds, whereas the remaining \$6,426,434 or 34% of the funds comprised state funds. 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 loans have a legal 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. The program also has debt service coverage requirements in which the District must maintain wastewater rates 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 plus 5% of the loan's annual debt service expenditures.

JP Morgan Bank Loan

On December 20, 2017 the District borrowed \$15,173,000 from JP Morgan Bank in order to defease \$14,310,000 in General Obligation Bonds that were callable and had a 4% coupon rate. The loan will be repaid over a thirteen-year term to maturity and the interest rate is 2.50%. The advance refunding will save the District approximately \$915K in total debt service through fiscal year 2030. The loan has a debt service coverage requirement in which the District must charge rates and fees adequate to generate revenues that are at least equal to 20% of parity bond debt service and 100% of combined parity and subordinate obligation debt service.

State of Oregon Infrastructure Finance Authority Loans

On August 31, 2010, the State of Oregon Infrastructure Finance Authority (IFA) 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. On February 18, 2021, the State of Oregon Business Oregon refunded the bonds that funded the IFA loan. The District participated in the Bond Refunding, amending the loan agreement for the balance of \$3,684,197.37 remaining. Under the amended agreement, this debt is no longer secured by General Obligation Bonds, now secured with a pledge of wastewater net revenue. Debt service will continue for the remaining ten-years of the original loan period, retaining the original maturity of December 1, 2030, with an all-in true interest cost of 1.323%. All further debt service will be out of this fund.

Major Funding Source(s): Operating transfers from the Wastewater Reclamation Fund.

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

Fund 50 - WW Revenue Bond Debt Service

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|----------------------------|---------------------|---------------------|---------------------|--|-------------------------------------|---------------------|-------------------|------------------|
| 50-00- Resources | | | | | | | | |
| \$ 1,215,131 | \$ 1,374,167 | \$ 682,000 | \$ 679,000 | 3500 | Beginning Fund Balance | \$ 587,000 | | |
| 29,991 | 16,738 | 16,084 | 6,100 | 4610 | Investment revenue | 6,000 | | |
| 50-29- Transfers In | | | | | | | | |
| 1,755,812 | 1,100,000 | 2,871,000 | 2,871,000 | 4920 | Transfer In from Fund 20 | 3,412,000 | | |
| <u>\$ 3,000,934</u> | <u>\$ 2,490,905</u> | <u>\$ 3,569,084</u> | <u>\$ 3,556,100</u> | Total Resources | | <u>\$ 4,005,000</u> | <u>\$ -</u> | <u>\$ -</u> |
| 50-24- Debt Service | | | | | | | | |
| Principal payments | | | | | | | | |
| \$ 436,273 | \$ 444,576 | \$ 453,101 | \$ 453,101 | 6810 | 2010 SRF Loan - Due 08/01/2021 | \$ 461,854 | | |
| 440,397 | 448,811 | 457,449 | 457,449 | 6810 | 2010 SRF Loan - Due 02/01/2022 | 466,317 | | |
| - | - | - | - | 6811 | 2021 IFA Loan - Due 12/01/2021 | 307,409 | | |
| - | 190,000 | 1,356,000 | 1,356,000 | 6813 | 2017 JPM Bank Loan - Due 05/01/2022 | 1,385,000 | | |
| Interest payments | | | | | | | | |
| 150,725 | 142,422 | 133,897 | 133,897 | 6820 | 2010 SRF Loan - Due 08/01/2021 | 125,144 | | |
| 220,047 | 207,208 | 194,061 | 194,061 | 6820 | 2010 SRF Loan - Due 02/01/2022 | 180,596 | | |
| - | - | - | - | 6822 | 2021 IFA Loan - Due 12/01/2021 | 144,809 | | |
| 189,663 | 189,663 | 187,288 | 187,288 | 6823 | 2017 JPM Bank Loan - Due 11/01/2021 | 170,338 | | |
| 189,663 | 189,663 | 187,288 | 187,287 | 6823 | 2017 JPM Bank Loan - Due 05/01/2022 | 170,338 | | |
| <u>\$ 1,626,767</u> | <u>\$ 1,812,342</u> | <u>\$ 2,969,084</u> | <u>\$ 2,969,083</u> | Total Debt Service | | <u>\$ 3,411,805</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 1,626,767</u> | <u>\$ 1,812,342</u> | <u>\$ 2,969,084</u> | <u>\$ 2,969,083</u> | Total Appropriations | | <u>\$ 3,411,805</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 1,374,167 | \$ 678,563 | \$ 600,000 | \$ 587,017 | Reserve for future expenditures | | \$ 593,195 | \$ - | \$ - |
| <u>\$ 3,000,934</u> | <u>\$ 2,490,905</u> | <u>\$ 3,569,084</u> | <u>\$ 3,556,100</u> | Total Requirements | | <u>\$ 4,005,000</u> | <u>\$ -</u> | <u>\$ -</u> |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

**Drinking Water Capital Fund
Fund 71**

Purpose: To account for debt proceeds, capital expenditures, contingencies and reserves associated with the District's capital improvement planning as relates to drinking water.

The District's water distribution system is primarily comprised of 6" and 8" cast and ductile iron pipe. The District has concentrated on eliminating sections of 2' pipe and looping dead-ends wherever practical.

The District has more than sufficient water storage to supply the system; water storage includes two 5 million-gallon reservoirs at the Valley View site and two 2.8 million-gallon reservoirs at the View Acres site. The Valley View Reservoirs are also used as the storage source to serve the Sunrise Water Authority.

During fiscal year 2020-21 the District adopted a Water System Master Plan which has been used to establish rates charged for water base and consumption charges and system development charges (SDC). The District now has an up-to-date hydraulic model to help staff identify and focus efforts within the capital improvement program (CIP).

Oak Lodge Water Services District owns the North Clackamas County Water Commission treatment plant in partnership with Sunrise Water Authority and the City of Gladstone which provides the daily water needs for the District.

Major Funding Source(s): Operating transfers from the Drinking Water Fund.

Refer to the Capital Improvement Plan for detailed information on planned capital projects.

Fund 71 - Drinking Water Capital Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|---------------------|---------------------|---------------------|--|-------------------------------|---------------------|-------------------|------------------|
| 71-00- Resources | | | | | | | | |
| \$ - | \$ 3,236,048 | \$ 3,942,000 | \$ 4,230,000 | 3500 | Beginning Fund Balance | \$ 4,135,000 | | |
| - | - | - | - | 4221 | System Devel. - Reimbursement | 100,000 | | |
| - | - | - | - | 4225 | System Devel. - Improvement | 100,000 | | |
| 74,267 | 94,115 | 50,000 | 38,000 | 4610 | Investment revenue | 40,000 | | |
| 1,320,000 | - | - | - | 4650 | Proceeds from borrowing | - | | |
| 71-29- Transfers In | | | | | | | | |
| 2,700,000 | 1,675,000 | 500,000 | 500,000 | 4910 | Transfer In from Fund 10 | 500,000 | | |
| \$ 4,094,267 | \$ 5,005,163 | \$ 4,492,000 | \$ 4,768,000 | Total Resources | | \$ 4,875,000 | \$ - | \$ - |
| 71-20- Capital Outlay | | | | | | | | |
| \$ 683,972 | \$ 259,067 | \$ - | \$ - | 7200 | Infrastructure | \$ 1,555,000 | | |
| - | 6,958 | - | 22,000 | 7300 | Buildings and improvements | - | | |
| 6,419 | 682 | - | 78,000 | 7530 | Capital Software Purchase | 25,000 | | |
| 34,113 | - | 35,000 | 37,000 | 7540 | Vehicles | - | | |
| 133,715 | 508,625 | 1,480,000 | 496,000 | 7600 | Capital improvement projects | 1,600,000 | | |
| \$ 858,220 | \$ 775,331 | \$ 1,515,000 | 633,000 | Total Capital Outlay | | \$ 3,180,000 | \$ - | \$ - |
| 71-29- Transfers and Contingency | | | | | | | | |
| \$ - | \$ - | \$ 2,977,000 | \$ - | 9000 | Contingency | \$ 1,695,000 | | |
| \$ - | \$ - | \$ 2,977,000 | \$ - | Total Transfers and Contingency | | \$ 1,695,000 | \$ - | \$ - |
| \$ 858,220 | \$ 775,331 | \$ 4,492,000 | \$ 633,000 | Total Appropriations | | \$ 4,875,000 | \$ - | \$ - |
| \$ 3,236,048 | \$ 4,229,832 | \$ - | \$ 4,135,000 | Reserve for future expenditures | | \$ - | \$ - | \$ - |
| \$ 4,094,267 | \$ 5,005,163 | \$ 4,492,000 | \$ 4,768,000 | Total Requirements | | \$ 4,875,000 | \$ - | \$ - |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

**Wastewater Reclamation Capital Fund
Fund 72**

Purpose: To account for debt proceeds, capital expenditures, contingencies and reserves associated with the District's capital improvement planning as relates to wastewater reclamation.

The District charges customers a monthly fee for sanitary sewer service that covers both base and consumption-related costs. Amounts are transferred to the Wastewater Capital Fund based on identified capital needs per the CIP and any current master planning.

This budget as proposed allows the District to wrap up treatment plant modifications to create redundancies and improve our solids process efficiency. A sanitary sewer master plan has also been proposed to help staff identify where to invest the next 30 years of capital expenses.

Major Funding Source(s): Operating transfers from the Wastewater Reclamation Fund. For more detailed information about each proposed project, please refer to the Capital Improvement Plan for detailed information on planned capital projects.

Fund 72 - Wastewater Reclamation Capital Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|--|---------------------|---------------------|---------------------|--|------------------------------|---------------------|-------------------|------------------|
| 72-00 Resources | | | | | | | | |
| \$ - | \$ 4,220,098 | \$ 4,605,000 | \$ 5,252,000 | 3500 | Beginning Fund Balance | \$ 4,535,000 | | |
| 116,965 | 97,904 | 75,000 | 48,000 | 4610 | Investment revenue | 50,000 | | |
| 372,159 | 346,768 | - | - | 4630 | Miscellaneous revenues | - | | |
| 72-29- Transfers In | | | | | | | | |
| 5,000,000 | 1,300,000 | 1,000,000 | 1,000,000 | 4920 | Transfer In from Fund 20 | 1,000,000 | | |
| \$ 5,489,125 | \$ 5,964,770 | \$ 5,680,000 | \$ 6,300,000 | Total Resources | | \$ 5,585,000 | \$ - | \$ - |
| 72-21- Capital Outlay - Treatment | | | | | | | | |
| \$ 70,204 | \$ 3,449 | \$ - | \$ 6,000 | 7300 | Buildings and improvements | \$ - | | |
| - | 50,551 | 100,000 | 98,000 | 7520 | Equipment | 100,000 | | |
| 4,356 | | - | - | 7530 | Capital software purchase | - | | |
| 5,370 | | 20,000 | 20,000 | 7540 | Vehicles | - | | |
| 998,432 | 654,512 | 2,330,000 | 1,635,000 | 7600 | Capital improvement projects | 980,000 | | |
| 72-22- Capital Outlay - Collections | | | | | | | | |
| - | 2,972 | - | - | 7300 | Buildings and improvements | - | | |
| 54,984 | | - | 6,000 | 7520 | Equipment | - | | |
| 3,375 | 662 | - | - | 7530 | Capital software purchase | - | | |
| 27,680 | | - | - | 7540 | Vehicles | - | | |
| 104,626 | | - | - | 7600 | Capital improvement projects | 1,694,000 | | |
| \$ 1,269,027 | \$ 712,146 | \$ 2,450,000 | \$ 1,765,000 | Total Capital Outlay | | \$ 2,774,000 | \$ - | \$ - |
| 72-29- Transfers and Contingency | | | | | | | | |
| \$ - | \$ - | \$ 3,230,000 | \$ - | 9000 | Contingency | \$ 2,811,000 | | |
| \$ - | \$ - | \$ 3,230,000 | \$ - | Total Transfers and Contingency | | \$ 2,811,000 | \$ - | \$ - |
| \$ 1,269,027 | \$ 712,146 | \$ 5,680,000 | \$ 1,765,000 | Total Appropriations | | \$ 5,585,000 | \$ - | \$ - |
| \$ 4,220,098 | \$ 5,252,624 | \$ - | \$ 4,535,000 | Reserve for future expenditures | | \$ - | \$ - | \$ - |
| \$ 5,489,125 | \$ 5,964,770 | \$ 5,680,000 | \$ 6,300,000 | Total Requirements | | \$ 5,585,000 | \$ - | \$ - |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

**Watershed Protection Capital Fund
Fund 73**

Purpose: To account for debt proceeds, capital expenditures, contingencies and reserves associated with the District’s capital improvement planning as relates to watershed protection.

The Oak Lodge Water Services District is responsible for water quality improvement projects within the communities of Oak Grove and Jennings Lodge. Although not formal cities, this portion of unincorporated Clackamas County is heavily urbanized with residential, commercial, and industrial development. Less than 5 years ago, an analysis of the District revealed that the total impervious area for the District is 80% -- that’s about 2800 acres of surface that does not infiltrate water, all of which contributes to increased water velocity and scour in local streams, and the majority of which contributes pollutants into the surface water system, including streams and rivers.

Major Funding Source(s): Operating transfers from the Watershed Protection Fund. For more detailed information about each proposed project, please refer to the Capital Improvement Plan for detailed information on planned capital projects.

Fund 73 - Watershed Protection Capital Fund

| ACTUAL 18-19 | ACTUAL 19-20 | BUDGET 20-21 | ESTIMATE 20-21 | Object Code | Item | PROPOSED 21-22 | APPROVED 21-22 | ADOPTED 21-22 |
|---|---------------------|---------------------|---------------------|--|--------------------------------------|---------------------|-------------------|------------------|
| 73-00- Resources | | | | | | | | |
| \$ - | \$ 1,816,320 | \$ 1,481,000 | \$ 1,177,000 | 3500 | Beginning Fund Balance | \$ 1,687,000 | | |
| 52,675 | 36,387 | 40,000 | 12,000 | 4610 | Investment revenue | 15,000 | | |
| 200,000 | - | - | - | 4920 | Proceeds from sale of capital assets | - | | |
| 73-29- Transfers In | | | | | | | | |
| 3,537,000 | 430,000 | 500,000 | 500,000 | 4930 | Transfer In from Fund 30 | 480,000 | | |
| \$ 3,789,675 | \$ 2,282,707 | \$ 2,021,000 | \$ 1,689,000 | Total Resources | | \$ 2,182,000 | \$ - | \$ - |
| 73-23- Capital Outlay | | | | | | | | |
| \$ - | \$ 4,631 | \$ - | \$ - | 7300 | Buildings and improvements | \$ - | | |
| 4,995 | 662 | - | - | 7530 | Capital software purchase | - | | |
| - | 24,270 | - | - | 7540 | Vehicles | - | | |
| 1,968,361 | 1,075,830 | 465,000 | 2,000 | 7600 | Capital improvement projects | 450,000 | | |
| \$ 1,973,355 | \$ 1,105,392 | \$ 465,000 | \$ 2,000 | Total Capital Outlay | | \$ 450,000 | \$ - | \$ - |
| 73-29- Transfers and Contingency | | | | | | | | |
| \$ - | \$ - | \$ 1,556,000 | \$ - | 9000 | Contingency | \$ 1,732,000 | | |
| \$ - | \$ - | \$ 1,556,000 | \$ - | Total Transfer and Contingency | | \$ 1,732,000 | \$ - | \$ - |
| \$ 1,973,355 | \$ 1,105,392 | \$ 2,021,000 | \$ 2,000 | Total Appropriations | | \$ 2,182,000 | \$ - | \$ - |
| \$ 1,816,320 | \$ 1,177,315 | \$ - | \$ 1,687,000 | Reserve for future expenditures | | \$ - | \$ - | \$ - |
| \$ 3,789,675 | \$ 2,282,707 | \$ 2,021,000 | \$ 1,689,000 | Total Requirements | | \$ 2,182,000 | \$ - | \$ - |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

| LINE ITEM DESCRIPTIONS | | |
|--|--|---------------|
| MATERIALS & SERVICES EXPENDITURES | | |
| Acnt # | Description | Budget |
| 6110 | Legal Services Charges for services provided by outside counsel; including bond, legal and personnel. | \$ 375,000 |
| 6120 | Accounting and Audit Services Costs associated with required annual financial audit services. | \$ 50,000 |
| 6155 | Contracted Services Charges for services contracted for administrative services, operations and management. | \$ 831,000 |
| | Engineering services | |
| | Administrative services | |
| | Laboratory services | |
| | Other professional and technical services | |
| | Printing and mailing services | |
| | Lien Services | |
| | Online billing services | |
| 6175 | Records Management Cost of archiving of District records and records management facilitation, document storage, retrieval, and destruction. | \$ 8,000 |
| 6180 | Dues and subscriptions Cost of memberships and publications, which leverage the District's limited resources in a manner that promotes cost-effectiveness, promotes ongoing employee education and training, and provides supporting services to the District. | \$ 47,000 |
| | Association of Clean Water Agencies (ACWA) | |
| | American Public Works Association (APWA) | |
| | American Water Works Association (AWWA) | |
| | American Water Works Association (AWWA) Northwest Sub-Section | |
| | Clackamas Review | |
| | Engaging Local Government Leaders | |
| | Government Finance Officers Association | |
| | Local Government Personnel Institute | |
| | National Association of Clean Water Agencies (NACWA) | |
| | National Association of State Agencies for Surplus Property | |
| | North Clackamas County Chamber of Commerce | |
| | Oregon Association of Municipal Recorders | |
| | Oregon Association of Water Utilities | |
| | Oregon City/County Manager's Association (OCCMA) | |
| | Oregon Ethics Commission | |
| | Oregon Government Finance Officers Association | |
| | Oregon Water Utilities Council | |
| | Other Subscriptions and Dues | |
| | Portland Human Resources Management Association (PHRMA) | |
| | Regional Water Providers Consortium | |
| | Rotary Club of Milwaukie | |
| | Society for Human Resources Management (SHRM) | |
| | Special Districts Association of Oregon (SDAO) | |
| | Tri-County Water Association | |
| | Urban & Regional Information Systems | |
| | Water Environment Federation | |
| 6220 | Electricity Electric utility costs associated with production, operations and facilities. | \$ 322,000 |
| 6230 | Telephone Record cost associated with voice equipment and telecommunication services whether wired or wireless. | \$ 57,000 |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

| Acnt # | Description | Budget |
|--------|---|------------|
| 6240 | Natural Gas Natural gas utility costs associated with production, operations, and facilities. | \$ 9,000 |
| 6250 | Solid Waste Disposal Costs associated with the disposal of headworks screenings, biosolids dumping, and other solid waste disposal activities. | \$ 82,000 |
| 6290 | Other Utilities Cost of utilities, other than electricity or natural gas, associated with production, operations and facilities. | \$ 15,000 |
| 6310 | Janitorial services Cost for janitorial services at buildings and structures. | \$ 35,000 |
| 6320 | Buildings and grounds Cost of maintaining buildings and grounds, including landscaping services, wiring, plumbing, carpentry, painting, etc. | \$ 89,000 |
| 6330 | Vehicle and equipment maintenance Cost of maintaining vehicles and equipment including, repairs, tires, oil and other cost to maintain in good working order. | \$ 50,000 |
| 6340 | System maintenance Cost of repair and maintenance services to infrastructure of the drinking water distribution system and watershed protection system. | \$ 400,000 |
| 6342 | System maintenance Cost of repair and maintenance services to infrastructure of the wastewater reclamation collection and treatment systems. | \$ 320,000 |
| 6350 | Computer maintenance Cost associated with computer technology including hardware, software, licensing, associated peripherals and accessories. Includes outsources computer technology support. | \$ 309,000 |
| 6390 | Other Repairs and maintenance Cost associated with repair and maintenance other than list in accounts 6310-6350. | \$ 5,000 |
| 6410 | Mileage Reimbursement for the cost of private mileage incurred by an employee when traveling for business | \$ 6,000 |
| 6420 | Staff training Costs associated with employee continuing education and training to maintain certification requirements. Includes related travel expenditure. Membership costs are accounted for in 6180 Dues and Subscriptions. Water Environment Federation / National Association of Clean Water Agencies (NACWA) Conference National Association of Clean Water Agencies (NACWA) Conference Software Conference Special Districts Association of Conference American Water Works Association (AWWA) Pacific Northwest Conference American Water Works Association (AWWA) Annual Conference Pipe Standards Government Finance Officers Association (GFOA) Annual Conference Oregon Government Finance Officers Institute Oregon Government Finance Officers Spring Conference Distribution Symposium Confined Spaces Classes Oregon Association of Water Utilities (OAWU) Conference Pacific Northwest Clean Water Agencies (PNCWA) Conference Lucity Conference Storm Water Management Conference Team Building Employee Tuition Reimbursement Other Required Trainings | \$ 84,000 |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

| Acnt # | Description | Budget |
|-------------|--|--------------|
| 6430 | Certifications Cost associated with maintaining certifications as requirement for employee's position. Backflow Short School OHD Certification Test Fees Other Fees | \$ 6,500 |
| 6440 | Board expense Cost associated with board meetings, board members attendance for the education, related travel expenditures and training. Special Districts Association Conference American Water Works Association (AWWA) Annual Conference Meeting Meals and Supplies Miscellaneous Mileage | \$ 7,000 |
| 6510 | Office supplies Cost of office materials, supplies, and services related to administration and operations. | \$ 33,000 |
| 6520 | Fuels and oils Cost of fuel and oil for vehicles and equipment. | \$ 71,000 |
| 6525 | Chemicals Cost of chemicals required in program operations. | \$ 30,000 |
| 6530 | Small tools and equipment Cost of small tools and equipment with a replacement value of less than \$5,000 per item necessary for the performance of work. | \$ 46,000 |
| 6540 | Safety supplies Cost associated with for safety supplies and services, including required protective footwear. | \$ 38,500 |
| 6550 | Operational supplies Cost of supplies necessary for the operations of the District. | \$ 26,000 |
| 6560 | Uniforms Cost of uniforms provided to employees, except footwear which is categorized as safety. | \$ 36,000 |
| 6590 | Other supplies Cost of other miscellaneous supplies not included in other categories. | \$ 10,000 |
| 6610 | Board compensation Cost of compensation of the board. | \$ 2,500 |
| 6710 | Purchased water Cost of water purchased that is resold to customers. | \$ 1,127,000 |
| 6715 | Water Quality Program Cost of supplies and services necessary to test drinking water that is resold to customers. | \$ 12,000 |
| 6720 | Insurance Cost of property, casualty, liability, earthquake, flood, and auto insurance coverage for District equipment and facilities. | \$ 270,000 |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

LINE ITEM DESCRIPTIONS

MATERIALS & SERVICES EXPENDITURES

| Acnt # | Description | Budget |
|--------------------------------------|--|----------------------------|
| 6730 | Communications Cost associated with public information, education, and involvement activities. Public Notices: Board Meetings, Budget Committee Meetings, Other Meetings Informational Brochures School Education Programs Watershed Protection Public Involvement Clean Water Coalition Regional Ad Campaign SOLV Environmental Outreach North Clackamas Urban Watershed Council (NCUWC) Miscellaneous Meeting Expenses | \$ 125,000 |
| 6740 | Advertising Cost of advertisements, as required for meetings, procurement, budgets, and recruiting. | \$ 7,500 |
| 6750 | Other purchased services Cost of outsourced services not included in other line items. | \$ - |
| 6760 | Equipment rental Cost of rental or lease of equipment for office and operations. | \$ 8,000 |
| 6770 | Bank charges Cost of banking fees charged for payments received and banking services rendered. | \$ 140,000 |
| 6780 | Taxes, fees, and other charges Cost of property taxes regulatory compliance fees, annual required permits, right-of-way fees. Clackamas County Tax Collector: Property Tax on Leased Properties Public Employee Retirement System (PERS): Processing Fees Ethics Commission Oregon Health Authority (OHA) System Survey Social Security Administration Fee State of Oregon Secretary of State Filing Fee State of Oregon DEQ National Pollutant Discharge Elimination System (NPDES) Permit Fee State of Oregon DEQ Air Contaminant Discharge Permit Fee State of Oregon DEQ Pressure Vessels Fee State of Oregon DEQ Hazardous Materials Report Fee Municipal Separate Storm Sewer System (MS4) Permit City of Gladstone's 5% Right-of-Way Franchise Fee City of Milwaukie (sewer processing fee) Water Environment Services (sewer processing fee) Union Pacific Right-of-Way Fee | \$ 106,500 |
| 6785 | ECAP Payment Cost of financial assistance on a temporary basis for District customers financially impacted by the COVID-19 State of Emergency. | \$ 76,000 |
| 6900 | Miscellaneous expense Cost of other miscellaneous expenses. | \$ 7,000 |
| | Materials and Services Expenditures Total | <u>\$ 5,279,500</u> |
| SPECIAL PAYMENTS EXPENDITURES | | |
| 6990 | Special Payments - PERS Payment for PERS for an employee retirement pension plan side account that will stabilize future employer contribution rates. | \$ 550,000 |
| | Special Payments Expenditures Total | <u>\$ 550,000</u> |

OAK LODGE WATER SERVICES DISTRICT
 PROPOSED BUDGET – FISCAL YEAR 2021-2022

LINE ITEM DESCRIPTIONS

CAPITAL OUTLAY EXPENDITURES

| Acnt# | Description | Budget |
|-------------|--|----------------------------|
| 7100 | Land The purpose of the Land line item is to account for land and easement acquisitions. | \$ - |
| 7200 | Infrastructure The purpose of the Infrastructure line item is to account for the acquisition, improvement, replacement, and capacity expansion of infrastructure. | \$ 1,555,000 |
| 7300 | Buildings and improvements The purpose of the Buildings and Improvements line item is to account for acquisition, improvement, replacement, and capacity expansions of buildings and structures. | \$ - |
| 7400 | Improvements other than buildings The purpose of the Improvements Other than Buildings line item is to account for improvements other than to buildings. | \$ - |
| 7510 | Furniture and fixtures The purpose of the Furniture and Fixtures line item is to account for the acquisition of furniture and | \$ - |
| 7520 | Equipment The purpose of the Equipment line item is to account for the acquisition of equipment. | \$ 100,000 |
| 7530 | Software The purpose of the Software line item is to account for the acquisition of software. | \$ 25,000 |
| 7540 | Vehicles The purpose of the Vehicles line item is to account for the acquisition of vehicles. | \$ - |
| 7600 | Capital improvements The purpose of the Capital Improvements line item is to account for improvements identified in the capital improvement plan(s). | \$ 4,724,000 |
| | Capital Outlay Total | <u>\$ 6,404,000</u> |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

| <u>LINE ITEM DESCRIPTIONS</u> | | |
|----------------------------------|---|----------------------------|
| DEBT SERVICE EXPENDITURES | | |
| <u>Acnt#</u> | <u>Description</u> | <u>Budget</u> |
| 6810 | Principal Payments - 2010 SRF Loan Principal Account for principal payments related to a State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loan. | \$ 928,171 |
| 6811 | Principal Payments - 2021 IFA Loan Principal Account for principal payments related to a State of Oregon Infrastructure Finance Authority (IFA) | \$ 307,409 |
| 6813 | Principal Payments - 2017 JPM Bank Loan Principal Account for principal payments related to a JP Morgan Bank Loan. | \$ 1,385,000 |
| 6814 | Principal Payments - 2018 KS Statebank Principal Account for principal payments related to a KS Statebank Bank Loan. | \$ 57,000 |
| 6815 | Principal Payments - 2019 Zions Bank Loan Principal Account for principal payments related to a Zions Bank Loan. | \$ 183,000 |
| 6820 | Interest Payments - 2010 SRF Loan Interest Account for interest payments related to a State of Oregon Department of Environmental Quality (DEQ) Clean Water State Revolving Fund (CWSRF) Loan. | \$ 305,740 |
| 6822 | Interest Payments - 2021 IFA Loan Interest Account for interest payments related to a State of Oregon Infrastructure Finance Authority (IFA) | \$ 144,809 |
| 6823 | Interest Payments - 2017 JPM Bank Loan Interest Account for interest payments related to a JP Morgan Bank Loan. | \$ 340,675 |
| 6824 | Interest Payments - 2018 KS Statebank Interest Account for interest payments related to a KS Statebank Bank Loan. | \$ 7,000 |
| 6825 | Interest Payments - 2019 Zions Bank Loan Interest Account for interest payments related to a Zions Bank Loan. | \$ 26,000 |
| | Debt Service Expenditures Total | <u>\$ 3,684,805</u> |

OAK LODGE WATER SERVICES DISTRICT
PROPOSED BUDGET – FISCAL YEAR 2021-2022

LINE ITEM DESCRIPTIONS

TRANSFERS OUT

| Acnt# Description | Budget |
|--|----------------------------|
| 8105 Transfer to Fund 05 Transfer of resources to the Administrative Services Fund. | \$ 4,407,000 |
| 8120 Transfer to Fund 20 Transfer of resources to the Wastewater Reclamation Operating Fund. | \$ 623,800 |
| 8150 Transfer to Fund 50 Transfer of resources to the Wastewater Reclamation Revenue Bond Debt Service Fund. | \$ 3,412,000 |
| 8171 Transfer to Fund 71 Transfer of resources to the Drinking Water Capital Fund. | \$ 500,000 |
| 8172 Transfer to Fund 72 Transfer of resources to the Wastewater Reclamation Capital Fund. | \$ 1,000,000 |
| 8173 Transfer to Fund 73 Transfer of resources to the Wastewater Protection Capital Fund. | \$ 480,000 |
| Transfers Out Total | <u>\$ 9,799,000</u> |

LINE ITEM DESCRIPTIONS

CONTINGENCIES

| Acct # Description | Budget |
|--|----------------------------|
| 9000 Contingency Provide a contingency in the event actual expenditures exceed budgeted appropriations or actual revenues are less than anticipated. | \$ 8,273,600 |
| Contingencies Total | <u>\$ 8,273,600</u> |



Oak Lodge Water Services District
CAPITAL IMPROVEMENT PLAN
Fiscal Years 2022 - 2027

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Message from the District Engineer

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

As fiscal year 2021 draws to a close, the District finds itself in a new era. With the modernization of the Water Reclamation Facility achieved, video inspection of the sanitary mainline collection system completed and the completion a Water System Master Plan, we must now focus and plan for where resources are needed. With the Water System Master Plan completed, the District now turns to complete its first complete Sanitary Sewer Master Plan. With up-to-date inspections of the collection and distribution systems, this information will feed into models that can help Staff predict failures before they occur. Then by strategically maintaining and/or replacing our systems, we become proactive rather than reactive. This proactive approach will not only save our rate payers money, but will enhance services due to time savings. Like a house waiting for a roof failure, that failure creates more damage to the house and costs more to repair than it would proactively; the same holds true for the District's investment in your infrastructure.

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

Next year, staff looks forward to providing detailed ranking of each project along with better justifications for why each project is needed during the timeline presented within this document.

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

Sincerely,




Jason Rice, PE
Oak Lodge Water Services District
District Engineer


How to Use This Document

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

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

Stormwater Level of Service Study





Project Description

This project will accomplish two goals of the District. The first, will be to identify the desires of our public as it relates to the level of services this District provides through its Watershed Protection rate. This will be done through multiple public meetings and a strong outreach process. Once the data is collected and shared with the Board, this project will create a Master Plan for Stormwater that meets those expectations and helps set future rates to do so.

Project Justification

The Board, along with staff are often asked why the District does not do more to prevent flooding within the roadway. The answer is simple, that service is a function of ownership of the roadway and the roadway is operated by Clackamas County. However, this answer does not complete projects. Therefore, staff is proposing the District look into elevating service levels to accomplish these projects for the rate-payers within the District.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ 22,000 | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 150,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Capital Improvement Plan Overview

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

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

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

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

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

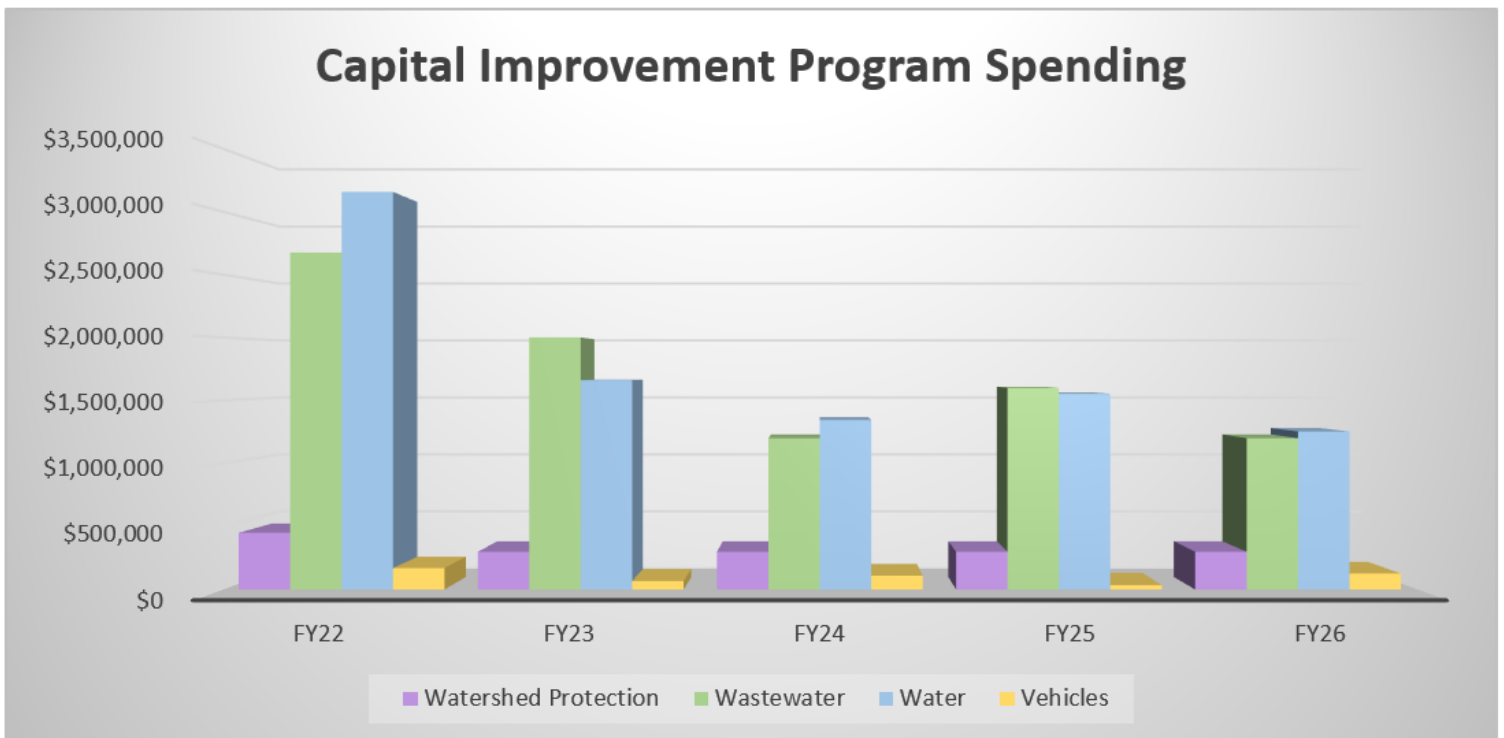
Factors in Evaluating CIP Projects

- | | |
|--|---|
| <ul style="list-style-type: none"> • Master planning documents • Board goals • Operational needs • Regulatory requirements • Fiscal Impacts | <ul style="list-style-type: none"> • Health, safety, and environmental effects • Community economic effects • Feasibility, including public support and disruption • Implications of deferring the project • Coordination and advantages of joint projects |
|--|---|

Summary Information

Funding Summary

| | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Watershed Protection | \$450,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$1,950,000 |
| Wastewater | \$2,674,000 | \$2,000,000 | \$1,200,000 | \$1,600,000 | \$1,200,000 | \$2,250,000 | \$10,924,000 |
| Water | \$3,155,000 | \$1,660,550 | \$1,344,800 | \$1,552,400 | \$1,253,400 | \$1,446,400 | \$10,412,550 |
| Vehicles | \$170,000 | \$67,000 | \$110,000 | \$35,000 | \$127,000 | \$45,000 | \$554,000 |
| Total Capital Improvement Program | \$6,449,000 | \$4,027,550 | \$2,954,800 | \$3,487,400 | \$2,880,400 | \$4,041,400 | \$23,840,550 |



Funding for Capital Projects comes from four Distinct sources

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



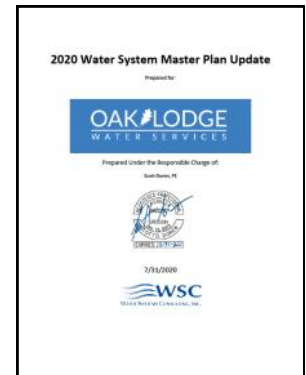
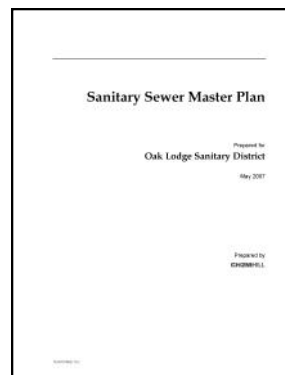
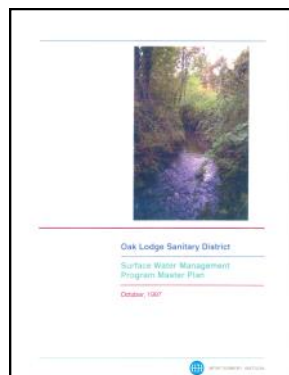
Multi-Document Transparency

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

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

Master Plans

- Surface Water
- Wastewater
- Water



Fund 71 - Drinking Water Capital Fund

| ACTUAL 17-18 | ACTUAL 18-19 | BUDGET 19-20 | Object Code | Item | PROPOSED 20-21 | APPROVED 20-21 | ADOPTED 20-21 |
|---|-----------------|-----------------|--|------------------------------|-------------------|-------------------|------------------|
| 71-00- Resources | | | | | | | |
| \$ - | \$ - | \$ 2,703,013 | 3500 | Beginning Fund Balance | \$ 3,942,000 | \$ 3,942,000 | \$ 3,942,000 |
| - | 74,267 | 50,000 | 4610 | Investment revenue | 50,000 | 50,000 | 50,000 |
| - | 1,320,000 | - | 4650 | Proceeds from borrowing | - | - | - |
| 71-29- Transfers In | | | | | | | |
| - | 2,700,000 | 1,675,000 | 4910 | Transfer In from Fund 10 | 500,000 | 500,000 | 500,000 |
| \$ - | \$ 4,094,267 | \$ 4,428,013 | Total Resources | | \$ 4,492,000 | \$ 4,492,000 | \$ 4,492,000.00 |
| 71-20- Capital Outlay | | | | | | | |
| \$ - | \$ 683,972 | \$ - | 7200 | Infrastructure | \$ - | \$ - | \$ - |
| - | - | 330,000 | 7300 | Buildings and improvements | - | - | - |
| - | 6,419 | - | 7530 | Capital Software Purchase | - | - | - |
| - | 34,113 | - | 7540 | Vehicles | 35,000 | 35,000 | 35,000 |
| - | 133,715 | 4,098,013 | 7600 | Capital improvement projects | 1,480,000 | 1,480,000 | 1,480,000 |
| \$ - | \$ 858,220 | \$ 4,428,013 | Total Capital Outlay | | \$ 1,515,000 | \$ 1,515,000 | \$ 1,515,000 |
| 71-29- Transfers and Contingency | | | | | | | |
| \$ - | \$ - | \$ - | 9000 | Contingency | \$ 2,977,000 | \$ 2,977,000 | \$ 2,977,000 |
| \$ - | \$ - | \$ - | Total Transfers and Contingency | | \$ 2,977,000 | \$ 2,977,000 | \$ 2,977,000 |
| \$ - | \$ 858,220 | \$ 4,428,013 | Total Appropriations | | \$ 4,492,000 | \$ 4,492,000 | \$ 4,492,000 |
| \$ - | \$ 3,236,048 | \$ - | Reserve for future expenditures | | \$ - | \$ - | \$ - |
| \$ - | \$ 4,094,267 | \$ 4,428,013 | Total Requirements | | \$ 4,492,000 | \$ 4,492,000 | \$ 4,492,000 |

Financial Reporting

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

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

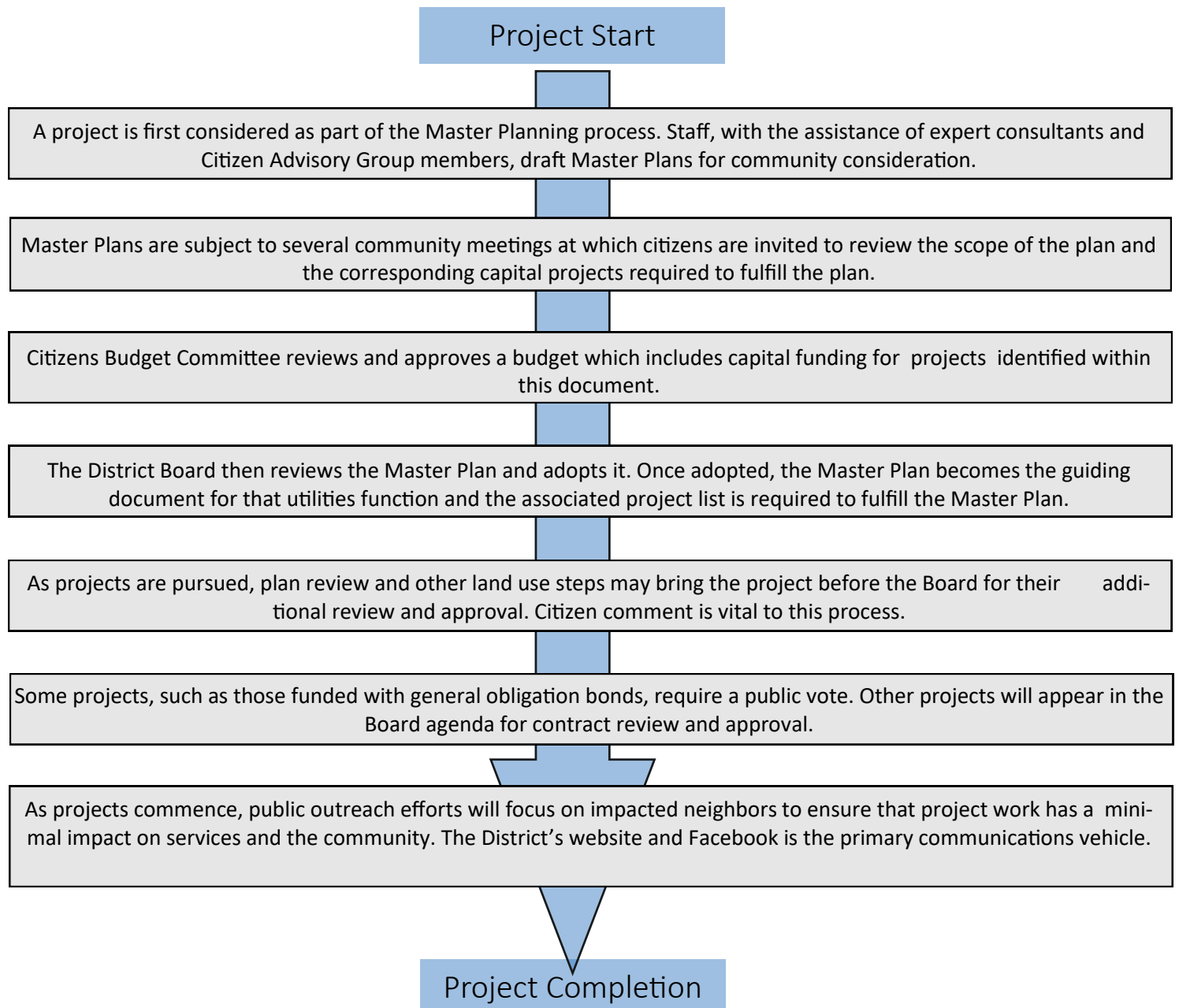
The Process of a CIP Project

Question:

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

Answer:

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



Overview

The Oak Lodge Water Services District (District) is responsible for water quality improvement projects within the communities of Oak Grove and Jennings Lodge, Oregon. Although not formal cities, this portion of unincorporated Clackamas County is heavily urbanized with residential, commercial, and industrial development.

Less than 10 years ago, an analysis of the District revealed that the Total Impervious Area is 80% -- that is about 2,800 acres of surface that does not infiltrate water, all of which contributes to increased water velocity and scour in local streams, and the majority of which contributes pollutants into the surface water system, including streams and rivers.

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

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

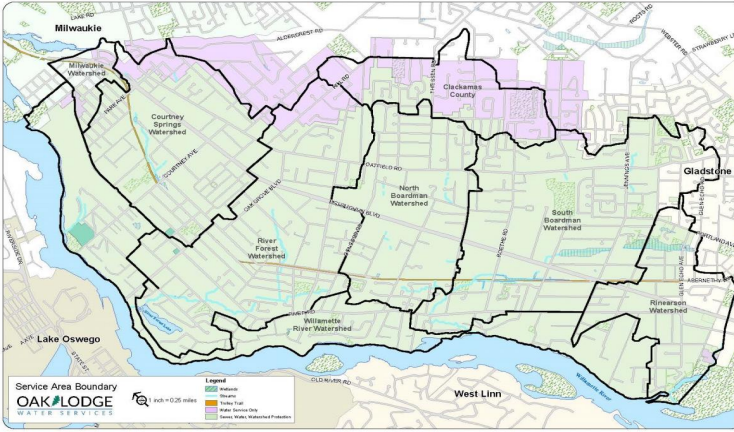
This year, a Stormwater Level of Service Study is being recommended for funding. The purpose of this document is to create a comprehensive plan that accounts for the replacement of existing infrastructure as well as predict through computer modelling where additional infrastructure should be built to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

Watershed Protection Capital Improvement Projects

| Page | Project Name | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Totals |
|--|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| 12 | Stormwater Level of Service Study | 150,000 | | | | | | \$ 150,000 |
| 13 | Localized Enhancement Program | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | \$ 1,800,000 |
| Total Watershed Protection Capital Expenses | | \$ 450,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 1,950,000 |



Stormwater Level of Service Study



Project Description

This project will accomplish two goals of the District. The first, will be to identify the desires of our public as it relates to the level of services this District provides through its Watershed Protection rate. This will be done through multiple public meetings and a strong outreach process. Once the data is collected and shared with the Board, this project will create a Master Plan for Stormwater that meets those expectations and helps set future rates to do so.

Project Justification

The Board, along with staff are often asked why the District does not do more to prevent flooding within the roadway. The answer is simple, that service is a function of ownership of the roadway and the roadway is operated by Clackamas County. However, this answer does not complete projects. Therefore, staff is proposing the District look into elevating service levels to accomplish these projects for the rate-payers within the District.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ 22,000 | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 150,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Localized Enhancement Program



Project Description

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

Project Justification

The Board as well as staff often hear about issues throughout the District related to flooding. By programming money to either solve these issues or participate in multi-jurisdictional projects, the District can start to alleviate these issues for our rate-payers.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------------|------------|------------|------------|------------|-------------------|-----------------------|
| \$ - | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ 1,800,000 | TBD |

SDC Improvement Fee Eligibility: 0%

Overview

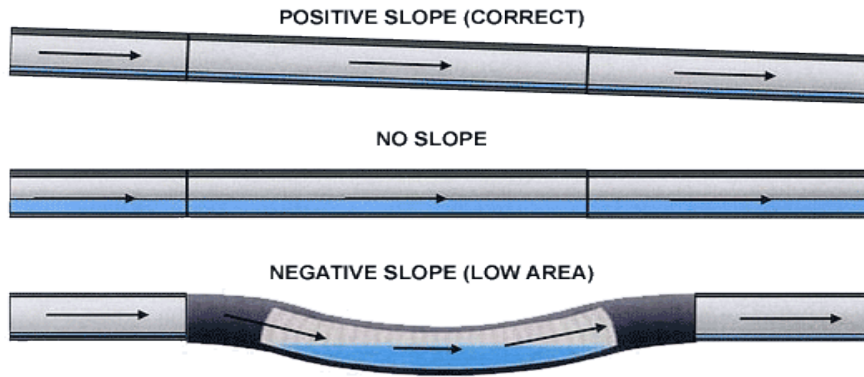
Oak Lodge Water Services District (District) charges customers a monthly fee for sanitary sewer service. Annual revenue changes slightly based on the number and types of customers, and comes in at approximately \$8.2M annually. Of this revenue, approximately 16% is budgeted to be used on capital improvements.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

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

Wastewater Capital Improvement Projects

| Page | Project Name | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Totals |
|------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 15 | Hillside Sewer line - 2B Trunk Sag Adjustment | 500,000 | | | | | | \$ 500,000 |
| 16 | 2A010-343 Line Replacement | 60,000 | | | | | | \$ 60,000 |
| 17 | Sanitary Sewer Master Plan (Plant+Field) | 660,000 | | | | | | \$ 660,000 |
| 18 | Aeration Basin Baffle Wall | 75,000 | | | | | | \$ 75,000 |
| 19 | WTP Blower Rehab | 75,000 | | | | | | \$ 75,000 |
| 20 | PS5 Rebuild | 504,000 | | | | | | \$ 504,000 |
| 21 | PS2,3,4,6 Pre-Design | 200,000 | | | | | | \$ 200,000 |
| 22 | Ultra-Violet Channel Refurbishment | 300,000 | | | | | | \$ 300,000 |
| 23 | Aeration Basin Diffuser Replacement | 100,000 | | | | | | \$ 100,000 |
| 24 | Lateral Repair Program | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 150,000 | \$ 650,000 |
| 25 | Secondary Clarifier 1 and 2 Refurbishment | 100,000 | 900,000 | | | | | \$ 1,000,000 |
| 26 | PS2 Construction | | 400,000 | | | | | \$ 400,000 |
| 27 | Return Activated Sludge Monitor Control Center Replacement | | 500,000 | | | | | \$ 500,000 |
| 28 | Manhole Repair Program | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | \$ 500,000 |
| 29 | Mainline Repair Program | | | 1,000,000 | | 1,000,000 | | \$ 2,000,000 |
| 30 | PS4&6 Construction | | | | 400,000 | | | \$ 400,000 |
| 31 | Influent Pump Station Reconstruction | | | | 1,000,000 | | | \$ 1,000,000 |
| 32 | Tertiary Filters at WRF | | | | | | 2,000,000 | \$ 2,000,000 |
| | Total Wastewater Capital Expenses | \$ 2,674,000 | \$ 2,000,000 | \$ 1,200,000 | \$ 1,600,000 | \$ 1,200,000 | \$ 2,250,000 | \$ 10,924,000 |

Hillside Sewer line - 2B Trunk Sag Adjustment



Project Description

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

Project Justification

The District does not currently have a Sanitary Sewer Master Plan that ranks capital projects. However, this project was identified by field staff to be one of the most problematic pipe sections for routine maintenance. By fixing it now, the District will not only be more confident in the pipe performing, but it will reduce the need for routine cleaning.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 500,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

2A010-343 Line Replacement



Project Description

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

Project Justification

The District does not currently have a Sanitary Sewer Master Plan that ranks capital projects. However, this project was identified by field staff to be one of the most problematic pipe sections for routine maintenance. By fixing it now, the District will not only be more confident in the pipe performing, but it will reduce the need for routine cleaning.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|-----------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 60,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 60,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Sanitary Sewer Master Plan (Plant+Field)



Project Description

The District’s current Sanitary Master Plan was partially written upon historical knowledge of Staff. By the time this project is let, Staff will have collected and logged condition ratings via TV inspections that will inform an updated Master Plan which in turn will help staff prioritize the replacement of our aging infrastructure.

Project Justification

Master Plans are vital to managing utilities. By consolidating all available information into one document, a Master Plan provides a road map to shift away from reactive work towards proactive. This ultimately saves the District money by making informed decisions about what is the best use of each dollar spent.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ 100,000 | \$ 660,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 660,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Aeration Basin Baffle Wall



Project Description

Hydraulic modeling as part of an Aeration Study in FY19 shows that only two trains are needed for this task if the first train is divided into two by a baffle wall. This project would install that barrier.

Project Justification

The Aeration Basin Baffle Wall Project would conserve electricity and reduce greenhouse gas emissions by enabling plant operators to switch off parts of the aeration basin. The District has normally run all four of its Aeration Basin trains.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|-----------|------|------|------|------|------|-------------------|-----------------------|
| \$ 75,000 | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 75,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

WTP Blower Rehab



Project Description

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

Project Justification

This project is a continuation of project that has already begun. By reconfiguring the blowers, the plant will run more efficiently and use less energy.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ 75,000 | \$ 75,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 75,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

PS5 Rebuild



Project Description

Oak Lodge Water Services is rebuilding the most critical of its five sewer pumping stations with work ongoing from last fiscal year. The 60-year-old station is located at one of the lowest points in the District where Boardman Creek meets the Willamette River. Environmental impact to this sensitive area, as well as costs, are being minimized by refurbishing the existing concrete structure with an anti-corrosive epoxy lining rather than rebuild it. The pumps are being replaced with submersible non-clog designs to meet modern health and safety rules.

Project Justification

Raw sewage produces gases in the pump station wet well that are corroding its concrete walls. If corrosion is allowed to continue, the structure will eventually deteriorate and need to be rebuilt with potential impact to Boardman Creek. Restoring the concrete interior walls and coating them with a lining of epoxy will allow the District to reuse the old structure. The current antiquated form of maintenance access to the existing pumps no longer complies with current health and safety requirements.

Future Operating Cost Impact

This existing pump station will continue to need power, telemetry, SCADA services and routine inspection and maintenance. This pump station has to exist in its location and is vital to the conveyance of sewage in our District.

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ 340,000 | \$ 504,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 504,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

PS2,3,4,6 Pre-Design



Project Description

Oak Lodge Water Services owns and operates five sewer pumping stations outside the treatment plant. This project seeks to develop a conceptual design for the four of these that remain to be rebuilt. The approach of planning four station rebuilds simultaneously not only completes a portion of the design work, it further provide the District with cost estimates and big picture concepts early on, enabling District Staff to better plan pump station rebuild work for the years ahead.

Project Justification

The District intends to rebuild all five sewer pump stations in the years ahead. This approach starts off this long-term undertaking by plotting out the big picture.

Future Operating Cost Impact

This project will help identify needs and concerns ahead of full design which will give staff a better understanding of each project ahead.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 200,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Ultra-Violet Channel Refurbishment



Project Description

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

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

Project Justification

The current control system involves a series of interacting gates to open and close each channel and gates to control level to control dosage. There are many moving and wearing parts and this project would put in a passive level control and flow control system and replace the flow meter. This will reduce maintenance and simplify the system needed to meet permit limits for disinfection.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 300,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Aeration Basin Diffuser Replacement



Project Description

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

Project Justification

The diffusers create fine bubbles for efficient oxygen transfer to the organisms in the activated sludge. As the diffusers age the efficiency of the oxygen transfer reduces and the performance of the process reduces which will eventually impact the ability to meet permit limits.

Future Operating Cost Impact

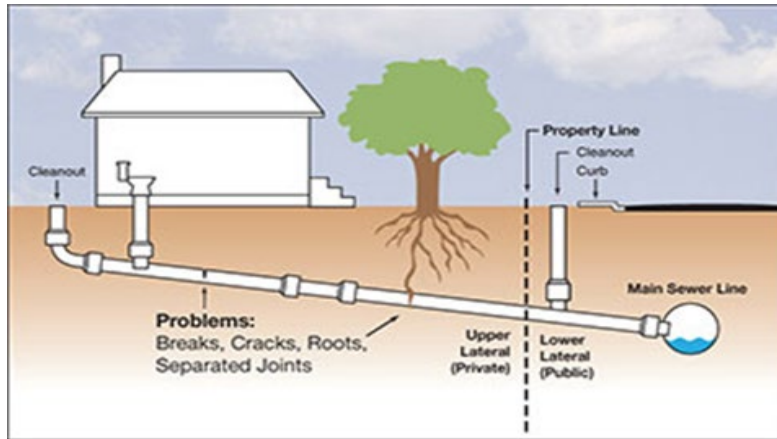
This project will reduce on-going maintenance and cause for better permit compliance.

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Lateral Repair Program



Project Description

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

Project Justification

The District is responsible for sanitary sewer laterals from the mainline to the property line or easement boundary. Currently there are 7550 laterals in the District and the replacement of each is averaging around \$10,000 per lateral. If each lateral were to be replaced once every 100 years, the District should be ramping up to spending \$755,000 per year on this program.

Future Operating Cost Impact

This project will decrease operating expenditures by reducing the total amount of inflow and infiltration into the wastewater system. Replacement of these laterals also help minimize risk to the District before failures cause damage to private property.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------------|------------|------------|------------|------------|-------------------|-----------------------|
| \$ 120,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 150,000 | \$ 650,000 | >150k/year |

SDC Improvement Fee Eligibility: 0%

Secondary Clarifier 1 and 2 Refurbishment



Project Description

Replaces the internal mechanisms of secondary clarifiers 1 and 2, which are reaching the end of their lifespan. Completely demolishes ageing steel and fiberglass components, and the drive mechanism. Replaces these with new stainless steel and aluminum components to protect against corrosion.

Project Justification

These clarifiers are from the original plant and are in need of replacement of the internal mechanisms due to age and corrosion. This project would also relocate the weirs to the wall to improve clarification and settling.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ 100,000 | \$ 900,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

PS2 Construction



Project Description

This project will reconstruct the pump dry well area to a larger wet well with submersible non-clog pumps and increase the wet well size. It may replace the back up generator but it will definitely include higher sound walls and sound insulation.

Project Justification

Modernizing this pump station will replace old pumps and controls to non-clog submersible pumps. Doing so will enlarge the wet well which allows more time prior to bypass and a smoother pump flow to the collections system. This also eliminates all confined space entry to do pump maintenance. Currently confined space entry permit rules have to be followed just to clean a clogged pump. This is a very important pump station carrying the second most flow in the collection system.

Future Operating Cost Impact

This existing pump station will continue to need power, telemetry, SCADA services and routine inspection and maintenance. This pump station has to exist in its location and is vital to the conveyance of sewage in our District.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ - | \$ - | \$ 400,000 | \$ - |

SDC Improvement Fee Eligibility: Likely >0% (Post Master Plan Approval)

Return Activated Sludge Monitor Control Center Replacement



Project Description

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

Project Justification

This panel was not replaced during the new plant construction. It is out of code and has safety issues such as having to open the panel door to lock out breakers. The hardware and controls are also out of date.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ 500,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Manhole Repair Program



Project Description

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

Project Justification

While manholes are relatively low-maintenance and last quite some time, they are vital to conveying sewage and providing access for inspections of mainlines. Keeping good records in the District's asset management database, staff will stay ahead of failures by rehabilitating when needed rather than complete replacement.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ - | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 500,000 | >100K/year |

SDC Improvement Fee Eligibility: 0%

Mainline Repair Program



Project Description

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

Project Justification

Currently, this "project" is more of a place holder for forecasting longer term needs of the District. It is assumed that with the completion of the Districts first Sanitary Sewer Master Plan, projects will be identified, ranked and prioritized into the CIP.

Future Operating Cost Impact

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

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|--------------|-------------|--------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ - | \$ 2,000,000 | TBD |

SDC Improvement Fee Eligibility: Likely >0% (Post Master Plan Approval)

PS4&6 Construction



Project Description

Pump Station #4: This project will replace the electric and control system panels, build permanent enclosure, and create a useable access path to the actual pump station which is already submersible. The current set up has terrible access to power, controls, and pumps.

Pump Station #6: This project will reconstruct the pump dry well area to a larger wet well with submersible non-clog pumps and increase the wet well size. This station sits in a flood plain and has

Project Justification

Modernizing the pump station by replacing old pumps and controls to non-clog submersible pumps. Doing so will enlarge the wet well which allows more time prior to bypass and a smoother pump flow to the collections system. This also eliminates all confined space entry to do pump maintenance. Currently confined space entry permit rules have to be followed just to clean a clogged pump.

Future Operating Cost Impact

This existing pump station will continue to need power, telemetry, SCADA services and routine inspection and maintenance. This pump station has to exist in its location and is vital to the conveyance of sewage in our District.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 400,000 | \$ - | \$ - | \$ 400,000 | \$ - |

SDC Improvement Fee Eligibility: Likely >0% (Post Master Plan Approval)

Influent Pump Station Reconstruction



Project Description

This project will reconfigure the main influent pump station wet well from a big square box which collects grit and debris. The already new non clog pumps will pump this material a bit at a time if the walls and enclosures were configured for self-cleaning. This project would also include surface control improvement and security enhancements.

Project Justification

During the construction of the Water Reclamation Facility, certain items at the Influent Pump Station were value engineered out. These items have caused for more maintenance on behalf of the treatment plant staff. Fixing these items will allow for staff to focus on other operational tasks.

Future Operating Cost Impact

This project will reduce maintenance for the plant staff.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|--------------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 1,000,000 | \$ - | \$ - | \$ 1,000,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Tertiary Filters at WRF



Project Description

This project would add some sort of filtration or tertiary treatment to the end of the process train. The District's site plan for the treatment plan identifies the space next to the UV channels to house these filters (once needed). The District will be receiving a new permit eventually and the limits will be tighter. The District can presently meet the proposed new permit levels most of the time but staff will not know the full extent of the limits until this renewal.

Project Justification

Future Plant NPDES Permits will likely require treatment to a level which is not currently possible.

Future Operating Cost Impact

This facility would be an addition to the treatment process. Whichever filtration is selected, it would carry with it additional

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|------|--------------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,000,000 | \$ 2,000,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Overview

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

With regular and scheduled replacement of vehicles, the cost for major repairs should be kept to a minimum. In addition, the timing for replacements can occur in a planned, efficient and effective fashion thus evening out costs. For the first couple of years the District would need to catch up to meet the scheduled replacements because the newly created Capital Fund has no pre-existing reserves built up.

Vehicle Capital Purchases

| ID# | Program | Vehicle Description | FY22 | FY23 | FY24 | FY22 | FY23 | FY24 | Totals |
|---------------------------------------|--------------------|--------------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| 68 | Water | Field Operations Truck | 35,000 | | | | | | \$ 35,000 |
| 8 | Technical Services | Inspection Truck | 35,000 | | | | | | \$ 35,000 |
| NEW | Wastewater | Biosolids Loader | 100,000 | | | | | | \$ 100,000 |
| 2 | Wastewater | Plant Operations Truck | | 32,000 | | | | | \$ 32,000 |
| 58 | Water | Field Operations Vehicle | | 35,000 | | | | | \$ 35,000 |
| 30 | Water | Operations Dump Truck | | | 110,000 | | | | \$ 110,000 |
| 55 | Water | Field Operations Truck | | | | 35,000 | | | \$ 35,000 |
| 15 | Wastewater | Plant Operations Truck | | | | | 37,000 | | \$ 37,000 |
| 16 | Wastewater | Plant Operations Truck | | | | | 90,000 | | \$ 90,000 |
| 23 | Wastewater | Portable Generator | | | | | | 10,000 | \$ 10,000 |
| 68 | Water | Field Operations Truck | | | | | | 35,000 | \$ 35,000 |
| Total Vehicle Capital Expenses | | | \$ 170,000 | \$ 67,000 | \$ 110,000 | \$ 35,000 | \$ 127,000 | \$ 45,000 | \$ 554,000 |

Overview

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

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

Wastewater Capital Improvement Projects

| Page | Project Name | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Totals |
|--|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 15 | Hillside Sewer line - 2B Trunk Sag Adjustment | 500,000 | | | | | | \$ 500,000 |
| 16 | 2A010-343 Line Replacement | 60,000 | | | | | | \$ 60,000 |
| 17 | Sanitary Sewer Master Plan (Plant+Field) | 660,000 | | | | | | \$ 660,000 |
| 18 | Aeration Basin Baffle Wall | 75,000 | | | | | | \$ 75,000 |
| 19 | WTP Blower Rehab | 75,000 | | | | | | \$ 75,000 |
| 20 | PS5 Rebuild | 504,000 | | | | | | \$ 504,000 |
| 21 | PS2,3,4,6 Pre-Design | 200,000 | | | | | | \$ 200,000 |
| 22 | Ultra-Violet Channel Refurbishment | 300,000 | | | | | | \$ 300,000 |
| 23 | Aeration Basin Diffuser Replacement | 100,000 | | | | | | \$ 100,000 |
| 24 | Lateral Repair Program | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 150,000 | \$ 650,000 |
| 25 | Secondary Clarifier 1 and 2 Refurbishment | 100,000 | 900,000 | | | | | \$ 1,000,000 |
| 26 | PS2 Construction | | 400,000 | | | | | \$ 400,000 |
| 27 | Return Activated Sludge Monitor Control Center Replacement | | 500,000 | | | | | \$ 500,000 |
| 28 | Manhole Repair Program | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | \$ 500,000 |
| 29 | Mainline Repair Program | | | 1,000,000 | | 1,000,000 | | \$ 2,000,000 |
| 30 | PS4&6 Construction | | | | 400,000 | | | \$ 400,000 |
| 31 | Influent Pump Station Reconstruction | | | | 1,000,000 | | | \$ 1,000,000 |
| 32 | Tertiary Filters at WRF | | | | | | 2,000,000 | \$ 2,000,000 |
| Total Wastewater Capital Expenses | | \$ 2,674,000 | \$ 2,000,000 | \$ 1,200,000 | \$ 1,600,000 | \$ 1,200,000 | \$ 2,250,000 | \$ 10,924,000 |

CRW-OLWSD Intertie Project Design



Project Description

This project would design a redundant supply that could be used during an outage of the 24-inch water supply pipeline to the District or in the event of the Clackamas River not being available to the Commission, an intertie with Clackamas River Water is recommended. A pumping station will be necessary to overcome the difference in pressure between the two systems.

Project Justification

Currently, the District has no alternative water supply if the Clackamas River was either contaminated or not available due to low flows. This project would connect the District in a new way to Clackamas River Water (CRW) so that CRW could supply the District water from the City of Portland; water that does not come from the Clackamas River.

Future Operating Cost Impact

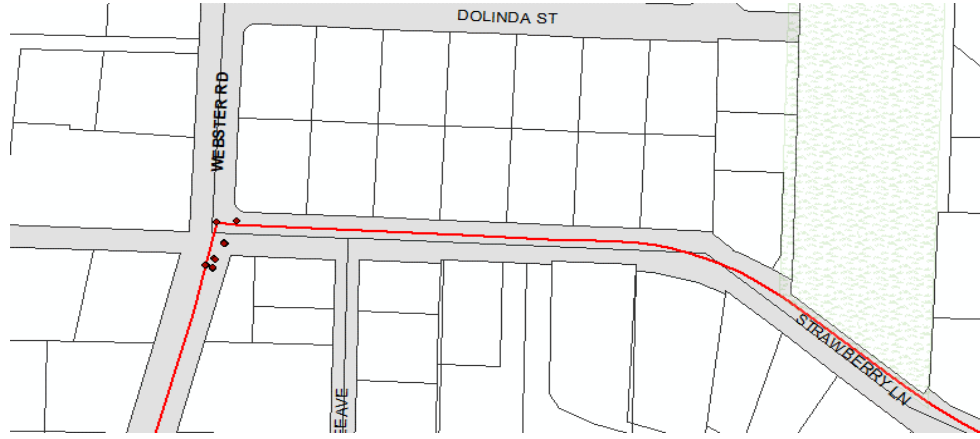
This design project would not have any direct impacts to future operating costs. (See construction of CRW-OLWSD Intertie Project)

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|-----------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 70,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 70,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

CRW-OLWSD Intertie Pump Station



Project Description

To construct a redundant supply that could be used during an outage of the 24-inch water supply pipeline to the District or in the event of the Clackamas River not being available to the Commission, an intertie with Clackamas River Water is recommended. A pumping station will be necessary to overcome the difference in pressure between the two systems.

Project Justification

Currently, the District has no alternative water supply if the Clackamas River was either contaminated or not available due to low flows. This project would connect the District in a new way to Clackamas River Water (CRW) so that CRW could supply the District water from the City of Portland; water that does not come from the Clackamas River.

Future Operating Cost Impact

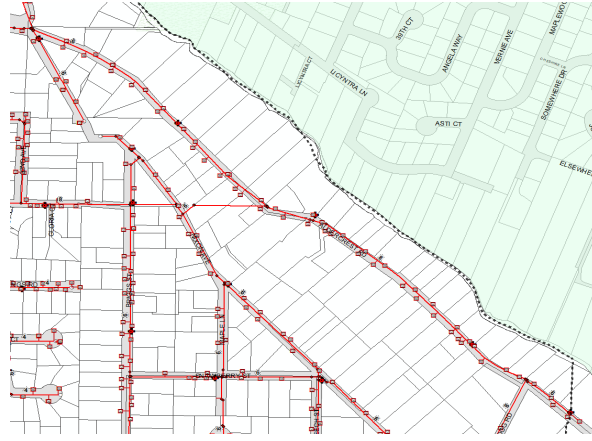
This project would build a new pump station that will carry with it maintainance and replacement costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|--------------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 1,250,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,250,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Aldercrest Road



Project Description

Replacement of 3,025 feet of 6-inch and 8-inch ductile iron pipe with 8-inch ductile iron pipe.

Project Justification

During the creation Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the single most important project to the District when trying to avoid main breaks.

Future Operating Cost Impact

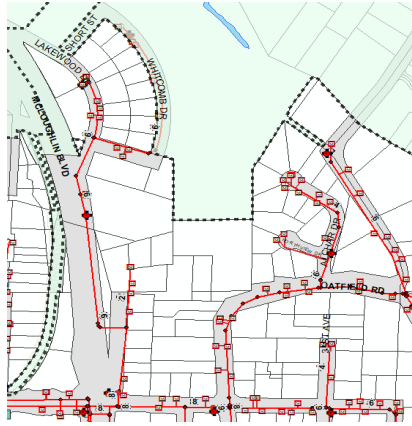
Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ 75,000 | \$ 955,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 955,000 | \$ - |

SDC Improvement Fee Eligibility: 9.7%

28th Avenue, Lakewood Drive, Kellogg Lake Apartments



Project Description

This project replaces 4015 feet of 8-inch cast iron pipe with 8 and 12-inch ductile iron pipe. It will also create a loop in the system where the District has had to flush more often to keep the water fresh tasting.

Project Justification

This project was identified by the Water System Master Plan as one of the highest priority projects for water quality.

Future Operating Cost Impact

This project will lower operating costs due to reduced flushing this area less.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 600,000 | \$ 600,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,200,000 | \$ - |

SDC Improvement Fee Eligibility: 18.3%

Milwaukie-OLWSD Intertie Pump Station



Project Description

An existing 10-inch diameter main in the Milwaukie system is located adjacent to existing 8-inch diameter District main along River Road. A booster pump station could be used to pump water from Milwaukie's lower zone to the District's lower zone to fill the Valley View tanks. Upsizing of 2,000 feet of pipe along River Road to 12-inch diameter would be required at an estimated cost of \$1,789,000.

Project Justification

With a single source of supply through the 24-inch pipeline from the NCCWC, the District is vulnerable to an outage caused by an unplanned pipe break. Portions of the pipeline closer to the Clackamas River are expected to have an increased risk of breakage due to lateral spreading and liquefaction induced settlement.

Future Operating Cost Impact

This emergency intertie would be an addition to the District's drinking water system. Pumps will need to be maintained, staff will need to be trained and power will be consumed when it is in use.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------------|------------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 180,000 | \$ 810,000 | \$ 810,000 | \$ - | \$ - | \$ - | \$ 1,800,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

OLWSD Water Pump Station Generator



Project Description

This project would purchase and install a generator at the water pump station near Clackamas River Water (just before the District's transmission main).

Project Justification

During this past winter's storm, keeping our generators running with diesel took an enormous amount of time and effort. This generator would run on a fixed connection to Natural Gas and would not need to be refilled in the event of a electric power failure.

Future Operating Cost Impact

This generator would need to be maintained on a yearly basis and would eventually require parts to be replaced.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------------|------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Large Meter Testing and Replacement



Project Description

This project aims to keep up with testing of large meters throughout the District. Testing will be conducted to make sure the meter is reading within an acceptable range. If it is not, it will be repaired to ensure proper readings.

Project Justification

By testing and repairing meters, the District can ensure that it is collecting correct revenues for usage.

Future Operating Cost Impact

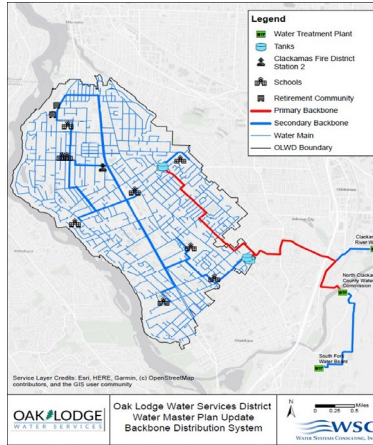
This project is the operating cost for making sure correct revenues are collected.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|-----------|------|------|-----------|------|-------------------|------------------------|
| \$ - | \$ - | \$ 50,550 | \$ - | \$ - | \$ 50,550 | \$ - | \$ 50,550 | \$50,550 in FY29&32 |

SDC Improvement Fee Eligibility: 0%

Seismic Study of 24-inch Supply Line



Project Description

To improve the reliability of the District's 24-inch water supply pipeline, a seismic study is recommended to assess the current condition and the potential site-specific ground deformations anticipated along the alignment based on geotechnical explorations. Identification of any excessive seismic risk and appropriate mitigation measures is a high priority for improving the overall system resilience.

Project Justification

Little is known about the District's 24" supply line from the Commission. This project would explore and identify any vulnerabilities the District should know about and plan for.

Future Operating Cost Impact

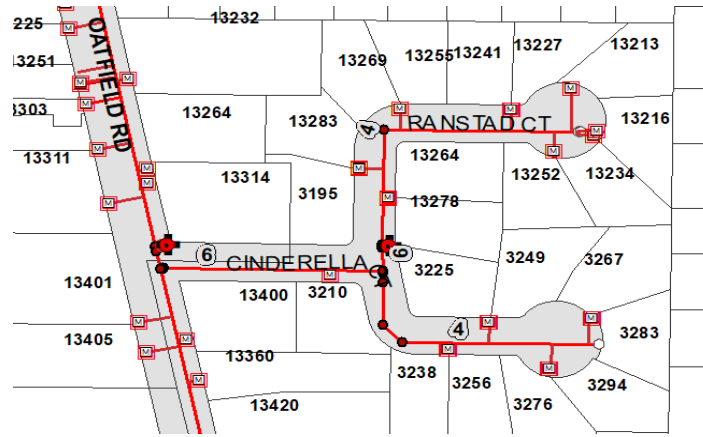
This study would not have a direct impact of future operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------------|------|------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ 200,000 | \$ - | \$ - | \$ - | \$ - | \$ 200,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Ranstad and Cinderella Courts



Project Description

This project replaces 760 feet of 4-inch cast iron pipe with 6-inch ductile iron pipe.

Project Justification

During the Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the single most important project to the District when trying to avoid main breaks.

Future Operating Cost Impact

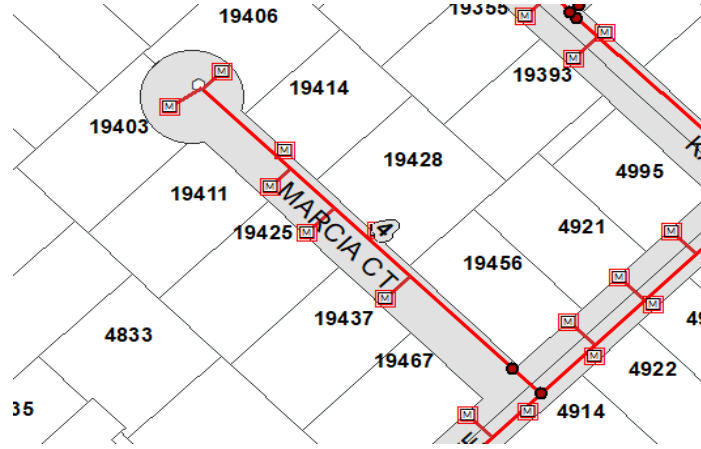
Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|-----------|------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ 79,000 | \$ - | \$ - | \$ - | \$ 79,000 | \$ - |

SDC Improvement Fee Eligibility: 28.9%

Marcia Court



Project Description

This project replaces 475 feet of 4-inch cast iron pipe with 6-inch ductile iron pipe.

Project Justification

During the Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the third most important project to the District when trying to avoid main breaks.

Future Operating Cost Impact

Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------------|------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ 128,000 | \$ - | \$ - | \$ - | \$ 128,000 | \$ - |

SDC Improvement Fee Eligibility: 32.2%

Oatfield Road



Project Description

This project replaces 15,995 feet of 6 and 8-inch cast iron pipe with 8-inch ductile iron pipe over three years.

Project Justification

During the Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the fifth most important project to the District when trying to avoid main breaks. Oatfield Road and its ADA ramps were also identified by Clackamas County to be replaced before 2030. This has since been delayed, but the project is still a high priority for replacement. Therefore, getting ahead of the paving will help the District avoid substantial paving requirements.

Future Operating Cost Impact

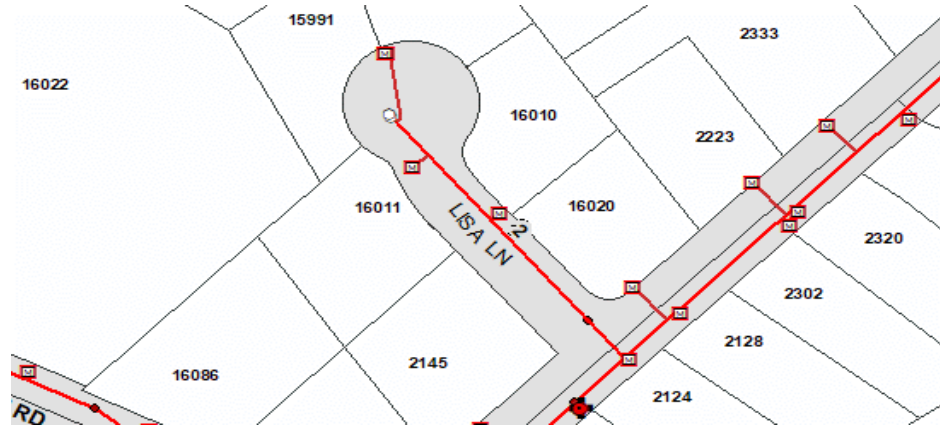
Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------------|------------|------------|------------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ 327,800 | \$ 983,400 | \$ 983,400 | \$ 983,400 | \$ 3,278,000 | \$ - |

SDC Improvement Fee Eligibility: 7.9%

Lisa Lane



Project Description

This project replaces 300 feet of 2-inch pipe with 6-inch ductile iron pipe.

Project Justification

During the Water System Master Plan, Operations Staff identified and prioritized six pipeline projects based on age and condition. This project was prioritized by staff to be the single most important project to the District when trying to avoid main breaks.

Future Operating Cost Impact

Completion of this project would lessen overall main breaks and thus lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 225,000 | \$ - | \$ - | \$ 225,000 | \$ - |

SDC Improvement Fee Eligibility: 33%

Pressure Reducing Valve Rebuild (Every 5 years)



Project Description

The District has three PRVs that regulate pressure throughout the system. The District has indicated that each of the PRVs should be rebuilt every five years. Typically this work is performed by an outside contractor and includes a tear-down of each valve to inspect the diaphragm, seats, and other parts subject to wear, and the replacement of any components that have outlived their useful service life. In addition to rebuilding the valve, the PRV vault should also be assessed to determine if additional improvements to address drainage, safe access and egress, or ventilation are needed.

Project Justification

Rebuilding these valves every 5 years ensures that the District can control operating pressures throughout the system. Failure of these valves could cause both private property damage as well as damage to the public infrastructure if pressures are allowed to be too high.

Future Operating Cost Impact

These valves should be inspected at least once per year and rebuilt every 5 years to prevent failures.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|-----------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 25,000 | \$ - | \$ - | \$ 25,000 | 25K in FY30 |

SDC Improvement Fee Eligibility: 0%

Replace all 4.25-inch Fire Hydrants



Project Description

Over the next 20- years the District plans to replace all 4 ½-inch hydrants to meet the current standard. Replacements are likely to occur in conjunction with condition based replacements as described in the previous section and with fire flow projects described in the previous chapter. There will still be a remaining number of hydrants outside of the scope of the condition and fire flow projects that will also need to be replaced within the next 20 years.

Project Justification

The District’s current potable water system standards require each fire hydrant to use a 5 ¼-inch valve. Older hydrants exist throughout the distribution system that have a 4 ½-inch valve.

Future Operating Cost Impact

This project will not increase operating costs for the District.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------------|------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 319,000 | \$ - | \$ - | \$ 319,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Seal Coat Concrete Dome on Valley View Reservoirs



Project Description

The Valley View tanks are prestressed concrete tanks and require a seal coat on the domed roofs of the two tanks to protect small surface cracks in the concrete from further deterioration. Timing of a seal coat will depend on continued monitoring of the tank roof condition through periodic inspections. Application of a seal coat is anticipated to be necessary within the next 5 to 10 years unless observed crack propagation indicates a more immediate need.

Project Justification

Preservation of the District's water storage tanks is vital to providing safe drinking water to our customers. These tanks also provide water to Clackamas River Water, Gladstone and Sunrise Water Authority customers.

Future Operating Cost Impact

This project will not change current operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|-----------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 70,000 | \$ - | \$ 70,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

AWIA Risk and Resilience Assessment - Update



Project Description

In 2018 the AWIA was signed into law and requires the District to conduct a risk and resilience assessment (RRA) and a subsequent development of an emergency response plan (ERP) prior to June 30, 2021. The law also mandates that the that the RRA and ERP are updated every 5 years.

Project Justification

This project is required by Federal Law.

Future Operating Cost Impact

This update may identify risks for the District which would then be contrasted with other water projects during a scheduled Water Master Plan Update.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|-----------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | \$ - | \$ 50,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Water System Master Plan - Update



Project Description

This project would update the District's Water System Master Plan. Specific updates would be removing completed CIP's from the list, updating population demand forecasts and re-running the water model to make sure the District is staying ahead of growth and failures within the system.

Project Justification

Planning capital improvements beyond 5 years can be a challenge for water utilities; however, a targeted update to the master plan on a 5-year cycle can dramatically improve the utility of the WSMP.

Future Operating Cost Impact

This project would identify projects to be completed, but has not direct impact on future operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|------------|------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 150,000 | \$ - | \$ 150,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

River Road



Project Description

This project designs the replacement of 6,805 feet of 4, 6, and 8-inch ductile iron pipe with 8 and 12-inch ductile iron pipe.

Project Justification

Identified by the Master Plan as a high priority backbone project that would help fire flows and meet future demand near River Road.

Future Operating Cost Impact

Completion of this project would lessen the chance of main breaks which in turn would lower operating costs.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|------|------------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 329,000 | \$ 329,000 | \$ 3,000,000 |

SDC Improvement Fee Eligibility: 9.5%

Radio Telemetry Activation Study



Project Description

The District's Water System Master Plan identified a benefit to reactivating radio telemetry communications to serve as a backup communications system to the cellular modems. Radio telemetry units would be necessary at four District facilities including Valley View, View Acres, the central operations shop, and the NCCWC WTP.

Project Justification

Staff are constantly monitoring a number of variables that relate to serving safe drinking water. One example of this would be the level in a water reservoir. Radio telemetry allows staff to monitor this data remotely. During emergencies radio telemetry helps staff stay focused on fixing main breaks and fueling generators rather than making sure the tanks are at an appropriate level.

Future Operating Cost Impact

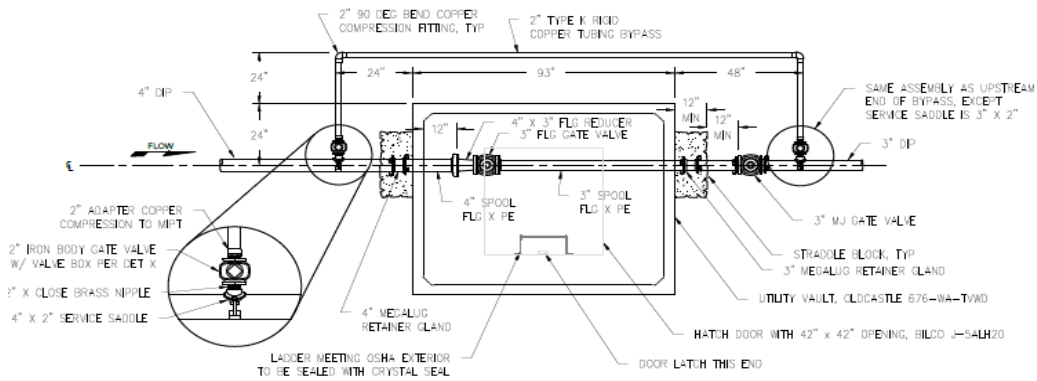
Annual User License Fees would apply to the telemetry system.

Budget Information and Projected Costs

| <i>Pre-CIP (FY17-21)</i> | <i>FY22</i> | <i>FY23</i> | <i>FY24</i> | <i>FY25</i> | <i>FY26</i> | <i>FY27</i> | <i>Total (in CIP)</i> | <i>Post-CIP (FY28-32)</i> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,000 | \$ 24,000 | TBD |

SDC Improvement Fee Eligibility: 0%

Vault Meter Bypass Installations



Project Description

This project aims to begin adding bypasses on some of the District's larger meters.

Project Justification

During the creation of the District's Water System Master Plan, Staff raised awareness to the fact that some of the District's (older) larger meters do not have a bypass. Not having a bypass makes it difficult for staff to test and/or replace a customer's meter without putting them out of service.

Future Operating Cost Impact

This project would speed up the process of testing and/or larger meters throughout the District. Accurate measurement of water consumed by each customer is vital to the District's ability to properly bill.

Budget Information and Projected Costs

| Pre-CIP (FY17-21) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | Total (in CIP) | Post-CIP (FY28-32) |
|----------------------|------|------|------|------|------|------------|-------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 110,000 | \$ 110,000 | \$ - |

SDC Improvement Fee Eligibility: 0%

Contact Us

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