



**Oak Lodge Water District Office  
14496 SE River Road  
Oak Grove, OR 97267  
November 20th, 2018 at 6:00 p.m.**

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

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

3. Consent Agenda
  - October 2018 Financial Reports
    - Approval of October 2018 Check Run
  - October 16, 2018 Board Meeting Minutes
4. Adoption of Revised Contracting and Purchasing Rules Resolution No. 18-12
5. Water Meter Replacement Program: Supply Contract
6. Water Meter Replacement Program: Installation Contract
7. Meter Replacement Program Financing Resolution No. 18-13
8. Debt Distribution Plan Ratification for Former Sanitary District's General Obligation Bonds Resolution No. 18-14
9. Department Reports
  - Finance
  - Field Operations
  - Plant Operations
  - Technical Services
10. Call for Public Comment

11. Business from the Board
12. Recess to Executive Session under ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.
13. Adjourn Executive Session – Board may take action if necessary.  
Adjourn



## AGENDA ITEM

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

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### **Background:**

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

**OAK LODGE**  
WATER SERVICES  
**CONSENT AGENDA**

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**To:** Board of Directors  
**From:** Sarah Jo Chaplen, General Manager  
**Agenda Item:** Consent Agenda  
**Item No.:** 3  
**Date:** November 20, 2018

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**Background:**

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

The Consent Agenda includes:

1. October 2018 Financial Reports
  - a. Approval of October 2018 Check Run
2. October 16, 2018 Board Meeting Minutes

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

**Options for Consideration:**

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

**Recommendation:**

Approve the items listed under the Consent Agenda.

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

Approved _____	Date _____
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## MONTHLY FINANCIAL REPORT

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**To:** Board Directors  
**From:** Kelly Stacey, Finance Director  
**Agenda Item:** October 2018 Financial Reports  
**Item No.:** 3a  
**Date:** November 20, 2018

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### Reports:

- October 2018 Monthly Overview
- October 2018 Budget Report
- October 2018 Monthly Cash and Investment Balances
- October 2018 Monthly Checks and Electronic Withdrawals Staff Report
- October 2018 Monthly Checks and Electronic Withdrawals System Report

**Oak Lodge Water Services  
Monthly Overview  
October 2018**

This report summarized the revenues and expenditures for October 2018. Also incorporated in this report are account balances, including all cash and investment activity as well as checks and withdrawals.

The District's liquid cash and investment assets equal \$12,294,613.39 as of October 31, 2018; consisting of \$152,366.31 in checking, and \$12,142,247.08 in the State Local Government Investment Pool (LGIP).

The District's checks, electronic withdrawals and bank drafts for October 2018, total \$1,439,976.15.

**Water** sales revenue for the month of October 2018 is \$263,377.14. **Wastewater** sales revenue for the month of October 2018 is \$443,629.74. **Watershed protection** sales revenue for the month of October 2018 is \$76,471.91. Total billed revenue for services provided for the month of October 2018 is \$783,478.79.

The % of budget spent is calculated by taking the ending balance and dividing it by the budget. At the end of October that should be around 33.33%. Note for budget law purposes, Wastewater Plant and Wastewater Collection are added together. Certain line items are spent all at once, such as Worker's Compensation, which we pay one time a year in July.

**Oak Lodge Water Services District**

<b>Account Balances As of:</b>			
<b>October 31, 2018</b>		<b>Interest Rate</b>	
<b>Account</b>			
Wells Fargo Bank Checking-3552	0.00%	\$	152,366.31
LGIP 5289 Water General	2.50%	\$	2,551,716.45
LGIP 5790 Sanitary	2.50%	\$	2,433,708.14
LGIP 3968 Sanitary GO Bond Debt Svc	2.50%	\$	1,307,027.98
LGIP 3869 Sanitary Debt Svc	2.50%	\$	1,221,498.01
LGIP 5002 Sanitary General	2.50%	\$	4,628,296.50
Total		\$	12,294,613.39

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General Ledger  
Budget to Actual



User: jeff  
Printed: 11/9/2018 4:50:47 PM  
Period 04 - 04  
Fiscal Year 2019

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
<b>10</b>	<b>Drinking Water</b>				
	<b>NonDivisional</b>				
	<i>Beginning Fund Balance</i>				
10-00-3500	Fund balance	-2,880,270.00	0.00	-3,138,764.09	108.97
	<i>Beginning Fund Balance</i>	-2,880,270.00	0.00	-3,138,764.09	108.97
	<i>Revenue</i>				
10-00-4211	Water sales	-3,640,000.00	-263,377.14	-1,490,635.81	40.95
10-00-4212	Water sales - CRW	-32,000.00	0.00	-12,053.29	37.67
10-00-4215	Penalties and late charges	-25,000.00	-2,005.45	-5,942.88	23.77
10-00-4220	System development charges	-75,000.00	-4,120.00	-101,410.00	135.21
10-00-4230	Contract services	-32,000.00	-2,654.79	-10,194.31	31.86
10-00-4240	Service installations	-15,000.00	-895.00	-7,915.00	52.77
10-00-4280	Rents & leases	-140,000.00	-25,068.38	-31,832.68	22.74
10-00-4290	Other charges for services	0.00	-343.85	-20,286.34	0.00
10-00-4610	Investment revenue	-25,000.00	0.00	0.00	0.00
10-00-4630	Miscellaneous revenues	-15,000.00	-1,612.66	-7,416.93	49.45
	<i>Revenue</i>	<i>3,999,000.00</i>	<i>300,077.27</i>	<i>1,687,687.24</i>	<i>42.20</i>
	<b>NonDivisional</b>	<b>-6,879,270.00</b>	<b>-300,077.27</b>	<b>-4,826,451.33</b>	<b>70.16</b>
	<b>Drinking Water</b>				
	<i>Personnel Services</i>				
10-20-5110	Regular employees	980,000.00	76,321.86	294,961.02	30.10
10-20-5120	Temporary/Seasonal employees	30,000.00	1,071.73	2,192.70	7.31
10-20-5130	Overtime	48,000.00	1,849.60	2,637.94	5.50
10-20-5210	Employee Ins Expense	225,000.00	13,470.67	53,122.69	23.61
10-20-5230	Social Security	80,500.00	5,801.27	22,252.49	27.64
10-20-5240	Retirement	202,000.00	13,246.45	51,057.53	25.28
10-20-5250	Trimet/WBF	9,000.00	600.21	2,283.23	25.37
10-20-5260	Unemployment	12,000.00	0.00	0.00	0.00
10-20-5270	Workers compensation	13,000.00	0.00	13,780.90	106.01
10-20-5290	Other employee benefits	7,300.00	16.00	41.76	0.57
	<i>Personnel Services</i>	<i>1,606,800.00</i>	<i>112,377.79</i>	<i>442,330.26</i>	<i>27.53</i>
	<i>Materials &amp; Services</i>				
10-20-6110	Legal services	130,000.00	1,857.50	11,310.98	8.70
10-20-6120	Accounting & audit services	9,000.00	0.00	0.00	0.00
10-20-6155	Contracted Services	160,500.00	8,274.22	27,260.84	16.98
10-20-6180	Dues & subscriptions	25,000.00	1,789.76	19,630.85	78.52
10-20-6220	Electricity	45,000.00	3,803.75	13,160.10	29.24
10-20-6230	Telephone	21,000.00	1,505.42	4,707.57	22.42
10-20-6240	Natural gas	4,000.00	232.07	688.39	17.21
10-20-6290	Other utilities	4,000.00	203.37	963.26	24.08
10-20-6310	Janitorial services	8,500.00	258.69	4,365.20	51.36
10-20-6320	Buildings & grounds	10,000.00	946.21	1,091.03	10.91
10-20-6330	Vehicle & equipment maint.	27,000.00	134.93	10,768.60	39.88
10-20-6340	Distribution system maint	200,000.00	12,203.39	53,403.08	26.70
10-20-6350	Computer maintenance	48,500.00	8,423.76	35,283.47	72.75
10-20-6390	Other repairs &	50,000.00	1,114.74	9,470.74	18.94



Account Number	Description	Budget	Period Amt	End Bal	% of Budget
	maintenance				
10-20-6410	Mileage	1,500.00	39.20	263.33	17.56
10-20-6420	Staff training	17,500.00	707.47	6,534.85	37.34
10-20-6430	Certifications	1,000.00	0.00	260.00	26.00
10-20-6440	Board travel & training	2,500.00	0.00	0.00	0.00
10-20-6510	Office supplies	15,000.00	2,963.53	5,521.36	36.81
10-20-6520	Fuel & oils	25,000.00	1,554.40	5,096.30	20.39
10-20-6530	Small tools & equipment	15,000.00	0.00	226.02	1.51
10-20-6540	Safety supplies	12,000.00	770.28	4,240.33	35.34
10-20-6550	Operational Supplies	1,500.00	0.00	274.00	18.27
10-20-6560	Uniforms	4,000.00	0.00	0.00	0.00
10-20-6590	Other supplies	0.00	0.00	73.87	0.00
10-20-6610	Board compensation	700.00	0.00	72.08	10.30
10-20-6710	Purchased water	1,050,000.00	232,255.22	349,816.99	33.32
10-20-6720	Insurance	30,000.00	0.00	50.00	0.17
10-20-6730	Communications	9,000.00	88.99	177.00	1.97
10-20-6740	Advertising	1,000.00	0.00	0.00	0.00
10-20-6760	Equipment Rental	5,000.00	0.00	95.41	1.91
10-20-6770	Bank charges	30,000.00	2,354.66	11,924.25	39.75
10-20-6780	Taxes & fees	20,000.00	5,502.45	6,067.35	30.34
10-20-6900	Miscellaneous expense	1,000.00	0.00	50.00	5.00
	<i>Materials &amp; Services</i>	<i>1,984,200.00</i>	<i>286,984.01</i>	<i>582,847.25</i>	<i>29.37</i>
	<b>Drinking Water</b>	<b>3,591,000.00</b>	<b>399,361.80</b>	<b>1,025,177.51</b>	<b>28.55</b>
<b>10</b>	<b>Drinking Water</b>	<b>-3,288,270.00</b>	<b>99,284.53</b>	<b>-3,801,273.82</b>	<b>115.60</b>
<b>20</b>	<b>Wastewater Reclam. NonDivisional</b>				
	<i>Beginning Fund Balance</i>				
20-00-3500	Fund balance	-5,416,603.00	0.00	-5,449,840.30	100.61
	<i>Beginning Fund Balance</i>	<i>-5,416,603.00</i>	<i>0.00</i>	<i>-5,449,840.30</i>	<i>100.61</i>
	<i>Revenue</i>				
20-00-4212	Wastewater charges	-7,947,500.00	-443,629.74	-2,287,858.14	28.79
20-00-4215	Penalties & late charges	-25,000.00	-697.64	-2,093.92	8.38
20-00-4220	System development charges	-100,000.00	5,165.00	-139,455.00	139.46
20-00-4240	Service installations	-25,000.00	499.15	-27,626.52	110.51
20-00-4290	Other charges for services	-5,000.00	-4,767.11	-9,532.69	190.65
20-00-4610	Investment revenue	-50,000.00	0.00	0.00	0.00
20-00-4630	Miscellaneous revenues	-15,000.00	-1,176.08	-6,638.41	44.26
	<i>Revenue</i>	<i>8,167,500.00</i>	<i>444,606.42</i>	<i>2,473,204.68</i>	<i>30.28</i>
	<b>NonDivisional</b>	<b>-13,584,103.00</b>	<b>-444,606.42</b>	<b>-7,923,044.98</b>	<b>58.33</b>
	<b>Wastewater-Plant</b>				
	<i>Personnel Services</i>				
20-21-5110	Regular employees	1,020,000.00	78,639.15	291,923.28	28.62
20-21-5120	Temporary/Seasonal employees	30,000.00	6,280.09	19,018.13	63.39
20-21-5130	Overtime	50,000.00	3,217.55	7,447.27	14.89
20-21-5210	Employee Ins-MDVSTDLTDLf	200,000.00	15,558.04	49,611.00	24.81
20-21-5230	Social Security	80,000.00	6,493.19	23,816.64	29.77
20-21-5240	Retirement	190,000.00	11,458.34	43,503.63	22.90
20-21-5250	TrimetWBF	8,200.00	676.83	2,451.48	29.90
20-21-5260	Unemployment	10,500.00	0.00	0.00	0.00
20-21-5270	Workers compensation	12,000.00	0.00	12,496.59	104.14
20-21-5290	Other employee benefits	6,800.00	17.36	39.34	0.58
	<i>Personnel Services</i>	<i>1,607,500.00</i>	<i>122,340.55</i>	<i>450,307.36</i>	<i>28.01</i>
	<i>Materials &amp; Services</i>				
20-21-6110	Legal services	125,000.00	2,869.86	16,218.92	12.98
20-21-6120	Accounting & audit services	4,500.00	0.00	0.00	0.00
20-21-6155	Contracted Services	105,300.00	8,054.11	37,905.89	36.00

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
20-21-6180	Dues & subscriptions	15,000.00	1,723.25	3,634.02	24.23
20-21-6220	Electricity	250,000.00	78.96	168.25	0.07
20-21-6230	Telephone	24,000.00	1,648.00	5,758.10	23.99
20-21-6240	Natural gas	4,500.00	51.64	94.97	2.11
20-21-6250	Solid waste disposal	75,000.00	3,964.19	15,770.35	21.03
20-21-6290	Other utilities	3,000.00	147.17	2,659.09	88.64
20-21-6310	Janitorial services	22,000.00	704.82	8,283.60	37.65
20-21-6320	Buildings & grounds maint.	25,000.00	1,581.35	2,911.74	11.65
20-21-6330	Vehicle & equipment maint.	24,000.00	0.00	1,510.49	6.29
20-21-6342	WRF System maintenance	234,000.00	4,858.04	54,862.71	23.45
20-21-6350	Computer maintenance	109,250.00	5,607.17	27,443.51	25.12
20-21-6390	Other repairs & maintenance	0.00	0.00	937.74	0.00
20-21-6410	Mileage	2,000.00	81.45	255.28	12.76
20-21-6420	Staff training	23,000.00	800.06	3,849.41	16.74
20-21-6430	Certifications	5,000.00	0.00	0.00	0.00
20-21-6440	Board travel & training	3,000.00	0.00	0.00	0.00
20-21-6510	Office supplies	15,000.00	3,369.86	5,139.80	34.27
20-21-6520	Fuel & oils	35,000.00	659.25	6,810.35	19.46
20-21-6525	Chemicals	25,000.00	0.00	0.00	0.00
20-21-6530	Small tools & equipment	20,200.00	0.00	9.95	0.05
20-21-6540	Safety supplies	20,100.00	1,904.24	5,139.54	25.57
20-21-6550	Operational Supplies	20,000.00	1,799.46	7,522.52	37.61
20-21-6560	Uniforms	14,000.00	1,413.78	5,170.65	36.93
20-21-6590	Other supplies	20,000.00	261.16	941.83	4.71
20-21-6610	Board compensation	1,000.00	0.00	59.36	5.94
20-21-6720	Insurance	90,000.00	0.00	0.00	0.00
20-21-6730	Communications	4,000.00	123.87	231.54	5.79
20-21-6750	Other purchased services	0.00	1,233.69	3,738.71	0.00
20-21-6760	Equipment Rental	0.00	0.00	27.98	0.00
20-21-6770	Bank charges	25,000.00	2,795.51	13,175.37	52.70
20-21-6780	Taxes & fees	68,500.00	17,904.00	22,594.71	32.98
20-21-6900	Miscellaneous expense	0.00	0.00	25.00	0.00
	<i>Materials &amp; Services</i>	<i>1,411,350.00</i>	<i>63,634.89</i>	<i>252,851.38</i>	<i>17.92</i>
	<b>Wastewater-Plant</b>	<b>3,018,850.00</b>	<b>185,975.44</b>	<b>703,158.74</b>	<b>23.29</b>
	<b>Wastewater-Collections</b>				
	<i>Personnel Services</i>				
20-22-5110	Regular employees	665,000.00	55,340.19	241,070.19	36.25
20-22-5120	Temporary/Seasonal employees	22,000.00	473.47	968.69	4.40
20-22-5130	Overtime	40,000.00	281.76	746.27	1.87
20-22-5210	Employee Ins-MDVSTDLTDLf	130,000.00	12,537.16	46,365.22	35.67
20-22-5230	Social Security	56,000.00	4,126.25	18,214.92	32.53
20-22-5240	Retirement	140,000.00	7,602.83	33,565.48	23.98
20-22-5250	Trimet/WBF	6,000.00	433.75	1,876.79	31.28
20-22-5260	Unemployment	9,000.00	0.00	0.00	0.00
20-22-5270	Workers compensation	10,000.00	0.00	10,770.93	107.71
20-22-5290	Other employee benefits	4,800.00	7.06	18.15	0.38
	<i>Personnel Services</i>	<i>1,082,800.00</i>	<i>80,802.47</i>	<i>353,596.64</i>	<i>32.66</i>
	<i>Materials &amp; Services</i>				
20-22-6110	Legal services	75,000.00	1,246.12	6,880.97	9.17
20-22-6120	Accounting & audit services	4,500.00	0.00	0.00	0.00
20-22-6155	Contracted Services	65,500.00	3,692.99	11,498.38	17.55
20-22-6180	Dues & subscriptions	5,000.00	983.73	1,848.95	36.98
20-22-6220	Electricity	10,000.00	2,916.63	6,826.39	68.26
20-22-6230	Telephone	21,000.00	1,188.43	4,067.56	19.37
20-22-6240	Natural gas	3,500.00	51.65	109.09	3.12
20-22-6290	Other utilities	8,500.00	76.52	8,296.48	97.61
20-22-6310	Janitorial services	6,500.00	489.69	2,389.46	36.76

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
20-22-6320	Buildings & grounds	3,000.00	1,467.88	1,630.10	54.34
20-22-6330	Vehicle & equipment maint.	6,000.00	1,226.70	2,013.70	33.56
20-22-6342	Collection system maint.	40,000.00	3,533.18	28,673.10	71.68
20-22-6350	Computer maintenance	35,250.00	4,138.48	24,273.62	68.86
20-22-6390	Other repairs & maintenance	10,000.00	0.00	11.65	0.12
20-22-6410	Mileage	1,500.00	236.76	344.71	22.98
20-22-6420	Staff training	11,000.00	478.92	2,254.16	20.49
20-22-6430	Certifications	900.00	36.50	606.50	67.39
20-22-6440	Board travel & training	1,500.00	0.00	0.00	0.00
20-22-6510	Office supplies	12,000.00	1,319.38	2,327.14	19.39
20-22-6520	Fuel & oils	7,500.00	791.02	2,177.20	29.03
20-22-6530	Small tools & equipment	10,000.00	0.00	2,909.99	29.10
20-22-6540	Safety supplies	3,000.00	250.17	2,256.05	75.20
20-22-6550	Operational Supplies	6,000.00	13.25	139.09	2.32
20-22-6560	Uniforms	8,000.00	742.27	2,005.22	25.07
20-22-6590	Other supplies	0.00	38.47	188.50	0.00
20-22-6610	Board compensation	500.00	0.00	34.26	6.85
20-22-6720	Insurance	24,000.00	0.00	50.00	0.21
20-22-6730	Communications	25,000.00	53.03	268.26	1.07
20-22-6750	Other purchased services	0.00	285.44	865.03	0.00
20-22-6770	Bank charges	15,000.00	2,059.18	10,907.99	72.72
20-22-6780	Taxes & fees	5,000.00	0.00	904.47	18.09
20-22-6900	Miscellaneous expense	0.00	0.00	25.00	0.00
	<i>Materials &amp; Services</i>	<i>424,650.00</i>	<i>27,316.39</i>	<i>126,783.02</i>	<i>29.86</i>
	<b>Wastewater-Collections</b>	<b>1,507,450.00</b>	<b>108,118.86</b>	<b>480,379.66</b>	<b>31.87</b>
<b>20</b>	<b>Wastewater Reclam.</b>	<b>-9,057,803.00</b>	<b>-150,512.12</b>	<b>-6,739,506.58</b>	<b>74.41</b>
<b>30</b>	<b>Watershed Protection NonDivisional</b>				
	<i>Beginning Fund Balance</i>				
30-00-3500	Fund balance	-3,114,971.00	0.00	-2,682,127.28	86.10
	<i>Beginning Fund Balance</i>	<i>-3,114,971.00</i>	<i>0.00</i>	<i>-2,682,127.28</i>	<i>86.10</i>
	<i>Revenue</i>				
30-00-4213	Watershed protection fees	-1,456,000.00	-76,471.91	-438,797.31	30.14
30-00-4215	Penalties & late charges	-5,000.00	-144.27	-429.67	8.59
30-00-4240	Service installations	-40,000.00	-2,495.75	-37,482.48	93.71
30-00-4290	Other charges for services	-5,000.00	0.00	0.00	0.00
30-00-4300	Grant Revenue	-250,000.00	0.00	0.00	0.00
30-00-4610	Investment revenue	-35,000.00	0.00	0.00	0.00
30-00-4630	Miscellaneous revenues	-5,000.00	-213.20	-663.50	13.27
	<i>Revenue</i>	<i>1,796,000.00</i>	<i>79,325.13</i>	<i>477,372.96</i>	<i>26.58</i>
	<b>NonDivisional</b>	<b>-4,910,971.00</b>	<b>-79,325.13</b>	<b>-3,159,500.24</b>	<b>64.34</b>
	<b>Watershed Protection</b>				
	<i>Personnel Services</i>				
30-23-5110	Regular employees	424,000.00	29,636.41	105,643.45	24.92
30-23-5120	Temporary/Seasonal employees	10,000.00	721.34	1,475.82	14.76
30-23-5130	Overtime	16,000.00	72.61	72.61	0.45
30-23-5210	Employee Ins-MDVSTDLTDLf	75,000.00	5,181.19	19,858.49	26.48
30-23-5230	Social Security	36,500.00	2,201.63	7,934.47	21.74
30-23-5240	Retirement	90,000.00	4,477.66	16,936.94	18.82
30-23-5250	TrimetWBF	3,900.00	229.07	815.31	20.91
30-23-5260	Unemployment	5,000.00	0.00	0.00	0.00
30-23-5270	Workers compensation	5,100.00	0.00	6,029.15	118.22
30-23-5290	Other employee benefits	3,000.00	10.78	28.75	0.96
	<i>Personnel Services</i>	<i>668,500.00</i>	<i>42,530.69</i>	<i>158,794.99</i>	<i>23.75</i>
	<i>Materials &amp; Services</i>				
30-23-6110	Legal services	70,000.00	1,702.02	6,174.42	8.82

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
30-23-6120	Accounting & audit services	9,000.00	0.00	0.00	0.00
30-23-6155	Contracted Services	47,500.00	5,046.49	15,202.92	32.01
30-23-6180	Dues & subscriptions	10,000.00	628.26	2,085.52	20.86
30-23-6220	Electricity	2,000.00	46.95	130.99	6.55
30-23-6230	Telephone	10,000.00	516.79	1,729.85	17.30
30-23-6240	Natural gas	1,500.00	44.93	78.05	5.20
30-23-6290	Other utilities	5,000.00	49.99	501.54	10.03
30-23-6310	Janitorial services	4,500.00	225.38	2,935.95	65.24
30-23-6320	Buildings & grounds	8,000.00	118.88	365.08	4.56
30-23-6330	Vehicle & equipment maint.	4,500.00	0.00	2,813.91	62.53
30-23-6340	System maintenance	10,000.00	0.00	0.00	0.00
30-23-6350	Computer maintenance	49,500.00	7,683.51	24,178.84	48.85
30-23-6390	Other repairs & maintenance	5,000.00	0.00	72.98	1.46
30-23-6410	Mileage	2,000.00	345.29	535.89	26.79
30-23-6420	Staff training	9,000.00	384.18	2,573.75	28.60
30-23-6430	Certifications	500.00	0.00	0.00	0.00
30-23-6440	Board travel & training	1,500.00	0.00	0.00	0.00
30-23-6510	Office supplies	10,000.00	2,001.40	3,568.68	35.69
30-23-6520	Fuel & oils	2,500.00	596.81	1,154.29	46.17
30-23-6530	Small tools & equipment	5,000.00	0.00	0.00	0.00
30-23-6540	Safety supplies	2,500.00	127.36	863.10	34.52
30-23-6550	Operational Supplies	4,000.00	0.00	0.00	0.00
30-23-6560	Uniforms	1,500.00	141.30	381.68	25.45
30-23-6610	Board compensation	1,000.00	0.00	59.30	5.93
30-23-6720	Insurance	12,000.00	0.00	0.00	0.00
30-23-6730	Communications	85,000.00	351.08	1,686.09	1.98
30-23-6750	Other purchased services	11,000.00	0.00	13.27	0.12
30-23-6770	Bank charges	10,000.00	1,060.32	5,527.96	55.28
30-23-6780	Taxes & fees	2,000.00	0.00	39.16	1.96
30-23-6900	Miscellaneous expense	100.00	0.00	50.00	50.00
	<i>Materials &amp; Services</i>	<i>396,100.00</i>	<i>21,070.94</i>	<i>72,723.22</i>	<i>18.36</i>
	<b>Watershed Protection</b>	<b>1,064,600.00</b>	<b>63,601.63</b>	<b>231,518.21</b>	<b>21.75</b>
<b>30</b>	<b>Watershed Protection</b>	<b>-3,846,371.00</b>	<b>-15,723.50</b>	<b>-2,927,982.03</b>	<b>76.12</b>
<b>71</b>	<b>Drinking Water Capital NonDivisional</b>				
	<i>Revenue</i>				
71-00-4610	Investment revenue	-5,000.00	-5,406.50	-20,005.42	400.11
71-00-4650	Proceeds from borrowing	-1,300,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>1,305,000.00</i>	<i>5,406.50</i>	<i>20,005.42</i>	<i>1.53</i>
	<b>NonDivisional</b>	<b>-1,305,000.00</b>	<b>-5,406.50</b>	<b>-20,005.42</b>	<b>1.53</b>
	<b>Drinking Water Capital Outlay</b>				
71-20-7200	Infrastructure	1,350,000.00	3,182.99	8,306.03	0.62
71-20-7300	Buildings & improvements	12,000.00	0.00	0.00	0.00
71-20-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
71-20-7520	Equipment	0.00	0.00	15,955.00	0.00
71-20-7530	Software	0.00	3,241.90	3,587.10	0.00
71-20-7540	Vehicles	32,000.00	0.00	27,679.98	86.50
71-20-7600	Capital Improvement Projects	300,000.00	19,741.68	56,114.94	18.70
	<i>Capital Outlay</i>	<i>1,704,000.00</i>	<i>26,166.57</i>	<i>111,643.05</i>	<i>6.55</i>
	<b>Drinking Water</b>	<b>1,704,000.00</b>	<b>26,166.57</b>	<b>111,643.05</b>	<b>6.55</b>
<b>71</b>	<b>Drinking Water Capital</b>	<b>399,000.00</b>	<b>20,760.07</b>	<b>91,637.63</b>	<b>22.97</b>

Account Number	Description	Budget	Period Amt	End Bal	% of Budget
<b>72</b>	<b>Wastewater Reclamation Capital NonDivisional</b>				
	<i>Revenue</i>				
72-00-4610	Investment revenue	-7,500.00	-9,805.74	-35,111.08	468.15
72-00-4640	Proceeds from sale of capital	-1,500,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>1,507,500.00</i>	<i>9,805.74</i>	<i>35,111.08</i>	<i>2.33</i>
	<b>NonDivisional</b>	<b>-1,507,500.00</b>	<b>-9,805.74</b>	<b>-35,111.08</b>	<b>2.33</b>
	<b>Wastewater-Plant</b>				
	<i>Capital Outlay</i>				
72-21-7300	Buildings & improvements	1,500,000.00	0.00	0.00	0.00
72-21-7400	Improvement other than Bldgs	5,000.00	0.00	0.00	0.00
72-21-7530	Software	0.00	2,017.25	2,189.85	0.00
72-21-7540	Vehicles	31,000.00	0.00	5,370.00	17.32
72-21-7600	Capital Improvement Projects	1,220,000.00	0.00	11,295.00	0.93
	<i>Capital Outlay</i>	<i>2,756,000.00</i>	<i>2,017.25</i>	<i>18,854.85</i>	<i>0.68</i>
	<b>Wastewater-Plant</b>	<b>2,756,000.00</b>	<b>2,017.25</b>	<b>18,854.85</b>	<b>0.68</b>
	<b>Wastewater-Collections</b>				
	<i>Capital Outlay</i>				
72-22-7400	Improvements other than Bldgs	5,000.00	0.00	0.00	0.00
72-22-7520	Equipment	60,000.00	0.00	54,984.00	91.64
72-22-7530	Software	0.00	1,301.19	1,473.79	0.00
72-22-7540	Vehicles	0.00	0.00	27,679.98	0.00
72-22-7600	Capital Improvement Projects	500,000.00	0.00	0.00	0.00
	<i>Capital Outlay</i>	<i>565,000.00</i>	<i>1,301.19</i>	<i>84,137.77</i>	<i>14.89</i>
	<b>Wastewater-Collections</b>	<b>565,000.00</b>	<b>1,301.19</b>	<b>84,137.77</b>	<b>14.89</b>
<b>72</b>	<b>Wastewater Reclamation Capital</b>	<b>1,813,500.00</b>	<b>-6,487.30</b>	<b>67,881.54</b>	<b>3.74</b>
<b>73</b>	<b>Watershed Protection Capital NonDivisional</b>				
	<i>Revenue</i>				
73-00-4610	Investment revenue	-5,000.00	-5,156.47	-20,372.73	407.45
73-00-4640	Proceeds from sale of capital	-300,000.00	0.00	0.00	0.00
	<i>Revenue</i>	<i>305,000.00</i>	<i>5,156.47</i>	<i>20,372.73</i>	<i>6.68</i>
	<b>NonDivisional</b>	<b>-305,000.00</b>	<b>-5,156.47</b>	<b>-20,372.73</b>	<b>6.68</b>
	<b>Watershed Protection</b>				
	<i>Capital Outlay</i>				
73-23-7400	Improvement other than Bldgs	10,000.00	0.00	0.00	0.00
73-23-7520	Equipment	71,000.00	0.00	0.00	0.00
73-23-7530	Software	0.00	3,241.90	3,587.10	0.00
73-23-7540	Vehicles	0.00	0.00	4,913.85	0.00
73-23-7600	Capital Improvement Projects	1,920,000.00	580,513.05	1,091,769.55	56.86
	<i>Capital Outlay</i>	<i>2,001,000.00</i>	<i>583,754.95</i>	<i>1,100,270.50</i>	<i>54.99</i>
	<b>Watershed Protection</b>	<b>2,001,000.00</b>	<b>583,754.95</b>	<b>1,100,270.50</b>	<b>54.99</b>
<b>73</b>	<b>Watershed Protection</b>	<b>1,696,000.00</b>	<b>578,598.48</b>	<b>1,079,897.77</b>	<b>63.67</b>

General Ledger  
Account Roll up



User: jeff  
Printed: 11/9/2018 4:50:58 PM  
Period 04 - 04  
Fiscal Year 2019

Sort Level	Description	Budget	Beg Bal	Debits	Credits	End Bal
Revenue	Revenue					
4211	Water sales	-3,640,000.00	-1,227,258.67	9,374.56	272,751.70	-1,490,635.81
4212	Water sales - CRW	-7,979,500.00	-1,856,281.69	35,866.83	479,496.57	-2,299,911.43
4213	Watershed protection fees	-1,456,000.00	-362,325.40	914.91	77,386.82	-438,797.31
4215	Penalties & late charges	-55,000.00	-5,619.11	473.90	3,321.26	-8,466.47
4220	System development charges	-175,000.00	-241,910.00	10,330.00	9,285.00	-240,865.00
4230	Contract services	-32,000.00	-7,539.52	0.00	2,654.79	-10,194.31
4240	Service installations	-80,000.00	-70,132.40	998.30	3,889.90	-73,024.00
4280	Rents & leases	-140,000.00	-6,764.30	0.00	25,068.38	-31,832.68
4290	Other charges for services	-10,000.00	-24,708.07	2.32	5,113.28	-29,819.03
4300	Grant Revenue	-250,000.00	0.00	0.00	0.00	0.00
4610	Investment revenue	-150,459.00	-65,792.35	0.25	25,726.28	-91,518.38
4630	Miscellaneous revenues	-35,000.00	-11,716.90	22.00	3,023.94	-14,718.84
4640	Proceeds from sale of capital	-1,800,000.00	0.00	0.00	0.00	0.00
4650	Proceeds from borrowing	-1,300,000.00	0.00	0.00	0.00	0.00
4701	Interest Subsidy	-121,338.00	0.00	0.00	0.00	0.00
4911	Transfers in from Fund 10	-2,700,000.00	-2,610,873.51	3,227.14	0.00	-2,607,646.37
4912	Transfers in from Fund 20	-8,303,935.00	-5,793,543.55	70,293.89	0.00	-5,723,249.66
4913	Transfers in from Fund 30	-3,600,000.00	-2,986,720.72	1,577.93	0.00	-2,985,142.79
Revenue	Revenue	31,828,232.00	15,271,186.19	133,082.03	907,717.92	16,045,822.08
Expense	Expense					
5110	Regular employees	3,089,000.00	693,660.33	239,937.61	0.00	933,597.94
5120	Temporary/Seasonal employees	92,000.00	15,108.71	8,546.63	0.00	23,655.34
5130	Overtime	154,000.00	5,482.57	5,421.52	0.00	10,904.09
5210	Employee	630,000.00	122,210.34	46,747.06	0.00	168,957.40
	Ins-MDVSTDLTDLf					
5230	Social Security	253,000.00	53,596.18	18,622.34	0.00	72,218.52
5240	Retirement	622,000.00	108,278.30	36,785.28	0.00	145,063.58
5250	Trimet	27,100.00	5,486.95	1,939.86	0.00	7,426.81
5260	Unemployment	36,500.00	0.00	0.00	0.00	0.00
5270	Workers compensation	40,100.00	43,077.57	0.00	0.00	43,077.57
5290	Other employee benefits	21,900.00	76.80	51.20	0.00	128.00
6110	Legal services	400,000.00	32,909.79	7,763.50	88.00	40,585.29
6120	Accounting & audit services	27,000.00	0.00	0.00	0.00	0.00
6155	Contracted Services	378,800.00	66,800.22	25,067.81	0.00	91,868.03
6180	Dues & subscriptions	55,000.00	22,074.34	5,125.00	0.00	27,199.34
6190	Other professional & tech svcs	0.00	0.00	0.00	0.00	0.00
6220	Electricity	307,000.00	13,439.44	6,846.29	0.00	20,285.73
6230	Telephone	76,000.00	11,404.44	4,858.64	0.00	16,263.08
6240	Natural gas	13,500.00	590.21	380.29	0.00	970.50
6250	Solid waste disposal	75,000.00	11,806.16	3,964.19	0.00	15,770.35
6290	Other utilities	20,500.00	11,943.32	477.05	0.00	12,420.37
6310	Janitorial services	41,500.00	16,295.63	1,678.58	0.00	17,974.21
6320	Buildings & grounds	46,000.00	1,883.63	4,114.32	0.00	5,997.95
6330	Vehicle & equipment maint.	61,500.00	15,745.07	1,361.63	0.00	17,106.70
6340	Distribution system maint	210,000.00	41,199.69	12,203.39	0.00	53,403.08
6342	Collection system maint.	274,000.00	75,144.59	8,391.22	0.00	83,535.81
6350	Computer maintenance	242,500.00	85,326.52	25,852.92	0.00	111,179.44
6390	Other repairs & maintenance	65,000.00	9,378.37	1,114.74	0.00	10,493.11
6410	Mileage	7,000.00	696.51	702.70	0.00	1,399.21
6420	Staff training	60,500.00	12,841.54	2,370.63	0.00	15,212.17
6430	Certifications	7,400.00	830.00	36.50	0.00	866.50
6440	Board travel & training	8,500.00	0.00	0.00	0.00	0.00

Sort Level	Description	Budget	Beg Bal	Debits	Credits	End Bal
6510	Office supplies	52,000.00	6,902.81	9,654.17	0.00	16,556.98
6520	Fuel & oils	70,000.00	11,636.66	3,601.48	0.00	15,238.14
6525	Chemicals	25,000.00	0.00	0.00	0.00	0.00
6530	Small tools & equipment	50,200.00	3,145.96	0.00	0.00	3,145.96
6540	Safety supplies	37,600.00	9,446.97	3,052.05	0.00	12,499.02
6550	Operational Supplies	31,500.00	6,122.90	1,812.71	0.00	7,935.61
6560	Uniforms	27,500.00	5,260.20	2,297.35	0.00	7,557.55
6590	Other supplies	20,000.00	904.57	299.63	0.00	1,204.20
6610	Board compensation	3,200.00	225.00	0.00	0.00	225.00
6710	Purchased water	1,050,000.00	117,561.77	232,255.22	0.00	349,816.99
6720	Insurance	156,000.00	100.00	0.00	0.00	100.00
6730	Communications	123,000.00	1,745.92	616.97	0.00	2,362.89
6740	Advertising	1,000.00	0.00	0.00	0.00	0.00
6750	Other purchased services	11,000.00	3,097.88	1,519.13	0.00	4,617.01
6760	Equipment Rental	5,000.00	123.39	0.00	0.00	123.39
6770	Bank charges	80,000.00	33,265.90	8,280.93	11.26	41,535.57
6780	Taxes & fees	95,500.00	6,199.24	23,406.45	0.00	29,605.69
6810	2010 SRF Loan Principal	876,670.00	436,273.00	0.00	0.00	436,273.00
6811	2010 IFA Loan Principal	360,936.00	0.00	0.00	0.00	0.00
6812	2010 GO Bond Principal	1,080,000.00	0.00	0.00	0.00	0.00
6820	2010 SRF Loan Interest	370,772.00	150,725.00	0.00	0.00	150,725.00
6821	2010 GO Bond Interest	88,000.00	44,000.00	0.00	0.00	44,000.00
6822	2010 IFA Loan Interest	290,561.00	0.00	0.00	0.00	0.00
6823	JPM Bank Loan Interest	379,326.00	0.00	0.00	0.00	0.00
6900	Miscellaneous expense	1,100.00	150.00	0.00	0.00	150.00
6910	Cash overshort	0.00	20.00	0.00	0.00	20.00
7200	Infrastructure	1,350,000.00	5,123.04	3,182.99	0.00	8,306.03
7300	Buildings & improvements	1,512,000.00	0.00	0.00	0.00	0.00
7400	Improvement other than Bldgs	30,000.00	0.00	0.00	0.00	0.00
7520	Equipment	131,000.00	70,939.00	0.00	0.00	70,939.00
7530	Software	0.00	1,035.60	9,802.24	0.00	10,837.84
7540	Vehicles	63,000.00	65,643.81	0.00	0.00	65,643.81
7600	Capital Improvement Projects	3,940,000.00	558,924.76	600,254.73	0.00	1,159,179.49
8140	Transfers out - Fund 40	1,548,123.00	516,041.00	0.00	0.00	516,041.00
8150	Transfers out - Fund 50	1,755,812.00	585,270.68	0.00	0.00	585,270.68
8171	Transfers out - Fund 71	2,700,000.00	2,610,873.51	0.00	3,227.14	2,607,646.37
8172	Transfers out - Fund 72	5,000,000.00	4,692,231.87	0.00	70,293.89	4,621,937.98
8173	Transfers out - Fund 73	3,600,000.00	2,986,720.72	0.00	1,577.93	2,985,142.79
9000	Contingency	3,087,009.00	0.00	0.00	0.00	0.00
Expense	Expense	37,345,109.00	14,406,998.38	1,370,396.95	75,198.22	15,702,197.11
<b>Grand Total</b>		<b>-5,516,877.00</b>	<b>864,187.81</b>	<b>1,503,478.98</b>	<b>982,916.14</b>	<b>343,624.97</b>
<b>Fund Balance</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>						
<b>Revenue Total</b>		<b>31,828,232.00</b>	<b>15,271,186.19</b>	<b>133,082.03</b>	<b>907,717.92</b>	<b>16,045,822.08</b>
<b>Expense Total</b>		<b>37,345,109.00</b>	<b>14,406,998.38</b>	<b>1,370,396.95</b>	<b>75,198.22</b>	<b>15,702,197.11</b>



## STAFF REPORT

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**To:** Board of Directors  
**From:** Kelly Stacey, Finance Director  
**Agenda Item:** Checks for October 2018  
**Item No.:** 3\_av  
**Date:** October 16, 2018

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### **Background**

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

### **Issue**

The District needs formal authorization of October checks numbered 41656 through 41780 which include accounts payable and payroll checks as well as electronic withdrawals totaling \$1,439,976.15. Attached you will find a report showing all checks and electronic withdrawals for October 2018. There was one voided check for the month.

### **Recommendations**

It is recommended to the Board that checks numbered 41531 through 41655 and electronic withdrawals be formally approved by the Board.

### **Background**

The District pays expenditures throughout the month.

### **Facts and Findings**

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

### **Attachments**

1. Accela Checks by Date October 2018



Bank Reconciliation  
 Checks by Date  
 User: jeff  
 Printed: 11/06/2018 - 1:51PM  
 Cleared and Not Cleared Checks  
 Print Void Checks

Paper Check Disbursement Activity

<u>Check No.</u>	<u>Check Date</u>	<u>Name</u>	<u>Comment</u>	<u>Module</u>	<u>Void</u>	<u>Clear Date</u>	<u>Amount</u>
41603	9/17/2018	MARISSA AFLLEJE		AP	Void	Uncleared	0.44
41656	10/15/2018	Employee Paycheck		PR		10/31/2018	781.17
41657	10/15/2018	Employee Paycheck		PR		10/31/2018	1,103.27
41658	10/15/2018	Employee Paycheck		PR		10/31/2018	2,116.61
41659	10/16/2018	7-Eleven 18786		AP		Uncleared	3,533.18
41660	10/16/2018	A Worksafe Service, Inc.		AP		10/31/2018	420.00
41661	10/16/2018	Accela		AP		10/31/2018	7,654.04
41662	10/16/2018	Ace Hardware #11075		AP		10/31/2018	258.61
41663	10/16/2018	AFLAC		AP		10/31/2018	863.29
41664	10/16/2018	AFSCME Council 75		AP		10/31/2018	861.21
41665	10/16/2018	Alexin Analytical Laboratories		AP		10/31/2018	1,755.00
41666	10/16/2018	Atlas Electrical Contractors, Inc.		AP		10/31/2018	794.00
41667	10/16/2018	BMS Technologies		AP		10/31/2018	3,762.78
41668	10/16/2018	Cable Huston LLP		AP		10/31/2018	7,697.50
41669	10/16/2018	Cascadia Backflow		AP		10/31/2018	1,024.74
41670	10/16/2018	Lara Christensen		AP		10/31/2018	223.10
41671	10/16/2018	Cintas Corporation		AP		10/31/2018	605.32
41672	10/16/2018	Cintas Corporation - 463		AP		10/31/2018	89.54
41673	10/16/2018	City Of Gladstone		AP		10/31/2018	153.67
41674	10/16/2018	City Of Milwaukie		AP		10/31/2018	1,374.68
41675	10/16/2018	Coastal Farm & Home Supply		AP		10/31/2018	243.98
41676	10/16/2018	Comcast Cable		AP		10/31/2018	419.37
41677	10/16/2018	Convergence Networks		AP		10/31/2018	1,766.00
41678	10/16/2018	CTX-Xerox		AP		10/31/2018	8,054.00
41679	10/16/2018	LOS NINOS CUENTAN		AP		Uncleared	923.67
41680	10/16/2018	Environmental Paper & Print, Inc		AP		10/31/2018	276.86
41681	10/16/2018	Express Services, Inc.		AP		10/31/2018	1,800.00
41682	10/16/2018	Grainger, Inc.		AP		10/31/2018	100.20
41683	10/16/2018	H.D. Fowler Company		AP		10/31/2018	5,034.59
41684	10/16/2018	HealthEquity		AP		10/31/2018	25.60
41685	10/16/2018	J. Thayer Company		AP		10/31/2018	690.26
41686	10/16/2018	Kaiser Permanente		AP		10/31/2018	25,842.34
41687	10/16/2018	CHRISTINE LEON		AP		10/31/2018	71.71
41688	10/16/2018	Maverick Welding Supplies Inc		AP		10/31/2018	26.51
41689	10/16/2018	Measure-Tech		AP		10/31/2018	574.94
41690	10/16/2018	Metro Overhead Door		AP		10/31/2018	180.00
41691	10/16/2018	Milwaukie Lumber Company		AP		10/31/2018	124.55
41692	10/16/2018	Napa Auto Parts - Store #07078		AP		10/31/2018	95.98
41693	10/16/2018	NCCWC		AP		10/31/2018	136,066.10
41694	10/16/2018	Net Assets Corporation		AP		10/31/2018	485.00
41695	10/16/2018	Northstar Chemical, Inc.		AP		10/31/2018	445.00
41696	10/16/2018	Northwest Natural		AP		10/31/2018	45.52
41697	10/16/2018	OCD Automation, Inc.		AP		10/31/2018	250.00
41698	10/16/2018	Olson Bros. Service, Inc.		AP		10/31/2018	1,566.96
41699	10/16/2018	One Call Concepts, Inc.		AP		10/31/2018	287.76
41700	10/16/2018	Oregon DEQ		AP		10/31/2018	1,555.00
41701	10/16/2018	Oregon State Administrative Services		AP		10/31/2018	1,000.00
41702	10/16/2018	Pamplin Media Group		AP		10/31/2018	23.70
41703	10/16/2018	ANGELA & MARK PARTH		AP		Uncleared	33.04
41704	10/16/2018	Portland Engineering Inc		AP		10/31/2018	120.00
41705	10/16/2018	Portland General Electric		AP		10/31/2018	3,077.61
41706	10/16/2018	Relay Resources		AP		10/31/2018	4,730.79
41707	10/16/2018	Jason Rice		AP		10/31/2018	184.33
41708	10/16/2018	Ritz Safety LLC		AP		10/31/2018	2,208.58
41709	10/16/2018	SDAO		AP		10/31/2018	4,125.00
41710	10/16/2018	SDIS		AP		10/31/2018	36,367.97
41711	10/16/2018	Top Industrial Supply		AP		10/31/2018	118.26
41712	10/16/2018	Unifirst Corporation		AP		10/31/2018	986.49
41713	10/16/2018	US Bank Equipment Finance		AP		10/31/2018	220.00

Bank Reconciliation  
 Checks by Date  
 User: jeff  
 Printed: 11/06/2018 - 1:51PM  
 Cleared and Not Cleared Checks  
 Print Void Checks

Paper Check Disbursement Activity

<u>Check No.</u>	<u>Check Date</u>	<u>Name</u>	<u>Comment</u>	<u>Module</u>	<u>Void</u>	<u>Clear Date</u>	<u>Amount</u>
41714	10/16/2018	Verizon Wireless		AP		10/31/2018	635.79
41715	10/16/2018	Waste Management Of Oregon		AP		10/31/2018	3,460.86
41716	10/16/2018	Water Environment Services		AP		10/31/2018	144.45
41717	10/16/2018	Water Systems Consulting, Inc.		AP		10/31/2018	19,741.68
41718	10/16/2018	Wells Fargo Banks		AP		10/31/2018	11.26
41719	10/16/2018	Jeff Wheeler		AP		10/31/2018	36.50
41720	10/18/2018	Paragon Development LLC		AP		10/31/2018	11,328.30
41721	10/31/2018	Employee Paycheck		PR		Uncleared	1,143.98
41722	10/31/2018	Employee Paycheck		PR		Uncleared	1,156.60
41723	10/31/2018	Employee Paycheck		PR		Uncleared	2,116.61
41724	10/31/2018	Accela		AP		Uncleared	19,413.94
41725	10/31/2018	Ace Hardware #11075		AP		Uncleared	215.52
41726	10/31/2018	ADT Security Services		AP		Uncleared	515.40
41727	10/31/2018	AFLAC		AP		Uncleared	863.29
41728	10/31/2018	AFSCME Council 75		AP		Uncleared	861.21
41729	10/31/2018	American Backflow Services		AP		Uncleared	90.00
41730	10/31/2018	AnswerNet		AP		Uncleared	159.17
41731	10/31/2018	Apex Labs		AP		Uncleared	1,261.00
41732	10/31/2018	Applied Industrial Technologies		AP		Uncleared	1,903.60
41733	10/31/2018	BTL NW		AP		Uncleared	155.75
41734	10/31/2018	Bullard Law		AP		Uncleared	66.00
41735	10/31/2018	Century Link		AP		Uncleared	763.45
41736	10/31/2018	Cintas Corporation - 463		AP		Uncleared	89.54
41737	10/31/2018	Clackamas County		AP		Uncleared	5,502.45
41738	10/31/2018	Clackamas County		AP		Uncleared	62.50
41739	10/31/2018	Coastal Farm & Home Supply		AP		Uncleared	183.98
41740	10/31/2018	Consolidated Supply Co.		AP		Uncleared	10,004.56
41741	10/31/2018	Convergence Networks		AP		Uncleared	4,082.98
41742	10/31/2018	CTX-Xerox		AP		Uncleared	681.58
41743	10/31/2018	Cues, Inc		AP		Uncleared	1,164.20
41744	10/31/2018	Daily Journal Of Commerce		AP		Uncleared	276.90
41745	10/31/2018	Detemple Company, Inc.		AP		Uncleared	405.95
41746	10/31/2018	Dr. Lance F. Harris D.C.		AP		Uncleared	90.00
41747	10/31/2018	Express Services, Inc.		AP		Uncleared	1,628.44
41748	10/31/2018	Grainger, Inc.		AP		Uncleared	2,199.45
41749	10/31/2018	H.D. Fowler Company		AP		Uncleared	52.33
41750	10/31/2018	HealthEquity		AP		Uncleared	25.60
41751	10/31/2018	GRACE HOROWITZ		AP		Uncleared	121.86
41752	10/31/2018	James W Fowler Co		AP		Uncleared	579,081.05
41753	10/31/2018	Todd Knapp		AP		Uncleared	52.95
41754	10/31/2018	Madison Biosolids, Inc.		AP		Uncleared	826.71
41755	10/31/2018	Markus Mead		AP		Uncleared	168.95
41756	10/31/2018	David Mendenhall		AP		Uncleared	391.00
41757	10/31/2018	Metereaders, LLC		AP		Uncleared	3,094.20
41758	10/31/2018	Milwaukie Lumber Company		AP		Uncleared	18.93
41759	10/31/2018	NCCWC		AP		Uncleared	96,189.12
41760	10/31/2018	NCSD		AP		Uncleared	27,969.66
41761	10/31/2018	Northstar Chemical, Inc.		AP		Uncleared	616.00
41762	10/31/2018	Northwest Natural		AP		Uncleared	334.77
41763	10/31/2018	Haakon Ogbeide		AP		Uncleared	87.35
41764	10/31/2018	Olson Bros. Service, Inc.		AP		Uncleared	2,034.52
41765	10/31/2018	Oregon DEQ		AP		Uncleared	16,349.00
41766	10/31/2018	Pamplin Media Group		AP		Uncleared	39.51
41767	10/31/2018	Rick Pauker		AP		Uncleared	310.65
41768	10/31/2018	PlanB Consultancy		AP		Uncleared	13,747.50
41769	10/31/2018	Portland General Electric		AP		Uncleared	3,768.68
41770	10/31/2018	Ricoh Americas Corporation		AP		Uncleared	54.42
41771	10/31/2018	Ritz Safety LLC		AP		Uncleared	166.58
41772	10/31/2018	River Road Garage		AP		Uncleared	38.95

Bank Reconciliation  
 Checks by Date  
 User: jeff  
 Printed: 11/06/2018 - 1:51PM  
 Cleared and Not Cleared Checks  
 Print Void Checks

Paper Check Disbursement Activity

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
41773	10/31/2018	Technology Integration Group		AP		Uncleared	1,830.60
41774	10/31/2018	The Sidwell Company		AP		Uncleared	2,148.20
41775	10/31/2018	Tice Electric Company		AP		Uncleared	672.15
41776	10/31/2018	Traver's Cleaning Service Inc.		AP		Uncleared	35.00
41777	10/31/2018	Unifirst Corporation		AP		Uncleared	1,543.97
41778	10/31/2018	Verizon Wireless		AP		Uncleared	1,053.68
41779	10/31/2018	Matt Westergaard		AP		Uncleared	162.00
41780	10/31/2018	Xerox Corporation		AP		Uncleared	27.05
Paper Check Disbursement Activity Subtotal							1,120,649.65
Voided Paper Check Disbursement Activity							-0.44
Adjusted Paper Check Disbursement Activity Subtotal							1,120,649.21

ACH Disbursement Activity

Check No.	Check Date	Name	Comment	Module	Void	Clear Date	Amount
0	10/9/2018	Wells Fargo Remittance Center		AP		10/31/2018	12,599.61
0	10/10/2018	TSYS		AP		10/31/2018	9,882.73
0	10/11/2018	Wells Fargo Banks		AP		10/31/2018	1,422.07
0	10/12/2018	Payroll ACH	DD 00001.10.2018	PR		10/31/2018	74,425.49
0	10/16/2018	Public Employees		AP		10/31/2018	24,888.33
0	10/16/2018	Nationwide Retirement Solutions		AP		10/31/2018	1,575.00
0	10/16/2018	VALIC c/o JP Morgan Chase		AP		10/31/2018	3,240.00
0	10/16/2018	Oregon Department Of Revenue		AP		10/31/2018	8,827.42
0	10/16/2018	Check Commerce		AP		10/31/2018	145.75
0	10/16/2018	IRS Dept of The Treasury		AP		10/31/2018	31,479.62
0	10/18/2018	First American Title Insurance Corp		AP		10/31/2018	1,432.00
0	10/31/2018	VALIC c/o JP Morgan Chase		AP		Uncleared	3,240.00
0	10/31/2018	Public Employees		AP		Uncleared	25,625.87
0	10/31/2018	Oregon Department Of Revenue		AP		Uncleared	9,146.45
0	10/31/2018	Nationwide Retirement Solutions		AP		Uncleared	1,575.00
0	10/31/2018	IRS Dept of The Treasury		AP		Uncleared	31,974.89
0	10/31/2018	Payroll ACH	DD 00002.10.2018	PR		10/31/2018	76,584.56
10152018	10/15/2018	Public Employees	PY PERS EDX>BookClr10/15	BRX		10/31/2018	0.08
10242018	10/24/2018	Oregon DOR - State Transit Tax	PY OR DOR Transit Tax	BRX		10/31/2018	630.98
10262018	10/26/2018	Public Employees	PY PERS EDX>BookClr10/26	BRX		10/31/2018	0.11
10272018	10/26/2018	Oregon DOR - State Transit Tax	PY OR DOR Transit Tax	BRX		10/31/2018	630.98
ACH Disbursement Activity Subtotal							319,326.94
Voided ACH Activity							0.00
Adjusted ACH Disbursement Activity Subtotal							319,326.94

Total Void Check Count:	1
Total Void Check Amount:	0.44
Total Valid Check Count:	146
Total Valid Check Amount:	1,439,976.15
Total Check Count:	147
Total Check Amount:	1,439,976.59

# OAK LODGE

WATER SERVICES

OAK LODGE WATER SERVICES  
Minutes  
Board of Directors – Regular Meeting 6:00 p.m.  
October 16, 2018

Board of Directors - Members Present:

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

Board of Directors - Members Absent:  
none

Oak Lodge Water Services Staff Present:

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

Visitors Present:

Rob Moody, Plan B Consulting  
Jan Bunte, Local Resident  
Dave Phelps, Budget Committee  
Eric Hofeld, Sunrise Water Authority.

## Regular Board of Directors Meeting

### 1. Call to Order and Flag Salute

Board President Nancy Gibson called the regular meeting to order at 6:00 p.m. and Director Paul Gornick led the pledge of allegiance.

### 2. Call for Public Comment

There were no comments from the public.

### 3. Consent Agenda

#### a. September 2018 Financial Reports

##### i. Approval of September 2018 Check Run

#### b. September 18, 2018 Board Meeting Minutes

There were questions or comments.

**Vice President Keil moved to approve the consent agenda as presented. Director Williams seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

#### **4. Consolidation Cost Savings Report**

Finance Director Kelly Stacey presented the report to the Board and the Board complimented her on the fine quality of the work as presented. General Manager Sarah Jo Chaplen thanked Treasurer Fisher for helping to review the draft and credited Kelly for the report. She stated there was \$711,000 in ongoing savings due to the consolidation. Full savings should be realized by fiscal year 2019/2020. This does not count non-monetary savings and efficiencies due to merged/shared staff (cross-trainings, internal work, backup coverage, etc.).

President Gibson provided a brief background on the consolidation history and process, and that about \$425,000 was the annual projected savings for a consolidation. During public focus groups a common thread was to apply any savings to investments in infrastructure.

Kelly requested the Board accept the Report so that District staff can begin sharing the information with the public on the website and in our upcoming newsletter. Vice President Keil suggested notifying the Portland Tribune and the Clackamas Review of this news. Both she and President Gibson volunteered to speak with reporters if needed.

**Director Williams moved to approve the Consolidation Cost Savings Report so that it may be published to our website and saved as an official report of the savings related to the consolidation. Director Gornick seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

#### **5. Commercial Real Estate Broker / Agent of Record Contract**

General Manager Chaplen updated the Board on the applications for this contract – there was only one applicant. Cushman and Wakefield, Inc has extensive experience with headquarters and working with the public sector. She is requesting permission to sign the contract at the end of the week because the compensation for the contract will likely be over \$50,000.

**Vice President Keil moved to authorize our General Manager to negotiate a final contract for Commercial Real Estate Broker/ Agent of Record services from 2018-2022 with Cushman & Wakefield, subject to final review by the District's attorney. Director Gornick seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

## **6. Adoption of Finance Policies**

Finance Director Kelly Stacey presented seven updated finance policies to the Board for adoption. These include the: Budget Policy, Debt Policy, Fund Balance Reserve Policy, Investment Policy, Low Income Rate Relief Policy, Revenue Policy, Surplus Property Disposal Policy and Surplus Request Form. All have been reviewed at previous meetings. The Low-Income Rate Relief Policy was updated with the change to review applications once per year and this will have to be clarified and changed in the Rules and Regulations. Because the intent of the policy is the same as that of the Rules and Regulations, the change will be able to be addressed in the next few months. The Board asked what issue needed to be reviewed with labor attorney Chris Duckworth. Kelly responded the Surplus Property Disposal Policy was not a change in how the employees are currently disposing of property. G.M. Chaplen stated in the union contract there is a section allowing for union review of policies which might have consequences to employees. Employees could face consequences for inappropriate disposal of property, so Chris Duckworth reviewed this policy. The Board asked whether through the former Sanitary District's ability for elderly customers (as part of a state tax deferral program) to deferral sewer bills until the property changed hands, at which point the taxes be paid out of the value of the home. The response was now the District can shut off water for lack of payment. Also, if there are any outstanding taxes left from certified amounts the District will receive a percentage of these charges from Clackamas County. The Board asked if OLWS sewer only customers are still able to certify their bill and lawyer Tommy Brooks responded yes, the District still has this authority for sewer only customers. OLWS no longer has the ability or authority to certify customers who are water/sewer combined. Staff added customers who no longer certify avoid late fees and certification charges as well as potentially quality for the 50% rate reduction based on low income approval. Staff brought up partnership possibilities related to the Gladstone IGA and the group agreed to revisit this question later. The Board asked about how many customers face water shut off each month and staff responded about 20 customers were shut off with most turned back on through payment in full by the end of the day. Staff added OLWS provides an electronic lien docket to title companies when properties sell, and bills are paid in full as part of the exchange of title.

**Director Gornick moved to approve the attached financial policies after final approval from the Union. The Finance Director, General Manager and Attorney will finalize. Director Williams seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

Audience member Eric Hofeld asked how the funds in the three reserve policies will be built and maintained. Kelly responded they would be built over time and assessed as part of the master plans, forecasts, development of rates and budgeting processes in the future.

## **7. Initial Human Resource Policies Workshop**

Human Resources and Payroll Manager Aleah Binkowski-Burk presented the Ethics and Cyber Security Policies as part of the Employee Handbook. The Ethics Policy was combined and made more robust for the District, and the Cyber Security Policy has been updated and includes all forms of technology used by employees. The Board commented on use of the word "they" versus "employees" and requested "they" be more specific. In addition, the policy had use of the word "city" employees which needed changing. The Board asked about the intent of the Professional Development section which reads, "District staff and officials shall be responsible for maintaining their own competence and

enhancing the competence of their colleagues.” Staff pointed out the importance of having employees maintain their professional certifications and the District will support this training. General Manager Chaplen added the importance of the employee returning to the District and adding any knowledge gained to professionalizing the organization. The Board asked for more clarity in this section. Another Board comment pointed out language relevant to this area in the Union Contract, which staff could refer to. The Board commented on adding the language that not only employees but also that family members should not benefit from gifts or other items of worth over \$50 (total per family) and provided suggestions. The Board asked and received clarification about disclosure for managers and employees. The Board asked about the conflict of interest specification and whether it covers the fact that they cannot use public resources or property for personal or political gain. Staff responded they will confirm the Conflict of Interest form includes this and added the form should be signed annually. The Budget Committee members, as Key District Officials, should also sign an annual Conflict of Interest form.

The Board asked about who the District’s Information Technologies representative is; staff answered the software consultant we work with is Convergence and internal staff managing the processes is Gary Floyd. In addition, management of specific devices and hardware assigned to employees is Aleah Binkowski-Burk. The Board commented on a typo on page one, “presumption of the District”, and asked about coverage of inappropriate vehicle use in the District and whether we have enough clarity about inappropriate use of District property (computers, resources, etc.). Company vehicles are only taken home when employees are on call and personal use of company vehicles is generally not allowed. Moving of equipment is also not allowed, nor is use of personal computer technology allowed without prior approval and authorization.

No action required at this time. Comments made here will be added to the policies, which will then be shared with the Union Representative. A final version will be brought back to the Board for approval in November.

## **8. Initial Amendments to Oak Lodge Water Services District Purchasing Rules Workshop**

General Manager Chaplen presented the procurement policy. The goal for the policy was to keep to the state rules while still honoring the needs of the District processes. The policy should reflect a user-friendly document that respects staff needs and state rules. The suggestion for a visual chart was made. Conversation included a reflection of the historical needs of the water and sewer districts.

Board asked for clarification about when the District is suggesting being less restrictive than state rules. Legal counsel Tommy Brooks responded the state rules are very clear in certain cases, and in other areas the state requires districts to put processes in place that respect outlined requirements. G.M Chaplen requested processes that respect the District’s preservation of options within the legal guidelines that the state requires. Question about the procurement process versus purchasing authority and the goal for the District’s policy. Legal counsel pulled out the spending authority are from the procurement rules and the purchasing authority will be assigned separately. Under this policy, the General Manager role will be assigned signing authority up to \$50,000 and then the General Manager would assign lower signing limits to the managers.

The Board asked whether there was a conflict reflected between the flexible direct appointment up to \$100,000 and then it states the Board will approve direct appointment

greater than \$50,000. General Manager Sarah Jo Chaplen clarified that she would have to ask the Board for approval when a direct appointment contract is between \$50,000-100,000. Over \$100,000 would have to be a competitive process, and under \$50,000 would be under the G.M.'s purview.

The Board asked about page 10, Part G and if the lowest bid on a job is from an employee's family/business. Conversation about ethics and Board oversight for approvals. The Board suggested that even outside of an emergency the transparency of the process is the most important part and making sure the Board approved of the process. Suggestion to delete the word "prohibited" from the title of Part G and leaving the suggested rules in place.

The Board commented on Part IV. Preferences as being provincial. The District's Lawyer responded that within Part IV sections A and B are mandatory based on state rules, section C could come out, but the General Manager would prefer to preserve organizational options. No changes will be made in this section.

The Board asked for a definition of "minority." Rob Moody from Plan B Consulting responded it is defined in state statutes and that minority consultants must be certified under state statute. There was a suggestion to change #1 to "The District shall" instead of "may". The District Lawyer suggested we follow the state's rules on this item because the rules are updated frequently. No changes on this item were proposed.

The Board asked about purchasing cards for employees, and staff responded that we did not have credit or p-cards at this time, and that a finance policy would be forthcoming. Overall, the Board was supportive of putting in a program including the rules, p-cards, staff training program, and oversight into place. There was a short conversation about which employees should have cards, and that some would not need them.

The Board asked whether on page 21 the Professional Services dollar amount limits include the original amount and the District Lawyer responded yes, it would include the original amount and go up to the overall amount stated.

The Board asked about evaluating proposals and whether there was a requirement to bring in outside evaluators. The Board suggested using Board members to be brought in at times, when they have an area of expertise to offer.

On page 21 VIII there was a suggestion to add the word "total" before "estimated fees" for clarification.

No further comments. No action required at this time. The final draft will be shared with the Union for review.

#### **9. Resolution No. 18-11: Closure of Oak Lodge Water Services Flex Spending Account at Clackamas County Federal Credit Union.**

Finance Director Kelly Stacy pointed out that Resolution 18-11 is the correct document to move forward with and that we only need that one approved. The Board asked why we are putting the money into the new account and staff responded that it will be a reimbursement for another account that was already created with the same amount of funds.



**Secretary Keil moved to approve Resolution No. 18-11 authorizing Kelly Stacey, the Finance Director, to close the Clackamas Federal Credit Union and promptly deposit the funds into the OLWS Wells Fargo Checking account. Director Gornick seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

## **10. Department Reports**

- **Finance Report:**

Finance Director Kelly Stacey shared they are getting ready for the audit next week. The audit preparation will help with clean up in Accela, which will help with next year's finances. The Accela Water Commission change over will be complete very soon. The temporary staff Matt Parla will remain hired to work on clean up from the conversion and not having him to regular administrative work, but to stay focused on special one-time projects. His time has been extended through the end of December. The consultant from Plan B has completed interviews and will be putting together a report to share results with the Board soon. Kelly will be on vacation in early November and then will begin budget conversations with managers upon her return. General Manager Chaplen brought up the need for two new Budget Committee members and how to proceed with appointing members by January. The Board mentioned making sure to advertise and be transparent, along with using liaisons to local organizations need to push the opportunity and inviting possibilities directly. The application will be on the main page of the website so that people can be easily directed to the application.

The Board asked whether, for a period, a second look could be given to all red tags before they go out to avoid mistakes. The staff agreed. The Board asked if we could check to make sure any duplicate accounts are merged and cleaned up. The staff mentioned this is one of the projects that the temporary staff would be doing. The Board requested staff check Oregon unclaimed funds on the District's behalf, and staff replied we had checked for both the former Sanitary and Water Districts.

- **Field Operations Report:**

Field Operations Superintendent Todd Knapp referred to his staff report, highlighting that he had learned a lot at the recent Lucity conference, which is the District's asset management program. The Board asked about the asset management module in Accela and would we be using it. General Manager Chaplen commented on the Lucity program being more likely to work for the water assets as well as the sewer information, as opposed to using Accela. The Board recommended keeping in mind the overall costs of the programs as well as the usability, and the staff agreed.

Other highlights included lower than average water use for September and not hitting the goals for cleaning and t.v.'ing because of hunting season.

- **Plant Operations Report:**

Plant Superintendent David Mendenhall shared how busy September was. Operations staff have been making process changes with good results and are learning the ranges they want to stay within during the rainy season. The senior operators have been training the newly hired staff. There was one exceedance of the permit limit for bacteria, triggering a testing process through DEQ. After the follow up tests, staff believe the bacteria overage was avian (geese), and retest has reflected results within the permit limits. David went over other items in his staff report, including that the rebuilt pumps will come back this week. He also shared a noise complaint from a neighbor near pump station #2. Staff installed noise reduction matting, but the neighbor still has the complaint. He mentioned when the backup generator runs it might make a different sound, but hopefully this recent fix will help.

- **Technical Services Report:**

District Engineer Jason Rice updated the Board that Libby from Barney and Worth will be writing the plan for communicating with the public on the stormwater master plan, and the Board will receive a staff report at the November meeting. Chapters of the water master plan are being reviewed as well as the first draft of the project list. The water meter replacement program (meter installation) will be put out to bid this week. The Boardman Wetland Complex is well underway with the contractors getting through as much work as possible before the rainy season gets underway. The Board asked if OLWS received an extension on the in-water work window, staff responded no but we have been in conversation with Department of State Lands. They have not heard back from US Corps of Engineers. Initial conversations are underway on other projects. The Board asked whether we had any money from the North Clackamas Parks and Recreation District and staff responded no, but the first check from Metro came in and we are due to request another reimbursement from Metro. In addition, we will be transferring title of the properties to the parks district, along with getting a sewer easement on the property.

## **11. Call for Public Comment**

There were no comments from the public.

## **12. Business from the Board**

Director Williams reported that the Jennings Lodge CPO meeting with the preservation and renovation award for businesses that go above and beyond to make the area fit in historically. Reviewed a land use application to remodel a basement to a Bed and Breakfast at 4184 SE Hillside Dr. The only concern was to make sure there was off street parking for guests and owners, which they agreed to. Discussion to confirm the CPO's priorities for the Map It team to use as a guideline with Clackamas County. There was clarification of the discussion about what the table groups meant so that Karen could take the points forward. Another item discussed was how to acquire parks lands in Jennings Lodge neighborhood and possibly using the recreation area behind Jennings Lodge, considering Boardman Wetlands as a park, and possibly turning the play grounds behind New Urban High School as a park. Director Williams was asked to present information about the Stormwater focused special Board meeting at their next meeting. His plan is to generally share what was discussed between the Board, staff, and community. He

confirmed that there was no tree overlay proposed for the District and the rest of the Board confirmed there was not a special focus on trees proposed.

Director Paul Gornick attended the September 26<sup>th</sup> Board meeting of the Sunrise Water Authority. The new commissioner Wayne Barstow was sworn in. They passed the second reading of the Ordinance to reconstitute the North Clackamas County Water Commission, and Wade Hathorn would file it with the Oregon Secretary of State's office. They discussed a deal from the Special District's Association of Oregon for a 2% property insurance discount if the following conditions are met: the District needs a preventative maintenance policy and then apply to SDAO and fulfill their checklist and then receive the credit. He asked if this was something OLWS was aware of. General Manager Chaplen brought up that Aleah is working to complete our checklist. Aleah mentioned that we have two more items to complete before being eligible for 10% reduction, including a robust asset maintenance program holding the space for a separate preventative maintenance policy. The Board approved the financial statements and agreed to look back over customer accounts 24 months for overbilling and 12 months back for underbilling, as well as the possibility of an even greater look back in case of intentional tampering with a meter or diversion of water. The proposed changes will be reviewed at the next meeting. There was also discussion of a customer satisfaction survey and Director Gornick asked if OLWS has done one? General Manager Chaplen responded we have not done a web-survey. Director Fisher pointed out that OLSD did one for the Sewer District, which included \$25 incentives for respondents. Director Gibson noted that she worked to get Board approval for a Water District survey but lacked the support to do one. There was discussion that the challenge for customer surveys was to make sure there were enough responses to have them be statistically viable. There was discussion of lacking the proper performance bond form for Happy Valley's reservoir project, although the money to back the bond was in the correct checking account. Happy Valley also did not meet peak demand for water as in years past, their hypothesis was that new development had smaller lot sizes which required less water. Finally, they are still short one commissioner on the Board, with applications due Oct. 15<sup>th</sup>.

Treasurer Fisher attended his first Clackamas River Water Board meeting, which starts with Business from the Board in a "work session", and then they go into a regular meeting. The agenda included approval of a professional services agreement for on call engineering services and clarifying whether Board policy for gifts should be \$50 per person or \$50 per person which includes family. They discussed the success of the Clackamas River watershed tour and then entered Executive Session, ending the bulk of the regular meeting. He also attended the Oak Grove Community Council meeting and reviewed the presentation by local business, Portland Posy, with the urban garden located on the north side of Naef. The owner has limited stock available at the new coffee shop in Downtown Oak Grove. They also hear from Dana Lynn Lewis, founder and creator of Gather Make Shelter. This collaborative is a new citywide engagement model for people who are homeless along with people who are more fortunate. They manufacture and sell bowls created by participants. There were several applications for review during the Land Use Application Review Team, including the one to subdivide the lot across from OLWS administration building (with possible use for parking).

President Gibson attended Regional Water Providers Consortium quarterly Board meeting. They concluded the update to the strategic plan, allowing staff to develop their workplans and budget. Bonnie Cushman gave a wonderful presentation on the media, media market coverage and public engagement across all channels. Consensus for rates would be to slight or slightly greater increase dues to continue providing the same or greater service level. This year's push has been to translate all material into Spanish and also post to Hispanic television and radio channels through increased Spanish language programming. She attended C4 and heard from Maria Pope, president and CEO of PGE, presented on their renewables program and making sure the grid was fully loaded in a consistent fashion. Wind power was challenging to store, but they had recently switched to lithium ion batteries to improve storage consistency. Connection to Timothy Lake, partnerships, and the importance of resiliency was also brought up with regards to emergency generation. PGE has their emergency headquarters in Clackamas County. She encouraged the Board to review her power point for details on renewables and sustainability. There was also a presentation on equity and diversity by Emmet Wheatfall. She was not able to attend the Executive Committee meeting due to traffic. The public asked about lithium ion batteries, e-waste and production, the Board responded that at a minimum the batteries should last 12 years, which is how long it takes most electronics (cell phones) to become carbon neutral.

There was no further Board business.

### **13. Closed Regular Meeting**

President Gibson ended the regular meeting at 8:33 p.m. to move into executive session.

### **14. Recess to Executive Session**

President Gibson recessed the Board to Executive Session at 8:38 p.m. under ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

The District's legal counsel informed the Board of a new lawsuit filed against the District relating to fees for new sanitary connections. The District's legal counsel provided an overview of the litigation process and a description of the claims presented in the lawsuit. Board members asked various questions regarding the process and the claims.

### **15. Adjourn Executive Session Meeting**

President Gibson adjourned the executive session at 9:36 p.m.

**Director Gornick moved that the Board authorize the General Manager and District's Attorney to negotiate a settlement of litigation regarding the fees charged in the City of Gladstone consistent with the guidance discussed in Executive Session.**

**Secretary Keil seconded the motion.**

**Ayes: 5**

**Nays: None**

**Motion carried: 5-0**

### **16. Adjourn Regular Board Meeting**

President Nancy Gibson adjourned the regular Board meeting at 9:38 p.m.

Respectfully submitted,

\_\_\_\_\_  
Nancy Gibson  
President, Board of Directors

\_\_\_\_\_  
Susan Keil  
Secretary, Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**OAK LODGE**  
WATER SERVICES  
**STAFF REPORT**

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**To:** Board of Directors  
**From:** Sarah Jo Chaplen, General Manager  
**Agenda Item:** Resolution 18-12, Amendments to OLWSD Purchasing Rules  
**Item No.:** 4  
**Date:** November 20, 2018

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**Action Requested**

Adoption of Resolution 18-12 revising the OLWSD Purchasing Rules.

**History**

December 6, 2016 The Board approved Resolution 16-06 adopting Purchasing Rules for the consolidated district.  
June 19, 2018 The Board approved Resolution 18-07 revising provisions in the Purchasing Rules relating to Architectural and Engineering services  
October 16, 2018 Presentation and discussion of draft rules to the Board

**Background**

On October 16, 2018, District Staff presented new purchasing rules to the Board for discussion. As explained at that time, District employees have regularly encountered difficulties efficiently implementing the District's current Purchasing Rules (Rules). The Rules were originally adopted in December 2016 following consolidation of the sanitary and water districts. While the Rules are comprehensive, they are not user friendly and, in some cases, require updating to be consistent with changes in state law.

The version of the Rules presented to the Board in October presented a complete re-write, with the aim of creating a more comprehensive, easy-to-follow version of the Rules. The Board provided input at that time, which has now been incorporated into a final version for adoption. Following discussion with the Board, the District also shared the draft new Rules with the District's labor unions, which currently has not resulted in any feedback requiring edits to that version.

The attached Rules contain a final version for the Board's consideration and adoption.

Generally, these proposed Contracting & Purchasing Rules are intended to:

- A. Function as the primary document for District staff to follow in public contract and purchasing procedure, rather than needing to refer to an Attorney General rule, statute, or other administrative rule.
- B. Provide for the greatest level of flexibility and control to the Board of Directors, as the local contract review board, while delegating certain authority to the General Manager to take action sufficient to allow for smooth operations and day-to-day contracts and purchase.
- C. Update the District's current procurement rules to account for changes in state law.
- D. Separate contracting procedure from internal controls and delegation (i.e. spending authority of individual staff).

Only the following minor changes were made to the draft version of the rules presented to the Board in October:

1. The heading in section III.G was clarified to state that purchases from District employees or their family members are "limited" rather than "prohibited" to reflect that such transactions are possible, but only after following a certain process.
2. In section VIII.A, language was added for the direct appointment of Professional Services to clarify that such appointments are possible when the "total" Estimated Fee is under certain thresholds. The original language was not clear whether the thresholds applicable to an amended contract applied to the amount of the amendment or to the total contract amount.
3. Several formatting changes were made to make the document more consistent throughout.

The Board also discussed whether changes were needed to the section of the Rules addressing preferences for Minority, Women, Service-Disabled Veteran, and Emerging Small Business Enterprises. Staff recommends retaining the original draft language. That language provides the District with a policy goal of providing opportunities for such contracts, and also creates flexibility for how to achieve that goal rather than a prescriptive approach that might not be possible to achieve.

As a reminder, some of the key changes between the new version of the Rules and those currently in place include the following.

- Clarifies hierarchy of rules in the event of conflict or ambiguity. The 2016 Rules provided that state law and state rules would apply to the District except where the local District rules provided for an exception. The Proposed Rules specify that the local District rules will prevail in the event of a conflict with state rules and statute. If there is a conflict or ambiguity discovered within the Proposed Rules, the General Manager may provide

an interpretation that is consistent with the objectives adopted by the Board of Directors.

- Creates a more cohesive governing document for contracts and purchases. The 2016 Rules more frequently cross-referenced state law rules and statutes such that the reader would need to source the information from both the local District rules and state rules and statutes. The Proposed Rules aim to incorporate the most common state rules and statutes into the document itself so to reduce the need for District staff to refer to state rules and statute (generally for less common contracts and purchases).
- Eliminates specific authority-grants to staff other than the General Manager. The 2016 Rules expressly provide for certain District staff to enter into contracts up to a limited amount. The Proposed Rules provide only for the General Manager to enter into direct contracts or delegate the General Manager's authority to District staff. Under this authority, and through the District's financial policies, contracting authority and spending limits can still be delegated to certain positions, and changes to that delegation will be easier to make as needed.
- Increases ceiling amount for entering into direct appointments for personal services and professional services. The 2016 Rules allow for the District to directly appoint personal services and professional services contractors up to \$10,000, with a competitive process to be used beyond that amount. While the District updated that amount for professional services (architects and engineers), the new Rules will apply to more services and better mirror the state's rules. Specifically, The Proposed Rules allow for a more flexible direct appointment for personal and professional services contractors up to \$100,000 without competition. (The Board will still need to approve of any direct appointment greater than \$50,000.)
- Clarifies when resident preference is required and when it is optional. The 2016 Rules state generally that the District will endeavor to apply a resident preference. The Proposed Rules clarify when the District is required to apply resident preference and when it may optionally provide for a preference, and incorporates all applicable definitions.
- Allows for more flexible public notices. The 2016 Rules allow for electronic advertisement when cost-effective and at the Board Chair's determination. The Proposed Rules allow for publication by any manner the General Manager determines is appropriate for that particular procurement, except where state law requires a specific type of public notice.
- Removes surplus property provisions. The 2016 Rules include a provision on disposal of surplus property. The District is currently in the process of adopting an independent surplus property rule and procedure that is separate from the Rules and for that reason all provisions related to surplus property disposal have been removed from the Proposed Rules.
- Fully explains the procedure for each procurement process and the criteria for evaluation. The 2016 Rules generally discussed the processes for



each procurement type. The Proposed Rules outline each type of procurement process in more of a step-by-step format and outline the applicable criteria for evaluations. The one exception where the Rules refer to the state law is for construction services relating to public improvements. The state rules for such purchases are more prescribed and have several alternative methods. For that reason, it is the attorney's recommendation to continue relying solely on the state rules.

### **Suggested Board Motion**

*"I move to approve Resolution No. 18-12 adopting new purchasing rules for the District."*

### **Attachments**

1. Purchasing Rules

**BEFORE THE BOARD OF DIRECTORS  
FOR THE OAK LODGE WATER SERVICES DISTRICT**

**Resolution No. 18-12**

**A Resolution of the Oak Lodge Water Services District Board of Directors, Acting as the Local Contract Review Board, Adopting Public Contracting & Purchasing Rules and Repealing and Replacing Resolutions 16-06 and 18-07.**

**WHEREAS**, the Oak Lodge Water Services District (“District”) is a public contracting agency, and pursuant to ORS 279A.060 the District Board of Directors (“Board”) serves as the local contract review board and exercises the District’s procurement authority in accordance with the state Public Contracting Code ORS 279A, 279B, and 279C; and

**WHEREAS**, pursuant to ORS 279A.065 the Board has chosen to adopt its own local rules of procedure for public contracts, and accordingly, first adopted its purchasing rules by Resolution 16-06 on December 6, 2016, and later revised by Resolution 18-07 on June 19, 2018; and

**WHEREAS**, in addition to reviewing its local rules as required by ORS 279A.065(6)(b) to ensure compliance with state law, the Board periodically reviews its local rules to ensure that the rules preserve meaningful competition while affording the District sufficient flexibility and control to efficiently proceed with public procurements; and

**WHEREAS**, the Board desires to fully reconfigure its purchasing rules by adopting new local rules and repealing and replacing all prior or conflicting procedures and practices;

**NOW, THEREFORE, BE IT RESOLVED** by the Oak Lodge Water Services District Board of Directors in its capacity as the District’s Local Contract Review Board that:

1. Except as otherwise provided herein, the Oregon Attorney General’s Model Public Contracting Rules promulgated under ORS 279A.065 and set forth in Oregon Administrative Rules Chapter 137, Divisions 46, 47, 48, and 49, do not apply to the District.
2. Resolutions 16-06 and 18-07 providing for the adoption and amendment of the District’s Purchasing Rules on December 6, 2016 and June 19, 2018, are hereby repealed in their entirety.
3. The Contracting & Purchasing Rules (November 2018) attached hereto and incorporated herein by reference, are hereby adopted as the District’s local rules of procedure under ORS 279A.065(6) and shall supersede and replace all prior and existing contracting and purchasing practices, rules, and procedures.

Approved and Effective this 20th day of November 2018, by the District Board of Directors serving as the Local Contract Review Board for the District.

**ATTEST:**

\_\_\_\_\_  
Susan Keil, Secretary

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Nancy Gibson, President



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# **Contracting & Purchasing Rules**

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**November 2018**

**Oak Lodge Water Services District  
 Contracting & Purchasing Rules**

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# Contracting & Purchasing Rules

## I. Introduction.

- A. Purpose of Rules.** These Contracting and Purchasing Rules (“Rules”) are adopted by the Oak Lodge Water Services District Board of Directors (“the OLWSD Board”), the governing body of the Oak Lodge Water Services District (“the District”), to establish the rules and procedures for contracts entered into and purchases made by the District. The District’s General Manager is responsible for ensuring that these Rules are followed. It is the policy of the District in adopting these Rules to utilize public contracting and purchasing practices and methods that maximize the efficient use of District resources and the purchasing power of District funds by:
1. Promoting impartial and open competition;
  2. Using solicitation materials that are complete and contain a clear statement of contract specifications and requirements; and
  3. Taking full advantage of evolving procurement methods that suit the purchasing needs of the District as they emerge within various industries.
- B. Interpretation of Rules.** Except as specifically provided in these Rules, public contracts and purchases shall be awarded, administered, and governed according to ORS Chapters 279A, 279B, and 279C (the “Public Contracting Code”) and the Attorney General’s Model Public Contract Rules (“AG Model Rules”), as may be amended from time to time.
1. It is the District’s intent that these Rules be interpreted to authorize the full use of all contracting and purchasing powers described in ORS Chapters 279A, 279B, and 279C.
  2. The AG Model Rules adopted under ORS 279A.065 shall apply to the contracts and purchases of the District to the extent that they do not conflict with these Rules or other rules and regulations adopted by the District.
  3. In the event of a conflict between any provisions of these Rules and the AG Model Rules, the provisions of these Rules shall prevail.
  4. In the event of a conflict between one or more provisions of these Rules, the General Manager shall have the authority to interpret these rules consistent with the purposes of the objective set forth above in subsection A to resolve the conflict.
- C. Specific Provisions’ Precedence over General Provisions.** In the event of a conflict between the provisions of these Rules, the more specific provision shall take precedence over the more general provision.
- D. Conflict with Federal Statutes and Regulations.** Except as otherwise expressly provided in ORS Chapters 279A, 279B, or 279C, applicable federal statutes and regulations shall govern when federal funds are involved.

- II. Definitions.** Unless a different definition is specifically provided herein, or the context clearly requires otherwise, the following terms have the meanings set forth herein. Additionally, any term defined in the singular includes the meaning of the plural, and vice versa.
- A. Administering agency.** A contracting agency other than the District that solicited and established the original contract in a cooperative procurement for goods, services, personal services, professional services, or public improvements.
  - B. Affected person.** A person whose ability to participate in a procurement is adversely impaired by a District decision.
  - C. Architectural, engineering, and land surveying services.** Professional services performed by an architect, engineer, or land surveyor that includes architectural, engineering, or land surveying services, separately or any combination thereof.
  - D. Award.** The decision to enter into a contract or purchase order with a specific offeror or proposer.
  - E. Bid.** A response to an invitation to bid.
  - F. Bidder.** A person who submits a bid in response to an invitation to bid.
  - G. Bid security.** A form of security submitted or posted by a bidder as a monetary guarantee that, if selected, the bidder will accept the award of the contract under the terms of the bid. Bid security is either returned, forfeited, or exchanged for a different form of guarantee. The form of bid security may be: a surety bond signed by the surety, a signed irrevocable letter of credit issued by an insured institution as the term is defined in ORS 706.008(11), a cashier's check, or other adequate form of security as determined by the General Manager.
  - H. Business with which a District employee is associated.** Any business in which a District employee is a director, officer, owner, or employee, or any corporation in which a District employee owns or has owned ten percent (10%) or more of any class of stock at any point in the preceding calendar year.
  - I. District.** The Oak Lodge Water Services District, a public water and sanitary district and a contracting and purchasing agency.
  - J. General Manager.** The District's General Manager or the person designated as the acting General Manager in the General Manager's absence.
  - K. Closing.** The date and time announced in a solicitation document as the deadline for submitting bids or offers.
  - L. Contract or Public Contract.** A purchase, lease, rental, or other acquisition, by the District of personal property, goods, or services, including personal services, professional services, public improvements, public works, minor alterations, or ordinary repair or maintenance necessary to preserve a public improvement. A public contract does not include grants.
  - M. Contractor.** The person who enters into a contract with the District.



- N. Contract price.** As the context requires:
1. The maximum payment that the District will make under a contract if the contractor fully performs under the contract, including bonuses, incentives and contingency amounts;
  2. The maximum not-to-exceed payment specified in the contract; or
  3. The unit prices set forth in the contract.
- O. Contracting agency.** A public body authorized by law to conduct a procurement.
- P. Cooperative procurement.** A procurement conducted by, or on behalf of, one or more contracting agencies.
- Q. Days.** Calendar days.
- R. Emergency.** Involves circumstances that:
1. Could not have been reasonably foreseen;
  2. Create a substantial risk of loss, damage, or interruption of services, or a substantial threat to property, public health, welfare, or safety; and
  3. Require prompt execution of a contract or amendment in order to remedy the substantial risks and threats.
- S. Findings.** The justification for a conclusion. If the justification relates to a public improvement contract, findings may be based on information that include, but is not limited to:
1. Operational, budget, and financial data;
  2. Public benefits;
  3. Value engineering;
  4. Specialized expertise;
  5. Market conditions;
  6. Technical complexity; and
  7. Funding sources.
- T. Goods or services.** Supplies, equipment, materials, and services, other than personal services, and any personal property, including any tangible, intangible, and intellectual property and rights and licenses in relation thereto. The term includes good or services, goods and services, and combinations of any of the items identified in this definition.
- U. Grant.** An agreement under which:
1. The District receives money, property, or other assistance, including but not limited to, federal assistance that is characterized as a grant by federal law or regulation, loans, loan guarantees, credit enhancements, gifts, bequests, commodities, or other assets;

- a. The assistance received by the District is from a grantor for the purpose of supporting or stimulating a program or activity of the District; and
  - b. No substantial involvement by the grantor is anticipated in the program or activity other than involvement associated with monitoring compliance with grant conditions; or
- 2. The District provides money, property, or other assistance, including but not limited to, federal assistance that is characterized as a grant by federal law or regulation, loans, loan guarantees, credit enhancements, gifts, bequests, commodities or other assets;
  - a. The assistance is given to the recipient for the purpose of supporting or stimulating a program or activity of the recipient; and
  - b. No substantial involvement by the District is anticipated in the program or activity other than involvement associated with monitoring compliance with grant conditions, unless otherwise provided for in an agreement related to the grant.
- V. Immediate family member.** An employee's: spouse, and parents thereof; children, and spouses thereof; parents, and spouses thereof; siblings, and spouses thereof; grandparents and grandchildren, and spouses thereof; and domestic partner, and parents thereof.
- W. Minority, Women, Service-Disabled Veteran, and Emerging Small Business Enterprise.** An enterprise or business that is certified by the State of Oregon's Certification Office for Business Inclusion and Diversity in the Oregon Business Development Department as a minority-owned business, a woman-owned business, a business that a service-disabled veteran owns, and/or an emerging small business.
- X. Nonresident bidder.** A bidder that is not a resident bidder.
- Y. Offer.** A bid, proposal, quote, or other response to a solicitation document.
- Z. Offeror.** A person who submits an offer.
- AA. Opening.** The date, time, and place announced in the solicitation document for the public opening of written sealed offers.
- BB. Original contract.** The initial contract or price agreement solicited and awarded during a cooperative procurement by an administering agency.
- CC. Purchasing agency.** An agency that procures goods or services, personal services, or public improvements from a contractor based on the original contract established by an administering agency in a cooperative procurement.
- DD. Person.** An individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public body, public corporation, or other legal or commercial entity, and any other person or entity with legal capacity to contract.
- EE. Personal services.** Services, other than professional services, that require

specialized skill, knowledge, and resources in the application of technical or scientific expertise or in the exercise of professional, artistic, or management discretion or judgment.

1. Qualifications and performance history, expertise and creativity, and the ability to exercise sound professional judgment are typically the primary considerations when selecting a personal services contractor, with price being secondary.
2. Personal services contracts include, but are not limited to, the following classes of contracts:
  - a. Contracts for services performed in a professional capacity, including but not limited to, services of an accountant, attorney, auditor, court reporter, information technology consultant, physician, or broadcaster;
  - b. Contracts for professional or expert witnesses or consultants to provide services or testimony relating to existing or potential litigation or legal matters in which the District is or may become interested;
  - c. Contracts for services as an artist in the performing or fine arts, including any person identified as a photographer, film maker, actor, director, painter, weaver, or sculptor;
  - d. Contracts for services that are specialized, creative, or research-oriented; and
  - e. Contracts for services as a consultant.

**FF. Price agreement.** A contract for the procurement of goods or services at a set price which has:

1. No guarantee of a minimum or maximum purchase; or
2. An initial order or minimum purchase combined with a continuing contractor obligation to provide goods or services with no guarantee of any minimum or maximum additional purchase.

**GG. Procurement.** The act of purchasing, leasing, renting, or otherwise acquiring goods or services, personal services, or professional services. It includes each function and procedure undertaken or required to be undertaken to enter into a contract, administer a contract and obtain the performance of a contract for goods or services, personal services, or professional services.

**HH. Professional services.** Architectural, engineering, land surveying, photogrammetric, transportation planning, or related services, or any combination of these services, provided by a consultant.

**II. Proposal.** A response to a request for proposals.

**JJ. Proposer.** A person that submits a proposal in response to a request for proposals.

**KK. Proposer security.** A form of security submitted or posted by a proposer as a monetary guarantee that, if selected, the proposer will accept the award of the

contract under the terms of the proposal. Proposer security is either returned, forfeited, or exchanged for a different form of guarantee. The form of proposer security may be: a surety bond signed by the surety, a signed irrevocable letter of credit issued by an insured institution as the term is defined in ORS 706.008(11), a cashier's check, or other adequate form of security as determined by the General Manager.

- LL. Provider.** As the context requires, a supplier of goods or services, personal services, or professional services.
- MM. Public contract.** See Contract.
- NN. Public contracting.** Procurement activities relating to obtaining, modifying, or administering contracts or price agreements.
- OO. Public improvement.** A project for construction, reconstruction, or major renovation on real property, by or for the District. A public improvement does not include projects for which no funds of the District are directly or indirectly used, except for participation that is incidental or related primarily to project design or inspection; or emergency work, minor alteration, or ordinary repair or maintenance necessary to preserve a public improvement.
- PP. Public improvement contract.** A contract for a public improvement. A public improvement contract does not include a contract for emergency work, minor alterations, or ordinary repair or maintenance necessary to maintain a public improvement.
- QQ. Recycled product.** All materials, goods and supplies, not less than fifty percent (50%) of the total weight of which consists of secondary and post-consumer waste with not less than ten percent (10%) of its total weight consisting of post-consumer waste. It includes any product that could have been disposed of as solid waste, having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of the product's form.
- RR. Related services.** Personal services, other than architectural, engineering, and land survey services, that are related to the planning, design, engineering, or oversight of public improvement projects or components thereof, including but not limited to:
1. Landscape architectural services;
  2. Facilities planning services;
  3. Energy planning services;
  4. Space planning services;
  5. Environmental impact studies;
  6. Hazardous substances or hazardous waste or toxic substances testing services;
  7. Wetland delineation studies;
  8. Wetland mitigation services;

9. Native American studies;
10. Historical research services;
11. Endangered species studies;
12. Rare plant studies;
13. Biological services;
14. Archaeological services;
15. Cost estimating services;
16. Appraising services;
17. Material testing services;
18. Mechanical system balancing services;
19. Commissioning services;
20. Project management services;
21. Construction management services and owner's representatives service;  
and/or
22. Land use planning services.

- SS. Request for proposals.** A solicitation document used for soliciting proposals.
- TT. Request for qualifications.** A written document issued by the District describing particular services to which potential contractors respond with a description of their experience and qualifications that results in a list of potential contractors who are qualified to perform those services, but which is not intended to create a contract between a potential contractor on the list and the District.
- UU. Resident bidder.** A bidder that has paid unemployment taxes or income taxes in Oregon during the 12 calendar months immediately preceding submission of the bid, has a business address in Oregon, and has stated in the bid that the bidder is a resident bidder.
- VV. Revenue generating agreements.** Contracts or agreements for services that generate revenue and that are typically awarded to the offeror proposing the most advantageous or highest monetary return.
- WW. Scope.** The range and attributes of the goods or services described in a procurement document.
- XX. Signed or signature.** Any mark, word, or symbol attached to or logically associated with a document and executed or adopted by a person with the authority and intent to be bound.
- YY. Solicitation.** As the context requires:
1. A request for the purpose of soliciting offers, including an invitation to bid, a request for proposal, a request for quotation, a request for qualifications, or

other similar documents;

2. The process of notifying prospective offerors of a request for offers; and/or
3. The solicitation document.

**ZZ. Work.** The furnishing of all materials, equipment, labor, and incidentals necessary to successfully complete any individual item in a contract, and the successful completion of all duties and obligations imposed by the contract.

**AAA. Written or in writing.** Conventional paper documents, whether handwritten, typewritten, or printed, including electronic transmissions or facsimile documents when required by applicable law or permitted by a solicitation document or contract.

### **III. Authority.**

**A. OLWSD Board as Local Contract Review Board.** The OLWSD Board is designated as the local contract review board of the District and has all of the rights, powers, and authority necessary to carry out the provisions of these Rules, the Public Contracting Code, and/or the AG Model Rules.

**B. Application of Attorney General’s Model Rules of Procedure.** Pursuant to ORS 279A.065(6), the District has elected to establish its own rules and policy for public contracting and purchasing. Except as provided herein, the AG Model Rules do not apply to the District.

**C. Inapplicability of Contracting and Purchasing Rules.** These Rules do not apply to the following:

1. Contracts or agreements to which the Public Contracting Code does not apply;
2. Contracts, intergovernmental, and interstate agreements entered into pursuant to ORS Chapter 190;
3. Grants;
4. Acquisitions or disposals of real property or interests in real property;
5. Procurements from an Oregon Corrections Enterprise program;
6. Contracts, agreements, or other documents entered into, issued, or established in connection with:
  - a. The incurring of debt, including any associated contracts, agreements, or other documents, regardless of whether the obligations that the contracts, agreements, or other documents establish are general, special, or limited;
  - b. The making of program loans and similar extensions or advance of funds, aid, or assistance by the District to a public or private person for the purpose of carrying out, promoting, or sustaining activities or programs authorized by law other than for the construction of public works or public improvements;
  - c. The investment of funds by the District as authorized by law; or

- d. Banking, money management, or other predominantly financial transactions that, by their character, cannot practically be established under the competitive contractor selection procedures, based upon the findings of the General Manager.
- 7. Contracts for employee benefit plans;
- 8. Contracts with newspapers and other publications for the placement of advertisements or public notices;
- 9. Contracts for items where the price is regulated and available from a single source or limited number of sources;
- 10. Insurance contracts;
- 11. Revenue-generating agreements;
- 12. Federal agreements where applicable federal statutes and regulations govern when federal funds are involved and the federal statutes or regulations conflict with any provision of the Oregon Public Contracting Code or these Rules or require additional conditions in public contracts not authorized by the Oregon Public Contracting Code or these Rules.

**D. Authority of General Manager.** For contracts, purchases, and proceedings covered by these Rules, the General Manager is authorized to:

- 1. Award contracts and amendments without specific authorization by the OLWSD Board whenever the proposed expenditure is included in the current fiscal year budget and where: (i) the contract price does not exceed \$50,000 when the contract term is one year or less; or (ii) the contract obligates the District to pay no more than \$50,000 on an annual basis when the contract term exceeds one year.
- 2. Execute contracts and amendments other than those that qualify under subsection (1) with specific authorization by the OLWSD Board.
- 3. As the purchasing agent for the District, the General Manager is authorized to:
  - a. Advertise for bids or proposals without specific authorization from the OLWSD Board, when the proposed purchase is included within the current fiscal year budget.
  - b. Advertise for bids or proposals when the proposed purchase is not included within the current fiscal year budget after the OLWSD Board approves the proposed budget transfer.
  - c. Establish the authority of District employees to make purchases of any goods or services within the General Manager's authority to purchase with limits deemed appropriate by the General Manager.
- 4. Delegate, in writing, the signature authority described in the above subsection (2) and the purchasing powers described in the above subsection (3). In the absence of a written delegation to the contrary, and in the absence of the General

Manager, the signature authority described in the above subsection (2) and the purchasing powers described in the above subsection (3) are delegated to the Acting General Manager.

5. Delegate, in writing, the General Manager's obligations under these rules to make any findings, conduct any proceedings, or retain any records to the appropriate District employee or consultant.
6. Adopt forms, procedures, computer software, and administrative rules for all District purchases regardless of the amount.
  - a. When adopting the forms, procedures, computer software, and/or administrative rules, the General Manager shall establish practices and policies that:
    - i. Do not encourage favoritism or substantially diminish competition; and
    - ii. Allow the District to take advantage of the cost-saving benefits of alternative contracting methods and practices;
  - b. The District shall use these forms, procedures, computer software and administrative rules unless they conflict with these Rules.

**E. Favorable Terms.** Contracts and purchases shall be negotiated on the most favorable terms for the District, in accordance with these Rules, other adopted ordinances, state and federal laws, policies, and procedures.

**F. Unauthorized Contracts or Purchases.** Unauthorized public contracts entered into or purchases made without valid authorization shall be voidable at the sole discretion of the District.

1. The District may take appropriate action in response to the execution of unauthorized contracts or purchases.
2. Such appropriate actions include, but are not limited to, providing educational guidance, imposing disciplinary measures, and/or holding individuals personally liable for such contracts or purchases.

**G. Limit on Purchases from District Employees or Employees' Immediate Family.** No contract shall be entered into with or purchase made from any District employee or employee's immediate family member, or any business with which the employee or employee's immediate family member is associated, unless:

1. The contract or purchase is expressly authorized and approved by the OLWSD Board; or
2. The need for the contract or purchase occurs during a state of emergency, and the General Manager finds, in writing, that the acquisition from the employee, employee's immediate family member, or business with which the employee or employee's immediate family member is associated is the most expeditious means to eliminate the threat to public health, safety, and welfare.



#### IV. Preferences.

- A. Tie Breaker Preference (mandatory resident preference).** If the District receives offers that are identical in price, fitness, availability, and quality, and the District chooses to award a contract, the preferences provided in ORS 279A.120 shall be applied prior to the contract award based on the following order of precedence:
1. The District shall award the contract to the offeror who is offering goods, services, personal services, or any combination thereof, that are manufactured, produced, or to be performed in Oregon.
  2. If two or more offers are for goods, services, or personal services that are manufactured, produced, or to be performed in Oregon, the District shall award the contract by drawing lots among the identical resident offers. The District shall provide such identical resident offerors notice of the date, time, and location of the drawing of lots, and an opportunity for those offerors to be present when the lots are drawn.
  3. If none of the offers are for goods, services, or personal services that are manufactured, produced, or to be performed in Oregon, the District shall award the contract by drawing lots among the identical non-resident offers. The District shall provide such identical non-resident offerors notice of the date, time, and location of the drawing of lots, and an opportunity for those offerors to be present when the lots are drawn.
  4. **Determining if offers are identical in price, fitness, availability, and quality for purposes of applying a Tie Breaker Preference.**
    - Bids are identical if the bids are responsive and offer the goods or services or personal services described in the Invitation to Bid at the same price.
    - Proposals are identical if the proposals are responsive and achieve equal scores when scored according to the evaluation criteria set forth in the Request for Proposals.
    - Offers received in response to a Special Procurement under ORS 279B.085 are identical if, after completing the contracting procedure, the District determines, in writing, that two or more offers are equally advantageous to the District.
    - Offers received in response to an Intermediate Procurement under ORS 279B.070 are identical if the offers equally best serve the interests of the District, taking into account considerations including but not limited to: price, experience, expertise, product functionality, suitability for a particular purpose, and contractor responsibility under ORS 279B.110.
- B. Reciprocal Preference (mandatory resident preference).** Reciprocal preferences under ORS 279A.120, if applicable, must be given when evaluating bids. The District shall add a percent increase to the bid of a nonresident bidder

equal to the percent of the preference given to the bidder in the state in which the bidder resides. In determining whether the nonresident bidder's state gives preference to in-state bidders, and the amount of preference that is given to in-state bidders, if any, the District may rely on the list of reciprocal preferences prepared and maintained by the Oregon Department of Administrative Services.

- C. Discretionary Local Preference (optional local preference).** If the solicitation is in writing and the procurement is not excluded under this Section IV (C)(3), the General Manager may provide a specified percentage preference of not more than ten percent (10%) for goods fabricated or processed entirely in Oregon or services performed entirely in Oregon. In the event the General Manager determines that such a preference will be applied, the application and amount of the preference must be identified in writing in the solicitation document.
1. When a preference is provided and more than one offeror qualifies for the preference, the General Manager may give further preference to a qualifying offeror that resides in or is headquartered in Oregon.
  2. The General Manager may establish a preference percentage of ten percent (10%) or higher if the General Manager makes a written determination that good cause exists to establish the higher percentage, explains the reasons, and provides evidence for finding good cause to establish a higher percentage.
  3. **Discretionary local preference unavailable for certain procurements.** The discretionary preference described in this Section IV (C) may not be applied to a contract for emergency work, minor alterations, ordinary repairs or maintenance of public improvements, or to any other construction contract that is not defined as a public improvement under ORS 279A.010.
- D. Preference for Recycled Materials and Supplies.** Preferences for recycled goods shall be given when comparing goods, if applicable under ORS 279A.125. The General Manager shall make a written determination for whether the goods are manufactured from recycled materials and the criteria used in making such determination. Preference shall be given if:
1. The recycled product is available
  2. The recycled product meets applicable standards
  3. The recycled product can be substituted for a comparable nonrecycled product; and
  4. The costs of the recycled product do not exceed the costs of comparable nonrecycled products by more than five percent, or a higher percentage if the General Manager makes a written determination justifying a higher percentage.
- E. Opportunities for Minority, Women, Service-Disabled Veteran, and Emerging Small Business Enterprise.** The District aspires to provide opportunities for available contracts to Minority, Women, Service-Disabled Veteran ("MWSDV"), and Emerging Small Business ("ESB") Enterprises. To this end:

1. The District may consult with the State advocate for MWSDV and ESB Enterprise to determine the best means to make contracting opportunities available.
2. The District may, in solicitation documents, require that some portion of the work be performed, or some portion of the materials be provided, by a MWSDV or ESB Enterprise. The District may establish other contract requirements as authorized by ORS 279A.107.
3. The District may use the State of Oregon's Certification Office for Business Inclusion and Diversity Certification Management System Directory to authenticate certification of a business or enterprise as a MWSDV or ESB Enterprise.

## V. General Provisions.

- A. **Public Notice.** Unless otherwise specifically provided by these Rules, any notice required to be published by these Rules may be published using any method the General Manager deems appropriate, including but not limited to: mailing notice to persons that have requested notice in writing, placing notice on the District's website, placing notice through an electronic procurement system, or publishing in statewide trade or local publications.
- B. **Procedure for Competitive Verbal Quotes and Proposals.** Where allowed by these Rules, solicitations by competitive quotes and proposals shall be based on a description of the quantity of goods or services to be provided, and may be solicited and received by phone, facsimile, or email, as authorized by the General Manager.
  1. A good faith effort shall be made to contact at least three (3) potential providers.
  2. If three (3) potential providers are not reasonably available, fewer shall suffice, but the General Manager shall keep a written record of the efforts made to obtain three potential providers as part of the procurement file.
- C. **Procedure for Informal Written Solicitation.** Where allowed by these Rules, informal written solicitations shall be made by a solicitation document sent to not fewer than three (3) prospective providers.
  1. The solicitation document shall request competitive price quotes or competitive proposals, and shall include:
    - a. The date, time, and place that price quotes or proposals are due;
    - b. A description or quantity of the good or service required;
    - c. A statement of the time period for which price quotes or proposals must remain firm, irrevocable, valid, and binding on the offeror. If no time is stated in the solicitation document, the period shall be thirty (30) days;
    - d. Any required contract terms or conditions; and
    - e. Any required bid form or proposed format.

2. Price quotes or proposals shall be received by the General Manager at the date, time, and place established in the solicitation document.
  - a. The General Manager shall keep a written record of the sources of the quotes or proposals.
  - b. If three (3) quotes or proposals are not reasonably available, fewer shall suffice, but the General Manager shall keep a written record of the efforts made to obtain quotes or proposals as part of the procurement file.

**D. Procedure for Competitive Sealed Bidding.**

1. The District shall issue an invitation to bid, which must include the following information:
  - a. Time and date by which the bids must be received, and a place where the bids must be submitted. The District may receive bids by electronic means or direct or permit a bidder to submit bids by electronic means.
  - b. Name and title of the person designated to receive bids and the contact person for the procurement, if different.
  - c. Description of the procurement, which must: identify the scope of work, outline the contractor's anticipated duties, set expectations for the contractor's performance, and include all contractual terms and conditions applicable to the procurement.
  - d. Time, date, and place for prequalification applications, if any, to be filed, and the classes of work, if any, for which bidders must be requalified under ORS 279B.120.
  - e. All criteria to be used in evaluating the bids.
  - f. Additional statements as required by ORS 279B.055.
2. The invitation to bid may additionally include the following information:
  - a. Criteria to determine minimum acceptability, such as inspection, testing, quality, and suitability for intended use or purpose.
  - b. Criteria that will affect the bid price and that will be considered in evaluating for award, including but not limited to: discounts, transportation costs. Total costs of ownership or operation of a product over the life of the product must be objectively measurable if included.
3. Bid security. The District may require bid security if the General Manager determines that bid security is reasonably necessary or prudent to protect the interests of the District.
4. Public notice. A public notice may be provided in any manner deemed reasonably prudent considering the nature of the procurement. Public notice may be published on the District's website, through an electronic procurement system, in a newspaper of general circulation in the area where the contract is to be performed, and/or in any other publications as the General

Manager may determine. Notwithstanding the foregoing, for construction contracts over \$125,000, the District shall publish at least once in a newspaper of general circulation in the area where the contract is to be performed, in addition to whatever other publications the General Manager may deem appropriate.

5. Evaluation of bids. The District shall evaluate all bids received before the time and date indicated for bid opening. The District may not consider for award any bids received after the time and date indicated for bid opening. All applicable preferences shall be applied in evaluating the bids. Bids shall be evaluated on the requirements and criteria set forth in the invitation to bid. No criteria may be used in the evaluation that were not set forth in the invitation to bid.
6. Notice of intent to award. At least 7 calendar days before the award, the District shall provide written notice of its intent to award a contract to all bidders. If the General Manager determines that circumstances justify prompt execution of the contract, a shorter notice period may be established, provided that the specific reasons for the shorter notice period are documented in the procurement file.
7. Finality. The District's award shall not be final until the later of either: the expiration of the protest period following the notice of intent to award pursuant to OAR 137-047-0740, or after the District provides written responses to all timely-filed protests denying the protests and affirming the award.

**E. Procedure for Competitive Sealed Proposals.**

1. The District shall solicit a request for proposals, which must include the following information:
  - a. Time and date by which sealed proposals must be received, and a place where the proposals must be submitted. The District may receive proposals by electronic means or may direct or permit proposers to submit proposals by hard copy.
  - b. Name and title of the person designated to receive proposals and the contact person for the procurement, if different.
  - c. Description of the procurement, which must: identify the scope of work, outline the contractor's anticipated duties, set expectations for the contractor's performance, and include all contractual terms and conditions applicable to the procurement.
  - d. Time, date, and place for prequalification applications, if any, to be filed, and the classes of work, if any, for which proposers must be requalified under ORS 279B.120.
  - e. Description of the methods by which the District will make the results of each tier of competitive evaluation available to the proposers who competed in that tier.
  - f. Description of the manner in which the proposers who are eliminated

from further competition may protest the District's decision.

g. Additional statements as required by ORS 279B.055.

2. The request for proposals may additionally include the following information:
  - a. Contractual terms or conditions that the District reserves for negotiation with proposers.
  - b. Request that proposers propose contractual terms and conditions that relate to the subject matter reasonably identified in the request for proposals.
  - c. The form or content of the written contract that the District will accept.
  - d. The method the District will use to select the contractor, which may include but is not limited to: negotiating with the highest ranked proposer, competitive negotiations, a multiple-tiered competition that is designed to identify a class of proposers that fall within a competitive range or to otherwise eliminate from consideration a class of lower ranked proposers.
  - e. The manner in which the District will evaluate proposals, identifying the relative important of price and other factors the District will use to evaluate and rate the proposals in the first tier of competition. If the District uses more than one tier of competitive evaluation, the request for proposals must describe the process the District will use to evaluate proposals in the subsequent tiers.
3. Proposer security. The District may require proposer security if the General Manager determines that proposer security is reasonably necessary or prudent to protect the interests of the District. The form of security shall be as determined by the General Manager.
4. Public notice. A public notice may be provided in any manner deemed reasonably prudent considering the nature of the procurement. Public notice may be published on the District's website, through an electronic procurement system, in a newspaper of general circulation in the area where the contract is to be performed, and/or in any other publications as the General Manager may determine. Notwithstanding the foregoing, for construction contracts over \$125,000, the District shall publish at least once in a newspaper of general circulation in the area where the contract is to be performed, in addition to whatever other publications the General Manager may deem appropriate.
5. Evaluation of proposals. The District may select the contractor using the method provided for in the request for proposals, including but not limited to: an award based solely on the rankings of proposals; discussions leading to best and final offers; serial negotiations beginning with the highest ranked proposer; competitive simultaneous negotiations; multiple-tiered competitions; multi-step requests for proposals beginning with first unpriced submittals; or a combination of methods or any other authorized method. All

applicable preferences shall be applied in evaluating proposals. If the District awards a contract, the District shall award the contract to the responsible proposer whose proposal the District determines in writing is the most advantageous to the District, based on the evaluation process and factors described in the request for proposals, applicable preferences, and the outcome of any negotiations where applicable. Other factors may not be used in the evaluation.

6. Application of public records to proposals. The District may open proposals in a manner to avoid disclosing contents to competing proposers during the process of negotiation, when applicable; however, the District shall record and make available the identity of all proposers as part of the District's public records after the proposals are opened. Proposals are not required to be open for public inspection until after the notice of intent to award is issued, even when opened at a public meeting.
7. Notice of intent to award. At least 7 calendar days before the award, the District shall provide written notice of its intent to award a contract to each proposer who was evaluated in the final competitive tier. If the General Manager determines that circumstances justify prompt execution of the contract, a shorter notice period may be established, provided that the specific reasons for the shorter notice period are documented in the procurement file.
8. Finality. The District's award shall not be final until the later of either: the expiration of the protest period pursuant to OAR 137-047-0740, or as set forth in the notice of intent to award if different, or after the District provides written responses to all timely-filed protests denying the protests and affirming the award.

**F. Retroactive Approval.** Retroactive approval of a contract means the award or execution of a contract where work was commenced without final award or execution. The General Manager may make a retroactive approval of a contract only if the responsible employee submits a copy of the proposed contract to the General Manager, along with a written request for contract retroactive approval, that contains:

1. An explanation of the reason the work was commenced before the contract was awarded or executed;
2. A description of steps being taken to prevent similar occurrences in the future;
3. Evidence that, but for the failure to award or execute the contract, the employee complied with all other steps required to properly select a contractor and negotiate the contract; and
4. A proposed form of contract.

## **VI. Source Selection Methods for Goods or Services, Other Than Personal or Professional Services.**

**A. Small Procurements.** Contracts or purchases of goods or services with a contract price of \$10,000 or less are small procurements. Small procurements

are not subject to competitive bidding requirements and no public notice is required.

1. For small procurements of goods or services, the General Manager may use any procurement method the General Manager deems practical or convenient, including direct negotiation or direct award.
2. A small procurement contract awarded may be amended to exceed \$10,000 only in accordance with OAR 137-047-0800, provided that the cumulative amendments do not increase the total contract price to more than twenty-five percent (25%) of the original contract price.

**B. Intermediate Procurements.** Contracts for goods or services with a contract price greater than \$10,000 and less than or equal to \$150,000 are intermediate procurements.

1. Intermediate procurements may be by informal written solicitation.
2. Negotiations. The General Manager may negotiate with an offeror to clarify an informal written solicitation, or to make modifications that will make the quote, proposal, or solicitation acceptable or more advantageous to the District.
3. Award. If a contract is awarded, the award shall be made to the offeror whose competitive quote or proposal or informal written solicitation the General Manager determines will best serve the interests of the District, taking into account:
  - Price
  - Experience and expertise
  - Product functionality and suitability for a particular purpose
  - Contractor responsibility under ORS 279B.110 standards
  - Any other relevant considerations
4. An intermediate procurement contract may be amended to exceed \$150,000 only in accordance with OAR 137-047-0800, provided that the cumulative amendments do not increase the total contract price by more than twenty-five percent (25%) of the original contract price.
5. Public notice. Public notice is required for intermediate procurements with a contract price equal to or exceeding \$50,000.

**C. Large Procurements.** Contracts for goods or services with a contract price greater than \$150,000 are large procurements.

1. The General Manager may use competitive sealed bidding as set forth in ORS 279B.055 and these Rules, or competitive sealed proposals as set forth in ORS 279B.060 and these Rules.
2. The District shall apply the applicable procedure set out in the AG Model Rules for processing protests of large procurements.



## **VII. Personal Services Contracts.**

- A. Classification of Services as Personal Services.** In addition to the classes of personal services contracts identified in the definition of personal services contracts, the General Manager may classify additional specific types of services as personal services. In determining whether a service is a personal service, the General Manager shall consider:
1. Whether the work requires specialized skills, knowledge, and resources in the application of technical or scientific expertise, or the exercise of professional, artistic, or management discretion or judgment;
  2. Whether the District intends to rely on the contractor's specialized skills, knowledge, and expertise to accomplish the work; and
  3. Whether selecting a contractor primarily on the basis of qualifications, rather than price, would most likely meet the District's needs and result in obtaining satisfactory contract performance and optimal value.
  4. A service shall not be classified as personal services for the purposes of these Rules if:
    - a. The work has traditionally been performed by contractors selected primarily on the basis of price; or
    - b. The services do not require specialized skills, knowledge, and resources in the application of highly technical or scientific expertise, or the exercise of professional, artistic, or management discretion or judgment.
- B. Requests for Qualifications.** At the General Manager's discretion, a request for qualifications may be used to determine whether competition exists to perform the needed personal services or to establish a non-binding list of qualified contractors for individual negotiation, informal written solicitations, or requests for proposals.
1. A request for qualifications shall describe the particular type of personal services that will be sought, the qualifications the contractor must have to be considered, and the evaluation factors and their relative importance.
  2. A request for qualifications may require information including, but not limited to:
    - a. The contractor's particular capability to perform the required personal services;
    - b. The number of experienced personnel available to perform the required personal services;
    - c. The specific qualifications and experience of personnel;
    - d. A list of similar personal services the contractor has completed;
    - e. References concerning past performance; and

- f. Any other information the General Manager deems necessary to evaluate the contractor's qualifications.
3. A voluntary or mandatory qualifications pre-submission meeting may be held for all interested contractors to discuss the proposed personal services. The request for qualifications shall include the date, time, and location of the meeting.
4. Unless the responses to a request for qualifications establish that competition does not exist, the request for qualifications is canceled, or all responses to the request for qualifications are rejected, then all respondents who meet the qualifications set forth in the request for qualifications shall receive notice of any required personal services and have an opportunity to submit a proposal in response to request for proposals.

**C. Direct Appointment.** Personal services may be procured through direct negotiations and award if:

1. The estimated contract price does not exceed \$100,000 and the work is within a budgetary appropriation or approved by the OLWSD Board; or
2. The confidential personal services, including special counsel, or professional or expert witnesses or consultants, are necessary to assist with pending or threatened litigation or other legal matters in which the District may have an interest; or
3. The nature of the personal service is not project-driven but requires an ongoing, long-term relationship of knowledge and trust.
4. Amendments. Personal services contracts procured by direct negotiation pursuant to this section may be amended, provided the amendment is within the scope of the original contract and the cumulative amount of the amendments does not increase the total contract price by more than twenty-five percent (25%) over the original contract price; or the amendment is necessary to complete the work being performed and it would be unreasonable or impracticable to seek another provider within the time frames needed to complete the work.
5. Public Notice. No public notice of personal services contracts procured by direct negotiations is required.

**D. Solicitations.** Personal Services that do not qualify for direct appointment under subsection (C) may be procured through the same process the District is authorized to use for the procurement of professional services.

## **VIII. Professional Services and Related Services**

**A. Direct Appointment.** The District may enter into a contract directly with a consultant providing professional services without following the selection procedures set forth elsewhere in these Rules if:

1. The District finds that an Emergency exists; or

2. The total Estimated Fee to be paid under the Contract does not exceed \$100,000; or
3. Where a project is being continued, as more particularly described below, the professional services to be performed under the contract meet the following requirements:
  - a. The services consist of professional services that have been substantially described, planned or otherwise previously studied in an earlier contract with the same consultant and are rendered for the same project as the professional services rendered under the earlier contract;
  - b. The total estimated fee to be made under the Contract does not exceed \$250,000; and
  - c. The District used either a formal selection procedure at the time of original selection to select the consultant for the earlier contract; or
4. Where a Project is being continued, as more particularly described below, and where the total estimated fee is expected to exceed \$250,000, the professional services to be performed under the contract meet the following requirements:
  - a. The services consist of or are related to professional services that have been substantially described, planned or otherwise previously studied under an earlier contract with the same consultant and are rendered for the same project as the professional services rendered under the earlier contract;
  - b. The District used a formal selection procedure applicable to selection of the consultant at the time of original selection to select the consultant for the earlier contract; and
  - c. The District makes written findings that entering into a contract with the consultant, whether in the form of an amendment to an existing contract or a separate contract for the additional scope of services, will:
    - i. Promote efficient use of public funds and resources and result in substantial cost savings to the District; and,
    - ii. Protect the integrity of the public contracting process and the competitive nature of the procurement by not encouraging favoritism or substantially diminishing competition in the award of the contract.
5. The District may select a consultant for a contract under this section of the Rules from the following sources:
  - a. A list of consultants the District creates under OAR 137-048-0120 (List of Interested Consultants; Performance Record);
  - b. Another contracting agency's list of consultants that the contracting agency has created under OAR 137-048-0120 (List of Interested Consultants; Performance Record), with written consent of that contracting agency; or

- c. All consultants offering the required professional services that the District reasonably can identify under the circumstances.
6. The District shall direct negotiations with a consultant selected under this section of the Rules toward obtaining written agreement on:
  - a. The consultant's performance obligations and performance schedule;
  - b. Payment methodology and a maximum amount payable to the consultant for the professional services required under the contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity and nature of the professional services; and
  - c. Any other provisions the District believes to be in the District's best interest to negotiate.

**B. Informal Solicitations.** An informal written solicitation process may be used for professional services when the contract price is less than \$250,000.

1. The District may use the informal selection procedure on the basis of qualifications alone, or, for related services, on the basis of price and qualifications, if the District:
  - a. Creates a request for proposals that includes at a minimum the following:
    - i. A description of the project for which a consultant's professional services or related services are needed and a description of the professional services or related services that will be required under the resulting contract;
    - ii. The anticipated contract performance schedule;
    - iii. Conditions or limitations, if any, that may constrain or prohibit the selected consultant's ability to provide additional services related to the project, including construction services;
    - iv. The date and time proposals are due and other directions for submitting proposals;
    - v. Criteria upon which the most qualified consultant will be selected. Selection criteria may include, but are not limited to, the following:
      - The amount and type of resources and number of experienced staff the consultant has committed to perform the professional services or related services described in the request for proposals within the applicable time limits, including the current and projected workloads of such staff and the proportion of time such staff would have available for the professional services or related services;
      - Proposed management techniques for the professional services or related services described in the request for proposals;

- A consultant's capability, experience and past performance history and record in providing similar professional services or related services, including but not limited to quality of work, ability to meet schedules, cost control methods and contract administration practices;
  - A consultant's approach to professional services or related services described in the request for proposals and design philosophy, if applicable;
  - A Consultant's geographic proximity to and familiarity with the physical location of the project;
  - Volume of work, if any, previously awarded to a consultant, with the objective of effecting equitable distribution of contracts among qualified consultants, provided such distribution does not violate the principle of selecting the most qualified consultant for the type of professional services required;
  - A consultant's ownership status and employment practices regarding women, minorities, service-disabled veterans, emerging small businesses, or historically underutilized businesses;
  - If the District is selecting a consultant to provide related services, pricing policies and pricing proposals or other pricing information, including the number of hours proposed for the services required, expenses, hourly rates and overhead.
- vi. A statement that proposers do so solely at their expense, and District is not responsible for any proposer expenses associated with the request for proposals;
- vii. A statement directing proposers to the applicable protest procedures; and
- viii. A sample form of the contract.
- b. Provides a request for proposals to a minimum of five (5) prospective consultants. If fewer than five (5) prospective consultants are available, the District shall provide the request for proposals to all available prospective consultants and shall maintain a written record of the District's efforts to locate available prospective consultants for the request for proposals. The District shall draw prospective consultants from:
- i. The District's list of consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants; Performance Record);
  - ii. Another contracting agency's list of consultants that is created and maintained under OAR 137-048-0120 (List of Interested Consultants;

- Performance Record); or
- iii. All consultants that the District reasonably can locate that offer the desired professional services or related services, or any combination of the foregoing.
  - c. Reviews and ranks all proposals received according to the criteria set forth in the request for proposals, and selects the three highest ranked proposers.
2. The District may use the informal selection procedure for related services on the basis of price proposals and other pricing information alone if the District:
- a. Creates a request for proposals that includes at a minimum the following:
    - i. A description of the project for which a consultant's Related services are needed and a description of the related services that will be required under the resulting contract;
    - ii. The anticipated contract performance schedule;
    - iii. Conditions or limitations, if any, that may constrain or prohibit the selected consultant's ability to provide additional services related to the project, including construction services;
    - iv. The date and time proposals are due and other directions for submitting proposals;
    - v. Any minimum or pass-fail qualifications that the proposers must meet, including but not limited to any such qualifications in the subject matter areas described in these Rules applicable to a request for proposals for professional services that are related to the related services described in the request for proposals;
    - vi. Pricing criteria upon which the highest ranked consultant will be selected. pricing criteria may include, but are not limited to, the total price for the related services described in the request for proposals, consultant pricing policies and other pricing information such as the consultant's estimated number of staff hours needed to perform the related services described in the request for proposals, expenses, hourly rates and overhead;
    - vii. A statement directing proposers to the applicable protest procedures; and
    - viii. A sample form of the Contract.
  - b. Provides the request for proposals to a minimum of five (5) prospective consultants. If fewer than five (5) prospective consultants are available, the District shall provide the request for proposals to all available prospective consultants and shall maintain a written record of the District's efforts to locate available prospective consultants for the request for proposals. The District shall draw prospective Consultants from sources similar to the sources authorized for requests for proposals for

professional services

- c. Reviews and ranks all responsive proposals received, according to the total price for the related services described in the request for proposals, consultant pricing policies and other pricing information requested in the request for proposals, including but not limited to the number of hours proposed for the related services required, expenses, hourly rates and overhead, and select the three highest-ranked proposers.
3. When the estimated fee in an informal selection procedure is expected not to exceed \$150,000, the District is only required to provide the request for proposals to three (3) prospective consultants. If fewer than three (3) prospective consultants are available, the District shall provide the request for proposals to all available prospective consultants and shall maintain a written record of the District's efforts to locate available prospective consultants for the request for proposals.
  4. If the District does not cancel a request for proposals after it reviews the proposals and ranks each proposer, the District will begin negotiating a contract with the highest ranked proposer. The District shall direct contract negotiations toward obtaining written agreement on the following:
    - a. The consultant's performance obligations and performance schedule;
    - b. Payment methodology and a maximum amount payable to the consultant for the professional services or related services required under the contract that is fair and reasonable to the District as determined solely by the District, taking into account the value, scope, complexity and nature of the professional service and related services; and
    - c. Any other provisions the District believes to be in the District's best interest to negotiate.
  5. The District shall, either orally or in writing, formally terminate negotiations with the highest ranked proposer, if the District and the proposer are unable for any reason to reach agreement on a contract within a reasonable amount of time. The District may thereafter negotiate with the second ranked proposer, and if necessary, with the third ranked proposer, in accordance with this section of the Rules, until negotiations result in a contract. If negotiations with any of the top three proposers do not result in a contract within a reasonable amount of time, the District may end the particular informal solicitation and thereafter may proceed with a new informal solicitation under this section or proceed with a formal solicitation.
  6. The District shall terminate the informal selection procedure and proceed with the formal selection procedure if the scope of the anticipated contract is revised during negotiations so that the estimated fee will exceed \$250,000.

**C. Formal Selection Procedure.** For contracts with consultants providing professional services that do not qualify for direct appointment or the informal selection procedure, the District shall enter into the contract through the formal selection procedure set forth in OAR 137-048-0220.

## **IX. Public Improvements.**

The District shall follow the procedures set forth in the Public Contracting Code for all contracts relating to construction services for the development of a public improvement.

## **X. Alternative Source Selection Methods for Goods or Services & Personal Services.**

**A. Sole-Source Procurements.** A contract may be awarded as a sole-source procurement without competition pursuant to this section.

1. Determination of Sole Source. Before a sole-source contract may be awarded, the General Manager shall make written findings that the goods or services, personal services, or professional services are available from only one source, based on one or more of the following criteria:
  - a. The efficient use of existing goods or services, personal services, or professional services requires the acquisition of compatible goods or services, personal services, or professional services that are available from only one source;
  - b. The goods or services, personal services, or professional services are available from only one source and required for the exchange of software or data with other public or private agencies;
  - c. The goods or services, personal services, or professional services are available from only one source, and are needed for use in a pilot or an experimental project; or
  - d. Other facts or circumstances exist that support the conclusion that the goods or services, personal services, or professional services are available from only one source.
2. Negotiations. To the extent reasonably practical, contract terms advantageous to the District shall be negotiated with the sole source provider.
3. Notice. The General Manager shall post notice of any determination that the sole source selection method will be used on the District's website not less than seven (7) days prior to the date a sole source contract will be awarded. The notice shall describe the goods or services, personal services, or professional services to be procured, identify the prospective contractor and include the date and time when, and place where, protests of the use of a sole source selection method must be filed.

**B. Special Procurements.** In its capacity as the local contract review board for the District, the OLWSD Board, upon its own initiative or upon request of the General Manager, may create special selection, evaluation, and award procedures for, or may exempt from competition, the award of a specific contract or class of contracts as provided in this section.

1. Basis for Approval. The approval of a special solicitation method or exemption from competition must be based upon a record before the



OLWSD Board that contains the following:

- a. The nature of the contract or class of contracts for which the special solicitation or exemption is requested;
  - b. The estimated contract price or cost of the project, if relevant;
  - c. Findings to support the substantial cost savings, enhancement in quality or performance, or other public benefit anticipated by the proposed selection method or exemption from competitive solicitation;
  - d. Findings to support the reason that approval of the request would be unlikely to encourage favoritism or diminish competition for the public contract or class of public contracts, or would otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the solicitation requirements that would otherwise be applicable under these regulations;
  - e. A description of the proposed alternative contracting methods to be employed; and
2. In making a determination regarding a special selection method, the OLWSD Board may consider the type, cost, amount of the contract or class of contracts, number of persons available to make offers, and such other factors as it may deem appropriate.
  3. Hearing. The District shall approve the special solicitation or exemption after a public hearing before the OLWSD Board.
    - a. At the public hearing, the District shall offer an opportunity for any interested party to appear and present comment.
    - b. The OLWSD Board shall consider the findings and may approve the exemption as proposed or as modified by the OLWSD Board after providing an opportunity for public comment.
- C. Contracts.** Subject to award at the General Manager’s discretion. The following classes of contracts may be awarded in any manner that the General Manager deems appropriate to the District’s needs, including by direct appointment or purchase. Except where otherwise provided, the General Manager shall make a record of the method of award.
1. Amendments. Contract amendments shall not be considered to be separate contracts if made in accordance with these Rules.
  2. Copyrighted Materials; Library Materials. Contracts for the acquisition of materials entitled to copyright, including but not limited to, works of art and design, literature and music, or materials even if not entitled to copyright, purchased for use as library lending materials.
  3. Equipment Repair. Contracts for equipment repair or overhauling, provided the service or parts required are unknown and the cost cannot be determined without extensive preliminary dismantling or testing.

4. Government-Regulated Items. Contracts for the purchase of items for which prices or selection of suppliers are regulated by a governmental authority.
5. Non-Owned Property. Contracts or arrangements for the sale or other disposal of abandoned property or other personal property not owned by the District.
6. Specialty Goods for Resale. Contracts for the purchase of specialty goods by the District for resale to consumers.
7. Sponsorship Agreements. Sponsorship agreements, under which the District receives a gift or donation in exchange for recognition of the donor.
8. Renewals. Contracts that are being renewed in accordance with their terms are not considered to be newly issued contracts and are not subject to competitive procurement procedures.
9. Temporary Extensions or Renewals. Contracts for a single period of one (1) year or less, for the temporary extension or renewal of an expiring and non-renewable, or recently expired, contract, other than a contract for public improvements.
10. Temporary Use of District-Owned Property. The District may negotiate and enter into a license, permit or other contract for the temporary use of District-owned property without using a competitive selection process if:
  - a. The contract results from an unsolicited proposal to the District based on the unique attributes of the property or the unique needs of the proposer;
  - b. The proposed use of the property is consistent with the District's use of the property and the public interest; and
  - c. The District reserves the right to terminate the contract without penalty, in the event that the District determines that the contract is no longer consistent with the District's present or planned use of the property or the public interest.
11. Used Property. The General Manager may contract for the purchase of used property by negotiation if such property is suitable for the District's needs and can be purchased for a lower cost than substantially similar new property.
  - a. For this purpose, the cost of used property shall be based upon the life-cycle cost of the property over the period for which the property will be used by the District.
  - b. The General Manager shall record the findings that support the purchase.
12. Utilities. Contracts for the purchase of steam, power, heat, water, telecommunications services, and other utilities.
13. Conference/Meeting Room Contracts. Contracts entered into for meeting room rental, hotel rooms, food and beverage, and incidental costs related to

conferences and District-sponsored workshops and trainings.

- D. Emergency Procurements.** When the General Manager determines that immediate execution of a contract within the General Manager's authority is necessary to prevent substantial damage or injury to persons or property, the General Manager may execute the contract without competitive selection and award or OLWSD Board approval, but, where time permits, competitive quotes should be sought from at least three (3) providers.
1. When the General Manager enters into an emergency contract, the General Manager shall, as soon as possible in light of the emergency circumstances, document the nature of the emergency, the method used for selection of the particular contractor, and the reason why the selection method was deemed in the best interest of the District and the public.
  2. The General Manager shall also notify the OLWSD Board of the facts and circumstances surrounding the emergency execution of the contract.
- E. Cooperative Procurement Contracts.** Cooperative procurements may be made without competitive solicitation as provided in the Public Contracting Code.

## **XI. Protest and Appeal Procedures.**

- A. Protests and Judicial Review of Special Procurements.** An affected person may protest the request for approval of a special procurement as provided in this section.
1. Delivery; Late Protests. An affected person shall deliver a written protest to the General Manager within seven (7) days after the first date of public notice of a proposed special procurement, unless a different period is provided in the public notice. The protest period begins on the date the first notice was published in any form.
    - a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.
    - b. A protest submitted after the timeframe established under this subsection is untimely and shall not be considered.
  2. Content of Protest. The written protest shall include:
    - a. Identification of the requested special procurement;
    - b. A detailed statement of the legal and factual grounds for the protest;
    - c. Evidence or documentation supporting the grounds on which the protest is based;
    - d. A description of the resulting harm to the affected person; and
    - e. The relief requested.
  3. Additional Information. The General Manager may allow any person to respond to the protest in any manner the General Manager deems appropriate,

by giving such persons written notice of the time and manner whereby any response shall be delivered.

4. District Response. The General Manager shall issue a written disposition of the protest in a timely manner.
  - a. If the General Manager upholds the protest, in whole or in part, the General Manager may, in the General Manager's sole discretion, implement the protest in the approval of the special procurement, deny the request for approval of the special procurement, or revoke any approval of the special procurement.
  - b. If the General Manager upholds the protest, in whole or in part, the District shall refund the fee required to be delivered with the protest.
5. Judicial Review. An affected person may not seek judicial review of a denial of a request for a special procurement.
  - a. Before seeking judicial review of the approval of a special procurement, an affected person shall exhaust all administrative remedies.
  - b. Judicial review shall be in accordance with ORS 279B.400.

**B. Protests and Judicial Review of Sole-Source Procurements.** An affected person may protest the determination that goods or services or a class of goods or services are available from only one source as provided in this section.

1. Delivery; Late Protests. An affected person shall deliver a written protest to the General Manager within seven (7) days after the first date of public notice of a proposed sole source procurement is placed on the District's website, unless a different period is provided in the public notice.
  - a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.
  - b. A protest submitted after the timeframe established under this subsection is untimely and shall not be considered.
2. Content of Protest. The written protest shall include:
  - a. A detailed statement of the legal and factual grounds for the protest;
  - b. Evidence or documentation supporting the grounds on which the protest is based;
  - c. A description of the resulting harm to the affected person; and
  - d. The relief requested.
3. Additional Information. The General Manager may allow any person to respond to the protest in any manner the General Manager deems appropriate by giving such person written notice of the time and manner whereby any response shall be delivered.
4. General Manager Response. The General Manager shall issue a

written disposition of the protest in a timely manner.

- a. If the General Manager upholds the protest, in whole or in part, the proposed sole-source contract shall not be awarded.
  - b. If the General Manager upholds the protest, in whole or in part, the District shall refund the fee required to be delivered with the protest.
5. Judicial Review. An affected person may not seek judicial review of an election not to make a sole-source procurement.
- a. Before seeking judicial review of the approval of a sole-source procurement, an affected person shall exhaust all administrative remedies.
  - b. Judicial review shall be in accordance with ORS 279B.400.

**C. Protests and Judicial Review of Personal Services Procurements.** An affected person may protest the procurement of a personal services contract as provided in this section.

1. Delivery. Unless otherwise specified in the solicitation document, the protest shall be in writing and delivered to the General Manager.
  - a. The written protest shall include a fee in an amount established in a schedule adopted by the General Manager to cover the costs of processing the protest.
  - b. Protests of the procurement of a specific contract as a personal services contract shall be made prior to closing.
  - c. Protests to the award or an intent to award a personal services contract shall be made within seven (7) days after issuance of the intent to award, or if no notice of intent to award is given, within forty-eight (48) hours after award.
  - d. Protests submitted after the timeframe established under this subsection are untimely and shall not be considered.
2. Contents of Protest. The written protest shall:
  - a. Specify all legal or factual grounds for the protest as follows:
    - i. A person may protest the solicitation on the grounds that the contract is not a personal services contract or was otherwise in violation of these Rules or applicable law. The protest shall identify the specific provision of these Rules or applicable law that was violated.
    - ii. A person may protest award or intent to award for the reason that:
      - All proposals ranked higher than the affected persons are nonresponsive;
      - The District failed to conduct the evaluation of proposals in accordance with the criteria or processes described in the solicitation document;

- The District abused its discretion in rejecting the affected person’s proposal as nonresponsive; or
  - The evaluation of proposals or the subsequent determination of award is otherwise in violation of these Rules or applicable law.
- iii. The protest shall identify the specific provision of these Rules or applicable law that was violated by the District’s evaluation or award;
  - b. Include evidence or supporting documentation that supports the grounds on which the protest is based;
  - c. A description of the resulting harm to the affected person; and
  - d. The relief requested.
3. Additional Information. The General Manager may allow any person to respond to the protest in any manner the General Manager deems appropriate by giving such person written notice of the time and manner whereby any response shall be delivered.
  4. General Manager Response. The General Manager shall issue a written disposition of the protest in a timely manner.
    - a. If the General Manager upholds the protest, in whole or in part, the proposed personal services contract procurement shall be cancelled, or the contract shall not be awarded, as the case may be.
    - b. If the General Manager upholds the protest, in whole or in part, the District shall refund the fee required to be delivered with the protest.
  5. Judicial Review. Before seeking judicial review, an affected person shall exhaust all administrative remedies. Judicial review shall be in accordance with ORS 279B.420.

**D. Protests of Cooperative Procurements.** Protests of the cooperative procurement process, contents of a solicitation document, or award may be filed with the District only if the District is the administering agency and under the applicable procedure described herein.

**OAK LODGE**  
WATER SERVICES  
**STAFF REPORT**

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**To:** Board of Directors  
**From:** Haakon Ogbeide, Civil Engineer and Project Manager  
**Agenda Item:** Water Meter Replacement Program Supply Contract  
**Item No.:** 5  
**Date:** November 20, 2018

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**Action Requested**

Authorize the General Manager to sign a contract with Consolidated Supply Co. for the purchase of approximately 6,100 radio read water meters at \$165.00 per meter (a sum of \$1,006,500).

**History**

Sept 2014	District staff at Oak Lodge Water District start replacing manual-read residential water meters with new radio read water meters. Analog read meters continue to be read by a person traveling around the district and recording each meter by hand. New radio read meters are read instantly as a District vehicle equipped with a receiving antenna collects readings as it drives by. The District also purchases vehicle-mounted reading equipment and software as part of the Mueller Mi.Net system.
2014 – present	District staff replace around 2,042 meters. An estimated 6,084 residential meters still need to be replaced.
April 20, 2018	The City of Tigard issues a Request for Proposals (Tigard RFP) for the supply of a large batch of Radio Read Water Meters using the Mi.Net System. Like Oak Grove Water Services, Tigard is also in the process of switching out manual read water meters with the same system of radio read meters.
July 10, 2018	The City of Tigard enters into an agreement with the sole and winning proposer to their RFP, Consolidated Supply Co., to purchase 5/8" by 3/4" meters at \$165 per meter. Oak Lodge is currently purchasing the same units at \$172 per unit.

- August 2018 District staff look into taking advantage of the Intergovernmental Cooperative Purchasing section in the Tigard RFP in which, “the bidder submitting [a proposal in response to the Tigard RFP] agrees to extend identical prices and services under the same terms and conditions to all public agencies in the region.”
- Oct/Nov 2018 Based on the Intergovernmental Cooperative Purchasing section in the Tigard RFP, District staff work with Cable Huston law firm to draft up a Purchasing Agreement. Both Consolidated Supply Co. and Mueller Systems are involved in reviewing this draft. In addition to the Purchasing Agreement with Consolidated Supply Co., an existing Master Agreement with the meter manufacturer, Mueller Systems, that dates back to September 2014 is brought up to date.

### **Background of Water Meter Replacement Program as a Whole**

New technologies for water meters allow the meter to be read electronically and wirelessly. These advancements in automatic meter reading greatly reduce the time and confusion involved in data collection, data entry, and troubleshooting errors. Like many water service providers, Oak Lodge Water Services District has been upgrading analog-read meters to radio-read meters since 2014.

The effort involved in upgrading meters one-by-one with District Staff is a drain on resources. After four years of doing so, District Operations Staff have replaced roughly one quarter of the District’s meters and have been exploring expedited means to replace the remaining analog-read meters rapidly.

Plans were formed during the first half of 2018 to purchase a package from a private contractor to have the remaining meters purchased and installed in one year, and the cost of this project be financed. Such a direct purchase of this package was deemed during internal discussions to not meet the requirements of District Purchasing Rules. To introduce more competition, the program was broken up into three parts in August 2018, and each of the three parts – Supply, Installation, and Financing – were evaluated separately to assure that the entire program was being competitively sourced. The following table explains the measures being taken by District staff to satisfy competition criteria in each of the three parts.



	<b>Description</b>	<b>Competition Measure</b>
<b>Supply</b>	the supply of water meters, including radio read transmitters	District “piggybacks” off Tigard’s recent RFP solicitation since District’s program is practically identical to Tigard’s
<b>Installation</b>	the labor of removing old meters and replacing them with modern ones	Technical Services Staff publicly solicit competitive bids for installation work
<b>Financing</b>	capital to finance the program, allowing new meters to be purchased in bulk and installed rapidly	Finance Director uses standard financing avenues for governmental entities

The Installation and Financing portions of this project are described in separate staff reports. The Supply portion is described further below:

**Background of Supply Portion of Water Meter Replacement Program**

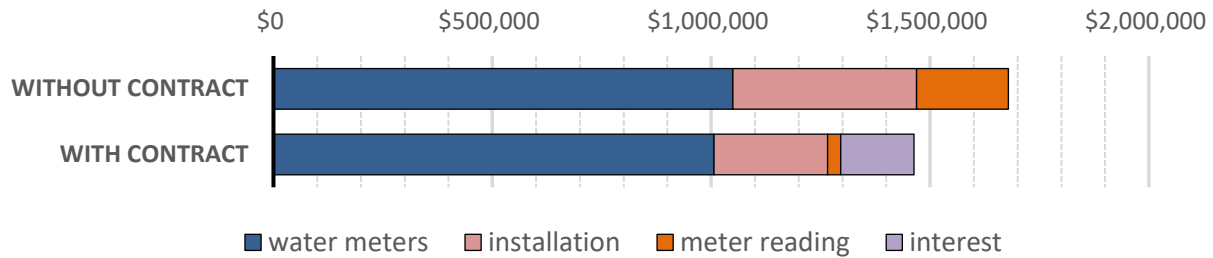
District Staff brought on Cable Huston for legal advice in drafting up the Purchasing Agreement that takes advantage of the “Intergovernmental Cooperative Purchasing” section of the Tigard RFP. A draft of this agreement has been reviewed by Consolidated Supply Co. and is included in this Staff Report as Attachment 1.

During the review of the Purchasing Agreement, omissions were revealed in a separate but related agreement between the District and the meter manufacturer, Mueller Meters. This contract from September 2014 is referred to as the Master Agreement or “EULA”. The 2014 Master Agreement intended to detail the warranty obligations of the meter manufacturer for all meters, including the 6,100 to be supplied by Consolidated Supply via the Purchasing Agreement. However, an omission in the original Master Agreement leaves out an appendix, resulting in warranty obligations not being fully spelled out. To remedy the issue, a new draft Master Agreement to replace the old one has been prepared by Mueller Systems and is included in this Staff Report as Attachment 2.

The attached agreements are active drafts at the time this Staff Report is due and are not entirely finalized. The supplier has requested minor alterations to the Purchasing Agreement to make clear that the warranty obligations will be covered by the manufacturer’s Master Agreement, not by the supplier.

## Alternatives and Fiscal Impacts

This staff report considers two scenarios for replacing the remaining 6,100 water meters: (1) continue meter installations as they are currently being done, or (2) contract meter purchasing and installation to allow the program to happen rapidly. Technical Services staff estimate that the second alternative will result in a fully modernized system 6 years earlier and \$216,000 cheaper than the current course. The graph below estimates the cost breakdown. It is shown again and described further in Attachment 3.



1. Complete water meter replacement using current strategy  
**estimated cost \$1,679,000**

This option would have the District continue to purchase meters individually at \$172 per unit and use District operations staff to install the meters. These staff would take an estimated seven years to replace all meters during which time operations staff would be diverted away from day-to-day maintenance. An existing contract for reading meters manually currently costs the District around \$30,000 annually (not including the annual increases to adjust for cost of living typically requested by the vendor) and would be maintained for an estimated seven years.

2. Initiate purchase, installation, and finance contracts to complete replacement  
**estimated cost \$1,463,000**

This option would have the District purchase a bulk order of meters at \$168 per unit and hire contractors specializing in meter installation to perform the work. The contractor would take an estimated one year to replace all meters during which time operations staff can continue their day-to-day maintenance while assisting the Contractor to troubleshoot the most extraneous meter replacement sites. An existing contract for reading meters manually would be maintained for an estimated one year.

## **Concurrence**

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

- District Operations Department
- District Finance Department
- District Administration Staff (for meter inventory)
- District GIS Specialist (for locations of meter inventory)
- Cable Huston (law firm)
- Consolidated Supply Co., pending minor changes (local water meter supplier)
- Mueller Systems (water meter manufacturer)
- Meterreaders LLC. (company contracted to read District meters)

## **Work Load Impacts**

Project Management would be accommodated within existing workloads of Technical Services staff.

## **Attachments**

The following attachments are included with this Staff Report:

1. Draft Purchase Agreement with Consolidated Supply Co., the Supplier
2. Draft Master Agreement with Mueller Systems, the Manufacturer
3. Comparison of Costs

## **Suggested Board Motion**

*“I move to approve our General Manager to sign a contract with Consolidated Supply Co. for the purchase approximately 6,100 water meters at \$165.00 per meter.”*

## **AGREEMENT FOR RADIO READ WATER METERS**

This Agreement for Radio Read Water Meters (“Agreement”) is made on the Effective Date by and between the Oak Lodge Water Services (“District”), and Consolidated Supply Co. (“Supplier”). District and Supplier are referred to herein each individually as a “Party” and collectively as “Parties.”

### **RECITALS**

- A. On April 16, 2018, the City of Tigard issued a Request for Proposal (“Tigard RFP”) seeking Radio Read Water Meters.
- B. The Tigard RFP contained an Intergovernmental Cooperative Purchasing Provision requiring Supplier to extend identical prices and services to all public agencies in the region.
- C. Supplier timely responded to the Tigard RFP and agreed to provide the Radio Read Water Meters under the terms and conditions provided in the Tigard RFP and its Proposal.
- D. In accordance with the Tigard RFP procedures, the City of Tigard awarded the Tigard RFP to Supplier.
- E. District now wishes to purchase Radio Read Water Meters under the pricing contained in the Tigard RFP, the Agreement between the City of Tigard and Supplier and under the terms and conditions in this Agreement.

### **AGREEMENT**

NOW THEREFORE, based on the foregoing Recitals, which are incorporated into this Agreement as if fully set forth below, and for good and valuable consideration as stated herein, the parties agree as follows:

**1. Scope of Work.** Supplier agrees to provide and deliver Radio Read Water Meters to District in accordance with the Tigard RFP technical specifications and the proposal and pricing submitted by Supplier in response to the Tigard RFP (“Proposal”), the Agreement between the City of Tigard and Supplier attached as Exhibit C and this Agreement. For any Radio Read Water Meters found by the District to be defective before or after installation, Supplier agrees, at Supplier’s sole cost and expense, to pick-up the defective meter from District or installed location, package and deliver the meter to manufacturer for full replacement. Any replaced meter shall be new and in conformance with this Agreement. The Tigard RFP, Proposal, the Agreement between the City of Tigard and Supplier and pricing are incorporated in this Agreement by this reference as though fully set forth herein. Collectively, the Scope of Work described in this paragraph for the purchase and delivery of Radio Read Water Meters are referred to

as the “Work.” In the event of a conflict between this Agreement, the Tigard RFP and the Proposal, this Agreement shall control. If the Agreement does not resolve the conflict, the Tigard RFP shall control.

**2. Acknowledgment and Representations by Supplier.** Supplier shall meet or exceed the highest standards prevalent in the industry for the Work under this Agreement. Supplier covenants and agrees with the District as follows: In preparing the Proposal and agreeing to the terms and conditions of this Agreement, Supplier acknowledges that it has examined the City of Tigard’s requirements in the Tigard RFP and all other matters which are necessary for Supplier to perform its obligations under this Agreement and agrees to comply with such technical and legal requirements. Supplier further agrees that:

(a) All materials, equipment, and/or supplies provided under this Agreement shall be covered by the applicable manufacturer’s warranty, and Supplier shall transfer and pass any such warranty through to District;

(b) All materials, equipment and/or supplies furnished under the scope of this Agreement shall be:

- (i) Merchantable, new and of first-class quality and not rebuilt or refurbished;
- (ii) In conformance with the Tigard RFP and Proposal and any Purchase Order; and
- (iii) Suitable for any use or purpose as described in the Tigard RFP and Proposal.

**3. Price.** Supplier agrees to provide the Radio Read Water Meters at the prices contained in the Purchase Agreement for Radio Read Water Meters between Supplier and the City of Tigard, Oregon, attached as Exhibit C to this Agreement. Further the following terms apply:

(a) Supplier acknowledges that there is no guarantee of: (i) any minimum or maximum volume of Radio Read Water Meters ordered under this Agreement, or (ii) the timing of any Radio Read Water Meters ordered under this Agreement.

(b) District’s payment terms are net 30 days from date of invoice.

**4. Effective Date and Term.** The Effective Date of this Agreement shall be the latest date by which the Agreement has been executed by the District and Supplier. The Term of the Agreement shall be 4 years.

**5. Liens and Claims.** Supplier agrees to deliver the Radio Read Water Meters free from all claims, encumbrances, and liens provided that the District has paid for the equipment, materials, supplies and installation.

**6. Independent Contractor.** Supplier specifically agrees that it is an independent contractor. Supplier further agrees that it has all necessary licenses, authorizations and certifications to provide the equipment contemplated by this Agreement. Supplier agrees to provide evidence of all such licenses, authorizations and certifications upon request.

**7. Compliance with Law.** Supplier shall comply with all applicable federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including without limitation, ORS 279B.020, ORS 279B.220, ORS 279B.230, and ORS 279B.235. Without limiting the foregoing, Supplier expressly agrees, as applicable, to comply with: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659 and 659a, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; and (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. A condition or clause required by law to be in this Agreement shall be considered included by these references. Supplier represents to District that it is fully aware of all legal requirements applicable to this Agreement.

**8. Termination and Default.** This Agreement may be terminated as follows:

(a) District and Supplier, by mutual written agreement, may terminate this Agreement at any time.

(b) District in its sole discretion may terminate this Agreement for any reason on 60 days written notice to Supplier. District shall pay for any Work provided prior to termination, provided such Work is provided and accepted by District.

(c) District's Right to Terminate for Cause and/or non-appropriation of funds. District may terminate this Agreement, in whole or in part, immediately upon notice to Supplier, or at such later date as District may establish in such notice, upon the occurrence of any of the following events:

i. District fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for Supplier's Work;

ii. Federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the Work under this Agreement is prohibited or District is prohibited from paying for such Work from the planned funding source;

iii. Supplier no longer holds any license, authorization or certificate that is required to provide the equipment, materials and supplies;

iv. Supplier commits any material breach or default of any covenant, warranty, obligation, representation or requirement under this Agreement, the Proposal or the Tigard RFP, fails to perform the Work under this Agreement within the time specified herein or any extension thereof, or fails to perform the Work to the satisfaction of District, and such breach, default or failure is not cured within 15 business days after delivery of District's notice, or such longer period as District may specify in such notice.

v. If Supplier files for bankruptcy protection, or if Supplier makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of its insolvency.

(d) Supplier's Right to Terminate for Cause.

i. If District fails to pay Supplier pursuant to the terms of this Agreement, Supplier may terminate this Agreement by giving written notice to District so long as District fails to cure within 30 days after receipt of Supplier's notice, or such longer period of cure as Supplier may specify in such notice. District shall pay Supplier for all Work performed in accordance with the terms of the Agreement prior to the termination date, if Supplier is not otherwise in default.

(e) Payment on Early Termination. Upon termination, payment shall be made as follows:

i. If terminated for the convenience of District, District shall pay Supplier for Work provided prior to the termination date if such Work was provided in accordance with the Agreement to the satisfaction of District less any setoff to which District is entitled. Termination shall not result in a waiver of any other claim District may have against Supplier.

ii. If terminated by District due to a breach by the Supplier, then District shall pay the Supplier for Work provided prior to the termination date provided such Work was performed in accordance with the Agreement to the satisfaction of District less any setoff to which District is entitled.

(f) If terminated by the Supplier due to a breach by District, then District shall pay the Supplier for Work performed prior to the termination date if such Work was performed in accordance with the Agreement to the satisfaction of District less any setoff to which District is entitled.

(g) If terminated by District for non-appropriation of funds, then District shall pay the Supplier for Work performed prior to the termination date no later than 30 days after District's approval of its next year's budget, if such work was performed in accordance with the Agreement.

**9. Remedies.** In the event of default the parties shall have the following remedies:

(a) If terminated by District due to a default, District may order the Work from another Supplier. If the cost of the Work from a different contractor materially exceeds the unit costs under this Agreement, then the Supplier shall pay to District the amount of the excess upon demand during the Term of this Agreement if, and only if, the District shows that the other contractors scope of work is consistent and prices are competitively determined. In the event of a default, District also shall be entitled to any equitable and legal remedies that are available under Oregon law.

(b) If District breaches this Agreement, Supplier's remedy shall be limited to termination of the Agreement and receipt of payments to which Supplier is entitled for Work provided to and accepted by District.

**10. Assignment.** This Agreement and any rights contained herein shall not be assigned by Supplier without the prior written consent of the District.

**11. Indemnification.** Supplier agrees to defend, indemnify and hold harmless the District, its board, manager, its employees, its agents and assigns against any and all claims, suits or liability for damages to persons or property including loss of use thereof, injuries to persons, including death, and from any other claims, suits or liability on account of acts or omissions of Supplier or any of its subcontractors, suppliers, officers, agents, employees, whether or not caused in part by the active or passive negligence or other fault of a party indemnified hereunder; provided, however, Supplier's duty hereunder shall not arise if such claims, suits or liability, injuries or death or other claims or suits are caused by the sole negligence of a party indemnified hereunder. Supplier's obligations hereunder shall not be limited by the provisions of any worker's compensation act or similar statute;

**12. Limitation of Liabilities.** NEITHER PARTY SHALL BE LIABLE FOR (i) ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR SPECIAL DAMAGES UNDER THE AGREEMENT OR (ii) ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS.

**13. Force Majeure.** Neither Party shall be liable for delays in the execution of its obligations due to causes beyond its reasonable control including but not limited to acts of God, fires, strikes, labor disturbances, floods, epidemics, quarantine restrictions, war, insurrection or riot, acts of a civil or military authority, compliance with priority orders or preference ratings issued by the federal Government, acts of Government authorities with respect to revocation of export or re-export permits/licenses, wrecks, or unusually severe weather.

**14. Access To Records.** Supplier shall maintain fiscal records and all other records pertinent to this Agreement. Records shall be maintained pursuant to generally accepted accounting standards, and other records shall be maintained to the extent necessary to



clearly reflect actions taken in the provision of the products required herein. All such records shall be retained and kept accessible for at least three years following final payment. District's authorized representatives shall have the right to access non-privileged documents, papers and records related to this Agreement for the purpose of conducting audits and examinations and making copies, excerpts and transcripts. District shall provide 5 business days' notice to review all such non-privileged records and documents.

**15. Waiver.** Waiver of any default under this Agreement by District or Supplier shall not be deemed to be a waiver of any subsequent default or a modification of the provisions of this Agreement.

**16. Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon and ordinances of Clackamas County, Oregon. Any legal action involving any question arising under this Agreement must be brought in Clackamas County Circuit Court. If the claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the District of Oregon.

**17. Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.

**18. Anti-Discrimination.** Supplier shall not discriminate based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, source of income, or political affiliation in programs, activities, services, benefits or employment. Supplier shall not discriminate against minority-owned, women-owned or emerging small businesses.

**19. Publicity.** Any publicity giving reference to this Agreement or District, whether in the form of press releases, brochures, photographic coverage, or verbal announcement, shall be done only after prior written approval of District.

**20. Attorneys' Fees.** If any suit, action or other proceeding of any nature (including any contested matter or adversary proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover reasonable fees of attorneys, paralegals, accountants and other experts, and all other fees, costs and expenses actually incurred in connection therewith, as determined by the judge at trial or on appeal or review, in addition to all other amounts provided by law.

**21. Merger.** This Agreement, the Proposal, the Tigard RFP and any attached exhibits constitute the entire agreement between the parties. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties.

**22. Insurance.** Throughout performance of the Work, Supplier shall maintain reasonable levels of commercial insurance for general liability for any equipment, materials and supplies delivered before acceptance by District, and Supplier shall maintain all insurance required by law

**23. Agreement Preparation.** This Agreement shall not be construed more strongly against any party to such agreement, regardless of who was responsible for the document's preparation. The Parties acknowledge that both parties contributed to and are equally responsible for each such document's preparation.

**24. Time Is of the Essence.** Time is of the essence for every material requirement of this Agreement.

**25. Counterparts.** This Agreement may be executed in two or more fully or partially executed counterparts, each of which will be deemed an original binding the signer thereof against the other signing parties, but all counterparts together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year last written below.

Oak Lodge Water Services

Consolidated Supply Co.

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A.**

**City of Tigard Request for Proposal**

**Exhibit B**

**Supplier Proposal in Response to City of Tigard RFP**

**Exhibit C**

**Final Agreement between City of Tigard and Consolidated Supply Co. (Pricing for this Agreement described on Attachment C, Exhibits A and B).**

**MUELLER SYSTEMS  
MASTER AGREEMENT**

THIS MASTER AGREEMENT (this "Agreement") is entered into this \_\_\_\_\_ day of October, 2018 between **MUELLER SYSTEMS, LLC**, a Delaware limited liability corporation having its principal offices at 10210 Statesville Blvd, Cleveland, North Carolina 27013 (referred to in this Agreement as "Provider"), and Oak Lodge Water Services District, a sanitary and water district organized under Oregon Revised Statutes (ORS) Chapter 450 and Chapter 264 having its principal offices at 14496 SE River Road, Oak Grove, OR 97267 (referred to in this Agreement as "Customer"). This Agreement governs the sale by Provider and the purchase by Customer for its own use and not for resale of, as applicable, Equipment, Software, Documentation and other items related to advanced metrology infrastructure systems. *This Agreement is intended to replace the Mueller Systems Master Agreement executed on September 23, 2014 by Customer. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and terms and conditions of any other agreement or document, the terms and conditions of this Agreement shall govern and control and the conflicting or inconsistent terms and conditions are hereby rejected.* In consideration of the mutual obligations set forth in this Agreement, Customer and Provider agree as follows:

1. **DEFINITIONS.**

a. "Content" means the information developed or legally acquired by Customer which may be used in connection with or accessed by any module of the Software.

b. "Documentation" means the user guides, reference manuals, and installation materials provided by Provider to Customer related to the Software and Equipment.

c. "Equipment" means the components, devices, products, equipment and related items provided by Provider identified in Appendix A.

d. "Services" means activities related to deployment and installation services, repair services, hosting services and technical support/maintenance services as identified in Appendix B.

e. "Software" means the object code versions of the Provider's software identified in Appendix A, together with all subsequent authorized updates, replacements, modifications or enhancements.

2. **SOFTWARE**

a. License. Provider hereby grants to Customer, a limited, non-exclusive, nontransferable license (without the right of sublicense) to, in connection with the Equipment, use, install, run, execute, display and, subject to the restrictions described below, duplicate and distribute internally, the Software and Documentation solely for Customer's internal information management and processing purposes.

b. Restrictions. Except as specifically and expressly permitted in writing by Provider, Customer shall not (i) violate any restriction set forth in this Agreement; (ii) modify, translate, de-compile, reverse compile, disassemble, or

create or attempt to create, by reverse engineering or otherwise, the source code from the object code of the Software; (iii) adapt the Software in any way for use to create a derivative work; (iv) include or combine the Software in or with any other software; or (v) use the Software to provide processing services to third parties or on a service bureau basis. Except as expressly permitted in this Agreement, Customer may not copy the Software other than to make one machine readable copy for disaster recovery or archival purposes. Customer may only make copies of Documentation as reasonably necessary for the use contemplated herein and with proper inclusion of Provider's copyright notices.

c. Ownership. This Agreement does not grant to Customer any ownership interest in the Software or Documentation. Customer has a license to use the Software and Documentation as provided in this Agreement. Customer hereby agrees and acknowledges that Provider owns all right, title, and interest in the Software and Documentation, and Customer will not contest those rights or engage in any conduct contrary to those rights. Any copy, modification, revision, enhancement, adaptation, translation, or derivative work of or created from the Software and Documentation made by or at the direction of Customer shall be owned solely and exclusively by Provider, as shall all patent rights, copyrights, trade secret rights, trademark rights and all other proprietary rights, worldwide.

d. Reservation. Provider reserves all rights not specifically granted under this Agreement.

3. **EQUIPMENT** In consideration of the fees set forth in Appendix D of this Agreement, Provider will provide the Equipment identified in Appendix B.

4. **SERVICES** In consideration of the fees set forth in Appendix D of this

Agreement, Provider will provide the Services identified in Appendix B.

5. **CONFIDENTIALITY** The Software, Equipment and Documentation, including any ideas, concepts, know-how and technology contained therein, shall be considered the proprietary and confidential information of Provider and, as such, shall be subject to the confidentiality provisions of this Agreement. If a separate, written non-disclosure agreement exists between Provider and Customer, such agreement will control and will apply according to its terms and conditions to all confidential information the parties exchange with each other. If no separate, written non-disclosure agreement exists between Provider and Customer, the terms listed in Appendix C will apply to the confidential information the parties exchange with each other.

#### 6. **FEES AND PAYMENT**

a. **Software Fees.** Customer shall pay the Software fees set forth in Appendix D of this Agreement.

b. **Equipment Fees.** Customer shall pay the Equipment fees set forth in Appendix D of this Agreement. Title to the Equipment, except the Software and Documentation that are subject to licenses provided in this Agreement, passes from Provider to Customer when Provider ships the Equipment.

c. **Service Fees.** Customer shall pay the Service fees set forth in Appendix D of this Agreement.

d. **Taxes.** All prices and fees are in U.S. dollars unless otherwise specified. All amounts payable under this Agreement are exclusive of all sales, use, value-added, excise, property, withholding, and other taxes and duties. Customer will pay all taxes and duties assessed by any authority in connection with this Agreement and with Customer's performance hereunder. Customer will promptly reimburse Provider for any and all taxes or duties that Provider may be required to pay in connection with this Agreement or its performance. This provision does not apply to taxes based on Provider's income, or any taxes for which Customer is exempt, provided Customer has furnished Provider with a valid tax exemption certificate.

e. **Payment.** Unless provided otherwise herein, Customer agrees to pay all amounts specified in Appendix D or otherwise due under this Agreement within thirty (30) days after the date of invoice. Past due amounts will shall bear interest from the due date until paid at a rate of (i) one and one-half percent (1.5%) per month or (ii) the maximum rate permitted by law, whichever is less. All payments made under this Agreement shall be nonrefundable, except as specifically provided otherwise in this Agreement.

#### 7. **TERM; TERMINATION**

a. **Term.** The term of this Agreement is one (1) year commencing upon the date of this Agreement. This Agreement will automatically renew for subsequent, successive one (1) year periods at the then current Provider prices unless either party gives the other party written notice of its intent to not renew at least thirty (30) days prior to the expiration of the then current term. Provider may increase support fees at any time on thirty (30) days prior notice to Customer. Within such thirty (30) days, Customer may terminate the Agreement by providing written notice to Provider.

b. **Termination for Breach.** If either party breaches this Agreement, and such breach is not cured within ten (10) days of the breach, the non-breaching party may terminate this Agreement, including all licenses provided herein, effective upon written notice to the other party. The breaching party agrees that if it breaches this Agreement, the non-breaching party will be entitled to injunctive or similar equitable relief and that the breaching party will not argue in any proceeding that its breach will not cause irreparable harm to the non-breaching party or that the non-breaching party can be adequately compensated for any such harm by any remedies other than by injunctive relief.

c. **Effect of Termination.** Termination of this Agreement shall have the effect designated in Appendix B.

d. **Non-Exclusive Remedy.** Termination of this Agreement or any license granted hereunder shall not limit the remedies otherwise available to either party, including injunctive relief.

e. Survival. Unless otherwise stated herein, any provision that, by its nature or terms, is intended to survive the expiration or termination of this Agreement, will survive.

## 8. LIMITED WARRANTIES; REMEDIES

a. Software. Subject to the exclusions herein, including those in Appendix A, Provider warrants that commencing from the date of shipment to Customer and continuing for the period set forth in Appendix A (the "Warranty Period"), (i) the media on which the Software is furnished will be free of defects in materials and workmanship under normal use; and (ii) the Software will perform substantially in conformance with the applicable Documentation provided to Customer by Provider. Provider does not warrant that the Software will operate in combinations with other software, except as specified in the Documentation, that the Software will meet the Customer's requirements or that the operation of the Software will be uninterrupted or error-free. Customer assumes responsibility for taking adequate precautions against damages which could be caused by defects, interruptions or malfunctions in the Software or the hardware on which it is installed. Provider's entire obligation and Customer's exclusive remedy with respect to the Software warranties set forth above shall be, at Provider's option, to either (x) repair or replace any Software containing an error or condition which is reported by Customer in writing to Provider which causes the Software not to conform with the warranty set forth herein; or (y) refund a pro rated amount paid by Customer to Provider and terminate this Agreement and all licenses provided herein.

b. Services. Provider warrants that all services provided by it to Customer under this Agreement shall be performed in a workmanlike manner. Provider's entire obligation and Customer's exclusive remedy with respect to the Service warranties set forth above shall be the re-performance of the applicable non-conforming Service.

c. Equipment. Subject to the exclusions herein, including those in Appendix A, Provider warrants to Customer that the Equipment will be free from defects in material and workmanship for the periods specified in Appendix A. Claims under this Section will be considered if submitted to Provider within sixty (60) days

following the discovery of any defect covered by this Section and provided Provider or its agents are permitted a commercially reasonable opportunity to examine and analyze the material or workmanship claimed to be defective. Provider's entire obligation and Customer's exclusive remedy with respect to the Equipment warranties set forth herein, at Provider's option, is repair or replacement of any Equipment found defective during the applicable warranty period after such Equipment is properly packaged and returned prepaid to Provider's designated service center.

d. Costs. Any and all costs associated with uninstalling and shipping defective Equipment and Software and installing replacement Equipment and Software will be the responsibility of Customer. Customer agrees to furnish Provider reasonable access to such Equipment and Software.

e. Exclusions. The warranties provided by Provider shall not apply to Equipment and/or Software which: (i) have been altered, except with the express written consent, permission or instruction of Provider, (ii) have been used in conjunction with another product resulting in the defect, except for those third party products specifically approved by Provider, (iii) were other than the most current version of the Software (but only to the extent that any failure of the Software would have been avoided by the use of the most current version), (iv) have been damaged by improper environment, abuse, misuse, accident, negligence, act of God, excessive operating conditions, or unauthorized attachments or modifications, (v) have not been properly installed and operated in accordance with the Documentation, or as otherwise instructed by Provider, or (vi) any other exclusion set forth in any Appendix hereto.

f. DISCLAIMERS. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE WARRANTIES AND REMEDIES STATED ABOVE ARE EXCLUSIVE AND NO OTHER WARRANTIES OR REMEDIES EXPRESS, IMPLIED OR STATUTORY, APPLY TO THE DOCUMENTATION, THE SOFTWARE, THE EQUIPMENT OR ANY SERVICES TO BE PROVIDED BY PROVIDER UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY,



FITNESS FOR A PARTICULAR PURPOSE, QUALITY OR PERFORMANCE, AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE, ALL OF WHICH PROVIDER EXPRESSLY DISCLAIMS.

9. **INDEMNIFICATION** Provider will indemnify and defend Customer from any third party claim that the Software and Equipment infringe on another person's or company's patent, copyright or other intellectual property right as specified in this Section. This indemnity does not cover and specifically excludes (a) intellectual property rights recognized in countries and jurisdictions other than the United States, and (b) claims relating to third party products and software. Provider has no obligation under this Section for any claim to the extent it results from or arises out of Customer's modification of the Equipment or Software or from any combination, operation or use of the Software or Equipment with other third party products or services. Provider's duty to indemnify under this Section is contingent upon Provider receiving prompt notice of a claim and Provider's right to solely control resolution of a claim. Customer's sole remedy for an indemnified claim under this Section is as follows: Provider will, at its expense and in its discretion either (a) resolve the claim in a way that permits Customer's continued ownership and use of the affected Software and Equipment, (b) provide a comparable, non-infringing replacement at no cost to Customer, or (c) accept return of the Software and Equipment, provide a reasonable depreciated refund and terminate this Agreement and all licenses herein. This Section is the exclusive statement of Provider's liability and responsibility for indemnifying Customer for infringement of intellectual property rights

**10. LIMITATION OF LIABILITY.**

a. IN NO EVENT WILL PROVIDER BE LIABLE FOR ANY LOSS OF PROFIT OR OTHER COMMERCIAL DAMAGE, INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES UNDER ANY CAUSE OF ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM MALFUNCTION OR DEFECTS IN THE SOFTWARE OR

EQUIPMENT. THESE LIMITATIONS WILL APPLY FOR ANY CLAIMS, INCLUDING WITHOUT LIMITATION, CONTRACT, TORT (INCLUDING NEGLIGENCE) AND STRICT LIABILITY EVEN IF PROVIDER OR ITS REPRESENTATIVE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. PROVIDER'S MAXIMUM LIABILITY HEREUNDER IS EXPRESSLY LIMITED TO THE TOTAL AMOUNT PAID FOR THE SOFTWARE, SERVICES, AND EQUIPMENT IN THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS AND WILL UNDER NO CIRCUMSTANCE EXCEED THE AMOUNT PAID BY CUSTOMER IN THE IMMEDIATELY PRECEDING TWELVE (12) MONTHS FOR THE SOFTWARE, SERVICES AND EQUIPMENT PROVIDED BY PROVIDER

UNDER THIS AGREEMENT. Some states do not allow the limitation and/or exclusion of liability for incidental or consequential damages, so the above limitation may not apply.

b. The provisions of this Agreement allocate the risks between Customer and Provider. Provider's pricing reflects this allocation of risk and the limitations of liability specified herein.

8. **NOTICE.** All notices required to be given hereunder shall be in writing. Notice shall be considered delivered and effective upon receipt when sent by registered or certified mail, return receipt requested, addressed to the parties as set forth above. Either party, upon written notice, may change any name or address to which future notice shall be sent.

11. **GENERAL.** The Software will not be exported or re-exported in violation of any export provisions of the United States or any other applicable jurisdiction. The rights and obligations of this Agreement are personal rights granted to the Customer only. The Customer may not transfer or assign any of the rights or obligations granted under this Agreement to any other person or legal entity. Any such purported transfer or assignment shall be null and void. Provider will be free of liability to the Customer where Provider is prevented from executing its obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable. Any modification or amendment to any of the provisions of this

Agreement will be in writing and signed by an authorized officer of each party. This Agreement does not create or imply any relationship in agency or partnership between the parties.

Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. The validity of this Agreement and the rights, obligations, and relationship of the parties resulting from same will be interpreted and determined in accordance with the law of the State of Delaware, and applicable federal law, without regard to its choice of law provisions. The parties specifically exclude from application to the Agreement the United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act. If any provision of this Agreement is contrary to and in violation of any applicable law, such provision will be considered null and void to the extent that it is contrary to such law, but all other provisions will remain in effect. The waiver or failure of either party to exercise any right herein shall not be deemed a waiver of any further right hereunder. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior and contemporary agreements, understandings, and commitments between the parties regarding the subject matter of this Agreement.

[Signature Block Follows]

**EACH PARTY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.**

Provider

Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name (Print or Type)

\_\_\_\_\_  
Name (Print or Type)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

# **Appendix A**

## **Warranty**

### **LIMITED WARRANTY FOR MUELLER SYSTEMS PRODUCTS**

#### **Product Warranty**

Subject to the limitations and conditions set forth herein, Mueller Systems warrants that commencing from the date of shipment to the Customer and continuing for the period set forth in Attachment A (referred to as the "Warranty Period"); (a) the Equipment will be free from defects in materials and workmanship under normal use, installation and service conditions; (b) the media on which the Software is furnished will be free of defects in materials and workmanship under normal use; and (c) the Software substantially conforms to the applicable published Mueller Systems functional specifications for the Software. Except as provided for in Attachment A, Mueller Systems will, at its option, either repair or replace the Product if it malfunctions or becomes inoperable due to a defect in workmanship or materials during the Warranty Period. If in its sole discretion Mueller Systems determines that it is unable to repair or replace the Product, it will refund to Customer a pro-rated amount paid for the defective Product. Products that are repaired or replaced under this Warranty will be warranted for the remainder of the original Warranty Period or 30 days, whichever is longer.

#### **Exclusions**

If, in Mueller Systems' sole judgment, a Product has been subject to misuse, neglect or accident or has been damaged through abuse, alternation, improper installation or application, failure to follow Mueller Systems' operation or maintenance instructions or negligence in transportation, handling, or storage, or repaired by anyone other than Mueller Systems or its authorized personnel, this Warranty will not be applicable. For Software, this Warranty will not apply if there has been a change to the Software's operating environment not made or authorized by Mueller Systems; Customer fails to install any correction or enhancement provided by Mueller Systems; or a virus is introduced through no fault of Mueller Systems. This Warranty will also not cover damage due to acts of God, power failures, lightening, fire, flood, severe weather, hailstorms, insect and pest infestation, and other events reasonable beyond Mueller Systems' control.

#### **Product Returns**

Claims under this Warranty will be considered if submitted to Mueller Systems within 60 days following the discovery of any defect covered by this Warranty and provided Mueller Systems or its agents are permitted a commercially reasonable opportunity to examine and analyze the material or workmanship claimed to be defective. If Mueller Systems elects to repair the Product, Customer will send it, properly packaged, to a repair facility designated by Mueller Systems. Customer will pay the cost of returning defective Products to the place of repair designated by Mueller Systems and Mueller Systems will pay the cost of delivering repaired or replacement Products to Customer.

#### **Limits of Warranty and Liability**

Damage to persons or property or other loss or injury resulting from defects in the Products or from improper installation or use shall not be the responsibility of Mueller Systems. Mueller Systems will not under any circumstance be liable for any indirect, special, incidental or consequential damages of any nature, whether based on contract, tort or other legal theory including but not limited to, business interruption costs, loss of profit or revenue, loss of data, loss of use of services, cost of capital, cost of substitute services or facilities, downtime costs or damages and expenses arising out of third-party claims, even if Mueller Systems has been advised of the possibility of such damages. In all cases, Mueller Systems' total liability will be limited to the total payments made by Customer to Mueller Systems for the Products and services provided.

#### **Disclaimer of Warranty**

EXCEPT AS EXPRESSLY SET FORTH IN THIS WARRANTY, MUELLER SYSTEMS DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES, CONDITIONS, OR REPRESENTATIONS, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES AGAINST

TITLE AND AGAINST INFRINGEMENT AND WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD.

## ATTACHMENT A

### **1. AMR / AMI Products<sup>1</sup>:**

**Software** – Mi.Host, Mi.Data, MCM (Meter Control Management), MCM Mobile, EZReader and other software products are covered by a one (1) year warranty from the date of shipment or provision to Customer.

**Hardware** – Mi.Node electric (Smart Meter), Mi.Hub Collectors, Mi.Tech Handheld PC, Street Machine RF Receiver, PitStop handheld receivers, TRuRead™ remotes, laptops PC's, Server Hardware and all other peripheral electronic products are covered by a one (1) year warranty from the date of shipment to Customer.

**Radio Modules** – Mi.Node™ water modules and Hot Rod™ modules are covered by a ten (10) year warranty from the date of shipment to Customer. Additionally, Mi.Node water modules and Hot Rod™ modules are covered by a prorated warranty for years eleven (11) through fifteen (15) at a fifty-percent (50%) discount, years sixteen (16) through twenty (20) at a twenty-five-percent (25%) discount. Mi.Hydrant and Repeater Transceivers are covered by a ten (10) year warranty from the date of shipment to Customer. All prorated warranty credits listed will apply to list pricing in effect at the time of the return.

**Encoder Register Products** – Hersey Translator™ Encoder registers, Hersey SSR Solid State Register, ME-8 Encoder registers, Wall Pads and Pit Pads are covered by a ten (10) year warranty from the date of shipment to Customer. Additionally, the complete unit is covered by a prorated warranty for years eleven (11) through fifteen (15) at a fifty-percent (50%) discount, years sixteen (16) through twenty (20) at a twenty-five-percent (25%) discount from the date of shipment to Customer. All prorated warranty credits listed will apply to list pricing in effect at the time of the return.

### **2. Water Metering Products:**

**Remote Disconnect Meters** - The Model 420 RDM is part of the 400 series of meters and has applicable coverage shown below for Model 400 meters. In addition, Model 420 RDM has a five (5) year warranty from the date of shipment to Customer on the valve and solenoid assembly.

**Models 400, 500, MVR, RFM, FM3, HM,** and cold-water mechanical meters and detector check models, **EDCIV** are covered for a period of one (1) year from the date of shipment to Customer.

**Model HB MAG** electromagnetic cold water meters are covered for a period of (2) years from the date of shipment.

**Maincases** for the above listed mechanical meters are covered for a period of twenty-five (25) years from the date of shipment to Customer.

**Standard Registers** for the above listed mechanical meters are covered for a period of fifteen (15) years from the date of shipment to Customer.

**Models 400 and 500** meters perform to AWWA new meter accuracy standards as defined in the most current revision for a period of five (5) years from the date of shipment to Customer.

**Model HB MAG** electromagnetic cold water meters perform to AWWA new meter accuracy standard as defined in the most current revision for a period of two (2) years from the date of shipment to Customer.

**Models MVR, RFM, FM3, and HM** meters perform to AWWA new meter accuracy standard as defined in the most current revision for a period of one (1) year from the date of shipment to Customer.

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<sup>1</sup> Unless otherwise expressly stated herein, all warranty terms are provided from the date of shipment to Customer.

**Models 400 and 500** meters perform to AWWA repaired meter accuracy standards for the following time periods:

5/8" – Fifteen (15) years from the date of shipment to Customer or the registration of 1,750,000 U.S. gallons, whichever comes first;

3/4" – Fifteen (15) years from the date of shipment to Customer or the registration of 2,000,000 U.S. gallons, whichever comes first;

1" – Fifteen (15) years from the date of shipment to Customer or the registration of 3,000,000 U.S. gallons, whichever comes first;

1-1/2" – Fifteen (15) years from the date of shipment to Customer or the registration of 5,500,000 U.S. gallons, whichever comes first;

2" – Fifteen (15) years from the date of shipment to Customer or the registration of 8,500,000 U.S. gallons, whichever comes first.

**Solid State Meters (SSM)** Mueller Systems SSM is will meet or exceed accuracy of +/- 1.5% between the specified minimum flow rate to the specified maximum flow rate for ten (10) years from date of shipment according to the following sizes:

5/8" Meter - 0.1 gpm to 20 gpm

5/8" x 3/4", 3/4" Short, and 3/4" Long Meter – 0.1 to 30 gpm

1" Meter – 0.4 to 55 gpm

1 1/2" Meter – 0.8 to 100 gpm

2" Meter – 0.8 to 160 gpm

The SSM is covered by a prorated warranty for years eleven (11) through fifteen (15) at a fifty-percent (50%) discount, years sixteen (16) through twenty (20) at a twenty-five-percent (25%) discount. The prorated warranty credit listed will apply to list pricing in effect at the time of the return.

If the above listed meters do not perform as specified, Provider will repair or replace them, at Provider's option, subject to the following:

An applicable meter shall be noncompliant if it fails to pass an accuracy test, conducted by the customer according to AWWA standards. If the meter is inoperative because of foreign material, all such material must be removed prior to testing. A copy of the customer's test results must accompany the meter being returned. If the customer chooses not to test a meter before returning it, Provider will repair or replace the meter at Provider's option after the meter has been tested by Provider. When test is conducted by Provider, the customer will be charged a reasonable testing fee.

# **Appendix B**

## **Services**

### **1. Software Services and Support Obligations**

a. "Update" to the Software means a subsequent release of the Software that Provider makes generally available to its current customers for the Software. Updates include changes and corrections to the Software as are required to keep the Software in substantial conformance with the applicable Documentation and that are created by Provider as corrections for defects in the Software. Updates shall not include any release, option or future product that Provider licenses separately. Provider shall in its sole discretion determine the nature, content, timing and release of any Updates.

b. Web-based support, consisting of information on the most current release of the Software through Provider's web site.

c. Phone support in the form of advice and counsel via telephone regarding Customer's use of the most current release of the Software, as well as Customer's connectivity and ability to access Content. Phone Support shall be provided from 8:00 AM to 5:00 PM (Eastern Standard Time), Monday through Friday, exclusive of holidays observed by Provider.

d. On and after the effective date of any termination of this Agreement by Provider due to Customer's breach of this Agreement, Customer shall cease all use of the Software and Documentation. Within ten (10) days of the effective date of termination of this Agreement by Provider due to Customer's breach of this Agreement, Customer shall, at its own expense, return to Provider, all copies of the Software and Documentation and other tangible materials provided by Provider hereunder in connection to the Software and destroy any archival copies of Software. Customer agrees, if requested by Provider, to certify in writing as to the return of the Software and Documentation and all copies thereof. Each party shall remain liable to the other party for all charges, obligations, and liabilities that accrue or arise under this Agreement from any event, occurrence, act, omission, or condition transpiring or existing prior to the effective date of such termination. Except in the case where Provider terminates this Agreement due to Customer's breach of this Agreement, the Software license provided in this Agreement shall survive the termination of this Agreement.

# **Appendix C**

## **Confidential Information**

For purposes of this Attachment, “party” or “parties” shall mean Provider and Customer, including their respective subsidiaries and affiliates who are providing information under this Agreement. The parties agree to maintain confidential information as follows:

1. **Definition of Confidential Information.** The parties understand and agree that confidential information is any and all current and future Equipment, Documentation and/or Software information, roadmap, technical or financial information, customer names, addresses and related data, contracts, practices, procedures and other business information, including software reports, strategies, plans, documents, drawings, machines, tools, models, patent disclosures, samples, materials and requests for proposals that may be disclosed between the parties, whether written, oral, electronic or otherwise, however and wherever acquired (“Confidential Information”). Confidential Information excludes any information which would otherwise fall in the definitions above, but which was (a) known to the recipient of the information (“Recipient”) before receipt from the disclosing party; (b) publicly available through no fault of Recipient; (c) rightly received by Recipient from a third party without a duty of confidentiality; (d) disclosed by disclosing party to a third party without a duty of confidentiality on the third party; (e) independently developed by Recipient without breach of this or any other confidentiality agreement; or (f) disclosed by Recipient after prior written approval from the disclosing party.
2. **Obligations of Confidentiality and Remedies.** Recipient agrees to protect the disclosing party’s Confidential Information with the same degree of care, but no less than a reasonable degree of care, as Recipient uses with respect to its own Confidential Information. Neither party has any obligation to exchange Confidential Information. Both parties acknowledge and agree that the disclosure of the other party’s Confidential Information could cause irreparable harm. Therefore, an injured party is entitled to applicable equitable relief, including injunctions, in addition to other remedies, for such wrongful disclosure of Confidential Information. In addition, disclosure of Confidential Information required by a government body or court of law is not a violation of this Section if the Recipient gives prompt notice of the required disclosure to the disclosing party.
3. **Term of Confidentiality Obligations.** Recipient’s duty to protect Confidential Information expires three (3) years from the date of disclosure of the particular Confidential Information.
4. **No Warranties on Confidential Information.** Neither party warrants or guarantees the accuracy of any Confidential Information transferred between the parties.

## Appendix D

<b>Annual License, Maintenance &amp; Support for AMR/EZ Reader</b>		
<b>Part Number</b>	<b>Line Item Description</b>	<b>Annual Fee</b>
IAEZMAINT-SW-10K	EZ YEAR SOFTWARE/SUPPORT – 2.5K to 10K SERVICES	\$1500.00
<b>Hardware Maintenance (OPTIONAL)</b>		
<b>Part Number</b>	<b>Line Item Description</b>	<b>Annual Fee</b>
MS-MNMMMAINT- TRANSCVER	MI.NET MOBILE TRANSCEIVER YEARLY MAINTENANCE	\$1,248.00

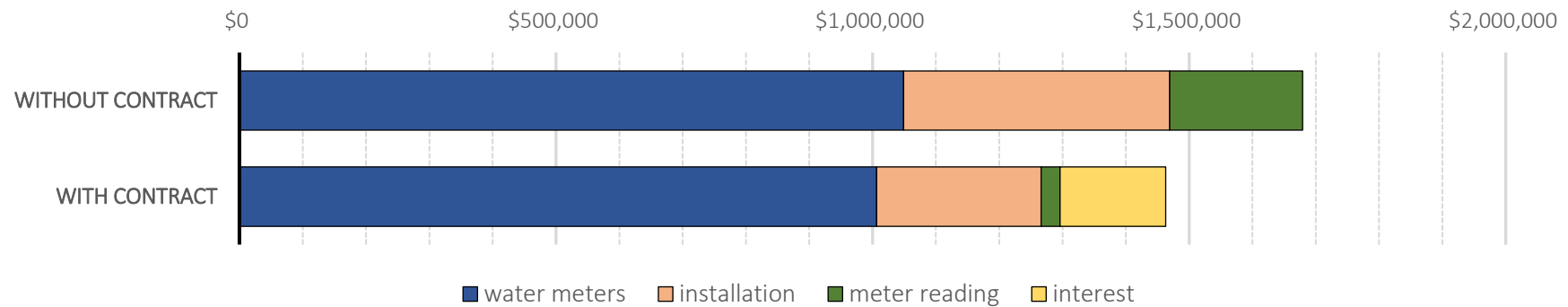


## Oak Lodge Water Services District WATER METER REPLACEMENT PROGRAM

cost comparison of program with and without contracting for rapid purchase and installation of meters

updated by Haakon Ogbeide on Nov 8th, 2018

This calculation compares the financial costs of replacing approximately 6,100 analog-read water meters with radiofrequency-read meters. It is created as a rough estimate to guide discussion on how to proceed with the program. The option without contracting purchases meters at current prices, uses district staff for installation, and is assumed to take six years longer than the alternative. In the alternative with contracting, some savings are realized through bulk purchase of meters, but mostly through cost savings of having professional meter installers do the work instead of District Staff and through closing a meter reading contract sooner. The capital cost in this scenario is covered by a loan assumed to be repaid with fixed annuity payments similar to a home mortgage.



ITEM	WITHOUT CONTRACT			WITH CONTRACT		
	Unit Price	Qty	Cost	Unit Price	Qty	Cost
water meters - 5/8" x 3/4" Hersey® 420 Composite PD with Mi.Node® M Meter Interface Unit	\$172.00	6,100 units	\$1,049,200	\$165.00	6,100 units	\$1,006,500
installation	\$60,000 *	7.0 yrs	\$420,000	\$42.54	6,100 units	\$259,494
service for manual-read meters	\$30,000	7.0 yrs	\$210,000	\$30,000	1.0 yr	\$30,000
interest paid on a 84-month (7-year) fixed annuity loan at 3.5% APR	\$0	0	\$0	\$17,418	84 months	\$167,115 **
<b>TOTAL cost</b>			<b>\$1,679,200</b>			<b>\$1,463,109</b>

\* installation without contracts assumes meter installation will take half the time of one full time equivalent employee for 7 years

\*\* NOTE: value shown for cost is the interest portion of all annuity payments only. The principal is not included, since principal is the subtotal of the other line items.

**OAK LODGE**  
WATER SERVICES  
**STAFF REPORT**

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**To:** Board of Directors  
**From:** Haakon Ogbeide, Civil Engineer and Project Manager  
**Agenda Item:** Water Meter Replacement Program Installation Contract  
**Item No.:** 6  
**Date:** November 20, 2018

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**Action Requested**

Authorize the General Manager to sign a contract with Olsen LLC for the installation of approximately 6,100 radio read water meters at a cost not to exceed \$259,490.

**History**

Sept 2014	District staff at Oak Lodge Water District start replacing manual-read residential water meters with new radio read water meters. Analog read meters continue to be read by a person traveling around the district and recording each meter by hand. New radio read meters are read instantly as a District vehicle equipped with a receiving antenna collects radio-transmitted readings as it drives by. The District also purchases vehicle-mounted reading equipment and software as part of the Mueller Mi.Net system.
2014 – present	District staff replace around 2,042 meters. An estimated 6,084 residential meters still need to be replaced.
August 2018	Technical Services staff in coordination with District Manager review the project to assure enough competition to comply with State and District Purchasing Rules. The work of installing meters is separated from the procurement of the physical meters for these two parts to be solicited independently.
Oct/Nov 2018	Technical Services staff put the work of installing meters out to bid with a \$300,000 estimate for the work. The lowest responsible bid is opened on November 8 <sup>th</sup> , at \$259,490.

## **Background of Water Meter Replacement Program as a Whole**

The previous Staff Report for this November 20<sup>th</sup>, 2018 Board of Directors Meeting focuses primarily on the supply portion of the Water Meter Replacement Program. Please see the “Background of Water Meter Replacement Program as a Whole” section of that staff report.

The Supply and Financing portions of this project are described in separate staff reports while the Installation portion is described further below.

## **Background of Installation Portion of Water Meter Replacement Program**

On October 17<sup>th</sup>, 2018, District Staff publicly solicited bids for the work of installing water meters. Olson LLC was the contractor with lowest bid at the Bid Opening on November 8<sup>th</sup> at \$259,490. After checking the completeness of their bid, Technical Services Staff deemed Olson LLC’s bid to be complete and responsible, and as a result, issued Olson LLC and the other bidders, on Nov 13<sup>th</sup>, a notice of the District’s intent to award the contract to Olson LLC. This notice allows seven days for protest.

The four bids received are summarized in the following table:

<b>Bidder</b>	<b>Bid Amount</b>
Professional Meters Inc.	\$360,506
Pleasant Hill Development	\$265,500
Olson LLC	\$259,490
Catworks Construction	\$571,200*

\* bid contains an error. If accepted, actual bid would be \$10,000 more

The City of Florence, Oregon has recently completed a water meter replacement program in which they replaced around 1,300 meters. Olson LLC was selected for that work. In a discussion with Technical Services Staff, the City of Florence Public Works Director expressed he was happy with the work Olson LLC performed.

## **Alternatives and Fiscal Impacts**

The previous Staff Report for this November 20<sup>th</sup>, 2018 Board of Directors Meeting focuses primarily on the supply portion of the Water Meter Replacement Program. Please see the “Alternatives and Fiscal Impacts” section of that staff report.

## **Concurrence**

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

District General Manager  
Field Operations Department  
Finance Department

## **Work Load Impacts**

Project Management would be accommodated within existing workloads of Technical Services staff. Installation work is likely to require additional support from Operations Staff in troubleshooting issues of water meter installation. This work was anticipated in the preparation of the Fiscal Year 2019 Budget.

## **Suggested Board Motion**

*“I move to approve our General Manager to sign a contract with Olson LLC for the work of installing approximately 6,100 water meters for their bid amount of \$259,490.”*

**OAK LODGE**  
WATER SERVICES  
**STAFF REPORT**

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**To:** Board of Directors  
**From:** Kelly Stacey, Finance Director  
**Agenda Item:** Resolution No. 18-13 Authorizing Borrowing & Related Matters for Water Meter Replacement Project  
**Item No.:** 7  
**Date:** November 20, 2018

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**Background**

Over the past several years staff has been investigating the feasibility of replacing all the outdated water meters in the district with new radio-read meters. The two previous agenda items on tonight's agenda outlined the project and the costs. This item is related to securing the financing to accomplish the project.

I am working with David Ulbricht from Special District Association of Oregon and Gulgun Mersereau from Hawkins Delafield and Wood to secure financing for the Water Meter Replacement Project. Gulgun worked with the District in the bond refunding.

With approval of Resolution No. 18-13, I will be able to work with David, as the financial advisor to the District, to move quickly to secure the financing needed to move forward with the Project

**Action Requested**

Staff recommends the Board authorize the General Manager or the Finance Director to act on behalf of the District to enter into a financing agreement to fund the Water Meter Replacement Project as outlined in the attached resolution.

**Suggested Board Motion**

*"I move that the Board approve the attached Resolution No. 18-13 authorizing the General Manager or the Finance Director, or the person designated by the General Manager to enter into a financing agreement to fund the Water Meter Replacement Project."*

**Attachments:**

1. Resolution No. 18-13

**BEFORE THE BOARD OF DIRECTORS  
OF  
OAK LODGE WATER SERVICES DISTRICT**

**In the Matter of Authorizing a Full  
Faith and Credit Borrowing and  
Related Matters**

**RESOLUTION NO. 18-13**

THIS MATTER came before the Board of Directors of Oak Lodge Water Services District, a sanitary and water district organized under Oregon Revised Statute (ORS) Chapter 450 and Chapter 264, regarding Full Faith and Credit Borrowing and Related Matters.

WHEREAS, Oak Lodge Water Services District, Oregon (the “District”) is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the Board of Directors determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

WHEREAS, the District has identified a need to finance improvements to its water system, including replacing all non-updated water meters with radio read meters (collectively, the “Project”); and

WHEREAS, pursuant to ORS 450.640, the applicable debt limit for the District is governed by ORS 450.900(3), which limits the amount of the District’s outstanding bonds of all types, including improvement, revenue and general obligation bonds, to thirteen percent (13%) of the real market value (“RMV”) of taxable property within the District. The District’s RMV in fiscal year 2019 is \$4,038,993,748 and thirteen percent of the District’s RMV is \$525,069,187. The total amount of outstanding borrowings of the District, after issuance of the borrowing authorized by this Resolution, is estimated to be \$39,941,797, which does not exceed thirteen percent of the District’s RMV; and

WHEREAS, the District may make expenditures on the Project (the “Expenditures”) before the District borrows to finance the Project, and the rules of the United States Internal Revenue Service require the District to declare its official intent to reimburse itself for amounts that the District will spend before it borrows, in order for the District to reimburse itself for those Expenditures from the proceeds of a tax-exempt borrowing;

NOW, THEREFORE, the District resolves as follows:

SECTION 1. Finding of Need. The Board of Directors hereby determines that the Project is needed.

SECTION 2. Financing Agreement Authorized. The District is hereby authorized to enter into a Resolution No. 18-13

financing agreement (the “Financing Agreement”) pursuant to ORS 271.390 in an aggregate principal amount that is sufficient to provide no more than \$2,000,000 to finance the Project, plus additional amounts estimated to be sufficient to pay costs associated with the Financing Agreement. Proceeds of the Financing Agreement shall be used to pay costs of the Project and costs associated with the Financing Agreement. The General Manager or the Finance Director, or the person designated by the General Manager (each of whom is referred to herein as a “District Official”) are hereby authorized, on behalf of the District and without further action by the Board of Directors, to:

Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing;

Negotiate the final terms of, and execute and deliver the Financing Agreement and any related documents;

Select a commercial bank or other lender to provide the financing authorized by this resolution;

Covenant for the benefit of the lender to comply with all provisions of the Internal Revenue Code of 1986, as amended (the “Code”) which are required for the interest paid under the Financing Agreement to be excluded from gross income for federal income tax purposes;

Designate the borrowing as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Code, if applicable;

Appoint and enter into agreements with Hawkins Delafield & Wood LLP as bond counsel, and other service providers for the Financing Agreement; and

Execute and deliver any other certificates or documents and take any other actions which the District Official determines are desirable to carry out this resolution.

SECTION 3. Security. The Financing Agreement may constitute an unconditional obligation of the District, which is payable from all legally available funds of the District. Pursuant to ORS 287A.315, the District is authorized to pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The District is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

The District does not currently have the authority to levy property taxes.

SECTION 4. Declaration of Intent to Reimburse. The District hereby declares its official intent pursuant to Section 1.150-2 of the Treasury Regulations to reimburse itself with the proceeds of the Financing Agreement for any Expenditures paid before the Financing Agreement is issued.

SECTION 5. Effective Date. This resolution is effective immediately upon its passage.

Adopted by the Board of Directors on this 20th day of November 2018.

OAK LODGE WATER SERVICES  
DISTRICT

By: \_\_\_\_\_  
Nancy Gibson, Chair

By: \_\_\_\_\_  
Susan Keil, Secretary



**OAK LODGE**  
WATER SERVICES  
**STAFF REPORT**

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**To:** Board of Directors  
**From:** Sarah Jo Chaplen, General Manager  
**Agenda Item:** Resolution No. 18-14, Debt Distribution Plan Ratification  
**Item No.:** 8  
**Date:** November 20, 2018

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**Action Requested**

Adoption of Resolution No. 18-14 ratifying and reaffirming the Debt Distribution Plan authorized by the former water and sanitary districts.

**Background**

As part of the consolidation of the former Oak Lodge Water District and the former Oak Lodge Sanitary District, the boards of those districts addressed the treatment of the Sanitary District's existing General Obligation bonds. Each district determined that if the bonds were to be levied against property after the consolidation, that they should be levied only against those properties that were part of the original sanitary district. That decision by each board was then incorporated into a Debt Distribution Plan. The Debt Distribution Plan was part of the petition to Clackamas County when it approved the boundary changes for the consolidation.

In December 2017, the Board refinanced a large portion of the former Sanitary District's bonds. Specifically, those bonds were refinanced as revenue bonds, meaning that the repayment of those bonds will be backed by revenues and no longer secured by the authority of the District to levy a tax on properties within the District. A portion of the former Sanitary District's bonds, however, do remain. It is unknown at this time whether the District would actually use those bonds to finance capital projects, or if there will be opportunities to refinance them in the future, as there was last year.

Although the Debt Distribution Plan was reviewed and approved by the County and was part of the County's order approving the consolidation, there is some ambiguity in that document. For example, the version of the plan the County had in front of it when it approved the consolidation still had the word "draft" on it and stated that it was a proposed plan that was expected to be formally approved by the districts upon dissolution.

While there is currently little practical effect to this ambiguity, there are approximately \$7.8 million in sanitary general obligation bonds remaining, the potential distribution of

which was determined in the Debt Distribution Plan. In order to maintain flexibility with the remaining bonds, and to ensure that future Boards understand the decision that the former district boards committed to, staff and the District's attorney are recommending that the Board remove any ambiguity in the way the Debt Distribution Plan was finalized. This can be done by having the current Board ratify the Debt Distribution Plan by resolution. Such a ratification will clarify that it was, and remains, the District's intent to levy the bonds, if ever, only against properties within the original sanitary district boundaries. This was a commitment of the original boards and one the current board would be ensuring still happens.

### **Suggested Board Motion**

*"I move to approve Resolution No. 18-14 ratifying and reaffirming the final Debt Distribution Plan approved by the former Water District and Sanitary District."*

### **Attachments**

1. Debt Distribution Plan

**BEFORE THE BOARD OF DIRECTORS  
FOR THE OAK LODGE WATER SERVICES DISTRICT**

**Resolution No. 18-14**

**A Resolution Ratifying and Reaffirming the Debt Distribution Plan Approved by the Governing Boards of the Former Water and Sanitary Districts.**

**WHEREAS**, the Oak Lodge Water Services District (“OLWSD” or “District”) is a special district formed by the consolidation of the former Oak Lodge Water District and the former Oak Lodge Sanitary District, pursuant to the consolidation procedures of ORS 198.890 and ORS 268.354;

**WHEREAS**, as part of the consolidation procedures under ORS 198.900, the petition for consolidation may include a debt distribution plan providing for the distribution of any indebtedness existing prior to consolidation, and, if such plan is approved, the successor district in the consolidation shall levy taxes and assessments in accordance with that plan;

**WHEREAS**, the governing bodies of the former water and sanitary districts authorized a debt distribution plan that provided for a certain distribution of indebtedness existing at the time of consolidation, and submitted the debt distribution plan to the Clackamas County Board of County Commissioners on July 28, 2016;

**WHEREAS**, the debt distribution plan authorized by the former districts was approved by the Clackamas County Board of County Commissioners by Order No. CL 16-009 on November 3, 2016;

**WHEREAS**, the debt distribution plan that was authorized by the governing bodies of the former districts and approved by the governing board of Clackamas County provided that the repayment by the successor district of certain general obligation bonds issued by the former sanitary district and authorized by the voters of that district, would be levied, if ever, only against those properties that were located within the boundary of the former sanitary district as that boundary existed prior to consolidation;

**WHEREAS**, the debt distribution plan that was authorized and approved contained certain ambiguities that the OLWSD Board of Directors wishes to clear through ratification and reaffirmation, which ambiguities included a plan that was submitted in final concept but written in draft form and which contemplated formal adoption by the District after dissolution of the former water and sanitary districts; and

**WHEREAS**, the OLWSD Board of Directors, as successor in interest to the former water district and the former sanitary district, desires to reaffirm and ratify the debt distribution plan that was authorized by the dissolved entities whose debt is now the obligation of OLWSD as the successor district;

**NOW, THEREFORE, BE IT RESOLVED** by the Oak Lodge Water Services District Board of Directors as successor in interest to the former Oak Lodge Water District and the former Oak Lodge Sanitary District that:

1. The Debt Distribution Plan, as set forth in “Exhibit A” attached hereto and incorporated herein by reference, is ratified and reaffirmed and is hereby adopted as the Debt Distribution Plan of OLWSD.

Approved and Effective this \_\_\_\_ day of \_\_\_\_\_, 2018, by the District Board of Directors.

\_\_\_\_\_  
Nancy Gibson, President

**ATTEST:**

\_\_\_\_\_  
Susan Keil, Secretary

## **Exhibit I**

### **PROPOSED OAK LODGE SANITARY DISTRICT AND OAK LODGE WATER DISTRICT DEBT DISTRIBUTION PLAN**

#### **INTRODUCTION**

This is a proposed draft of the District's debt distribution plan. The final debt distribution plan is subject to approval by both Districts upon dissolution, when the consolidation is complete.

The consolidation between Oak Lodge Sanitary District (OLSD) and Oak Lodge Water District (OLWD) will create Oak Lodge Water Services District (OLWSD). OLWD has no outstanding debt obligations. OLSD has \$42,018,541 in total outstanding debt obligations. Of this amount, OLSD has \$25,188,156 in full faith and credit obligations that are backed by property taxes, and \$16,830,385 in other financing that are backed by operational revenues. In addition, OLSD has current authority to issue up to \$48,000,000 in additional debt financing for sanitary sewer system wastewater facility improvements. Of this amount, OLSD may incur an additional \$12,000,000 in the form of general obligation bonds, and \$36,000,000 in the form of revenue bonds or other borrowings. The OLSD Board could levy an ad valorem property tax upon properties connected to its sanitary sewer system for purposes of paying debt service on full faith and credit obligation if necessary, but instead has decided to pay those obligations through sanitary sewer service charge rates and sanitary sewer service system development charges. OLSD received more favorable interest rates through the sale of general obligation bonds rather than through the sale of revenue bonds, for the benefit of OLSD citizens, but it has always intended for repayment through service charge rates and system development charges to spread the burden of payment among all users of the sanitary sewer system, based on actual demand, rather than from taxing property values which may not directly correlate to demands for sanitary sewer services.

Consolidation allows the Districts to approve a Debt Distribution Plan (Plan) as part of the petition process. ORS 198.900 allows the Plan to designate that existing debt remain in the boundaries of the entity where it was originally contracted or the Plan may provide for any distribution of indebtedness. If the consolidation is approved, the OLWSD Board could continue to make payments from sanitary sewer rates and charges from system users, but if OLWSD determines in the future that it is necessary to levy taxes and assessments for bond payments as part of its full faith and credit pledge to bondholders, then only those properties connected to the sanitary sewer system would be subject to taxation until the debt is satisfied.

## DEBT SUMMARY

The OLSD boundary and the OLWD boundary overlap to a great extent. The area of OLWD that does not receive OLSD sanitary sewer services and surface water management services either receive services from other providers or are unserved. OLSD has recently completed a significant capital improvement program for the Water Reclamation Plant. The Plan is that those current and future OLSD sanitary sewer system users will pay the debt service either through rates, fees and charges or by ad valorem tax on real property. Persons residing or owning real property within the new OLWSD boundary who do not receive sanitary sewer service from the OLSD system will not be subject to pay the general obligation debt and will not pay service charges unless they use the sanitary sewer system. The overriding principle is that users of the OLSD sanitary sewer system and properties benefitted by that service are solely responsible for retirement of the existing general obligation debt.

On November 3, 2009, voters authorized OLSD to issue and sell general obligation bonds in the amount of \$44,000,000 to pay for wastewater facility improvements, and OLSD's Board of Directors then authorized up to \$25,000,000 of this authority. On May 13, 2010, OLSD issued and sold \$24,000,000 under this authority. The debt was issued at a premium in the amount of \$499,083. The premium is being amortized straight-line over the debt issue's term to maturity. The bonds will be repaid over a twenty-year term and the range of coupon rates associated with the bond series is 2% to 4%. The total interest cost of the entire bond series to maturity is 3.72%. The bonds are payable in semi-annual installments of principal and interest.

Annual debt service requirements for OLSD's General Obligation Bonds have been and are as follows:

Fiscal Year	Principal Payment	Coupon Rate	Coupon Payment	Annual Payment	Premium Amortization	Debt Outstanding
	\$ 0		\$ 0	\$ 0	\$	\$ 24,499,083
2010	0		0	0	(3,285)	24,495,798
2011	885,000	2.000%	833,798.33	1,718,798.33	(24,978)	23,585,820
2012	870,000	3.000%	844,850.00	1,714,850.00	(25,047)	22,690,773
2013	885,000	2.000%	818,750.00	1,703,750.00	(24,978)	21,780,795
2014	910,000	3.000%	801,050.00	1,711,050.00	(24,978)	20,845,817
2015	940,000	3.000%	773,750.00	1,713,750.00	(24,978)	19,880,839
2016	970,000	2.500%	745,550.00	1,715,550.00	(25,047)	18,885,792
2017	995,000	3.000%	721,300.00	1,716,300.00	(24,978)	17,865,814
2018	1,035,000	3.000%	691,450.00	1,726,450.00	(24,978)	16,805,836
2019	1,080,000	4.000%	660,400.00	1,740,400.00	(24,978)	15,700,858
2020	1,120,000	4.000%	617,200.00	1,737,200.00	(25,047)	14,555,812
2021	1,165,000	4.000%	572,400.00	1,737,400.00	(24,978)	13,365,834
2022	1,210,000	4.000%	525,800.00	1,735,800.00	(24,978)	12,130,856
2023	1,260,000	4.000%	477,400.00	1,737,400.00	(24,978)	10,845,877
2024	1,310,000	4.000%	427,000.00	1,737,000.00	(25,047)	9,510,831
2025	1,375,000	4.000%	374,600.00	1,749,600.00	(24,978)	8,110,853
2026	1,445,000	4.000%	319,600.00	1,764,600.00	(24,978)	6,640,875
2027	1,520,000	4.000%	261,800.00	1,781,800.00	(24,978)	5,095,897
2028	1,595,000	4.000%	201,000.00	1,796,000.00	(25,047)	3,475,850
2029	1,675,000	4.000%	137,200.00	1,812,200.00	(24,978)	1,775,872
2030	1,755,000	4.000%	70,200.00	1,825,200.00	(20,872)	0
	<u>\$ 24,000,000</u>		<u>\$ 10,875,098.33</u>	<u>\$ 34,875,098.33</u>	<u>\$ (499,083)</u>	<u>\$ 0</u>

On August 31, 2010 the State of Oregon Infrastructure Financing Authority Program loaned OLSD \$8,000,000, which originated from the state's issuance of Recovery Zone Economic Development Bonds. These are property-tax backed bonds. The debt was issued at a premium in the amount of \$23,749. The premium is being amortized straight-line over the debt issue's term to maturity. The bonds will be repaid over a twenty-year term and the range of interest rates is 2% to 2.85%. Of the amount borrowed, 87% of the debt qualifies for a 45-percent interest subsidy from the United States Treasury. The total net interest cost of the entire bond series to maturity is 2.71%. The bonds are payable in annual installments of principal and interest according to the following schedule:

Annual debt service requirements for OLSD's State of Oregon Infrastructure Finance Authority (IFA) Loans have been and are as follows:

Fiscal Year	Principal Payment	Interest Rate*	Interest Payment	Debt Service**	Premium Amortization	Debt Outstanding
	\$ 0		\$ 0	\$ 0	\$ 0	\$ 8,023,749
2011	23,749	2.71%	118,134.99	141,883.99	(6,057)	7,993,943
2012	326,615	2.71%	351,476.00	678,091.00	(7,317)	7,660,011
2013	332,747	2.71%	344,943.70	677,690.70	(7,297)	7,319,968
2014	338,902	2.71%	338,288.76	677,190.76	(3,079)	6,977,987
2015	334,773	2.71%	331,510.72	666,283.72	0	6,643,214
2016	340,850	2.71%	324,266.24	665,116.24	0	6,302,364
2017	347,308	2.71%	314,494.08	661,802.08	0	5,955,056
2018	353,965	2.71%	303,494.82	657,459.82	0	5,601,091
2019	360,936	2.71%	290,560.94	651,496.94	0	5,240,155
2020	368,036	2.71%	277,011.40	645,047.40	0	4,872,119
2021	375,273	2.71%	262,827.30	638,100.30	0	4,496,846
2022	387,716	2.71%	247,613.74	635,329.74	0	4,109,130
2023	400,949	2.71%	227,630.86	628,579.86	0	3,708,181
2024	409,348	2.71%	206,965.94	616,313.94	0	3,298,833
2025	422,922	2.71%	185,868.14	608,790.14	0	2,875,911
2026	436,680	2.71%	164,070.74	600,750.74	0	2,439,231
2027	456,055	2.71%	139,158.14	595,213.14	0	1,983,176
2028	470,679	2.71%	113,140.20	583,819.20	0	1,512,497
2029	485,567	2.71%	86,287.96	571,854.96	0	1,026,930
2030	505,734	2.71%	58,586.36	564,320.36	0	521,196
2031	521,196	2.71%	29,734.24	550,930.24	0	0
	<u>\$ 8,000,000</u>		<u>\$ 4,716,065.27</u>	<u>\$ 12,716,065.27</u>	<u>\$ (23,749)</u>	<u>\$ 0</u>

\*The interest rate reported is the weighted average net interest rate; net interest rate is the interest rate less any interest subsidy.

\*\*The debt service includes principal and total interest requirements; reported debt service is not netted against any interest subsidy.

The interest subsidy received is 45% of the interest payments attributed to 87% of the recovery zone economic development bonds.

On April 27, 2009 OLSD's Board of Directors authorized by ordinance an additional \$55,000,000 in wastewater system revenue bonds to pay for the expansion, equipping, and improvement of OLSD's wastewater treatment plant.

On December 27, 2010 the State of Oregon Clean Water State Revolving Fund Program agreed to lend OLSD \$16,409,645, later increased to \$19,409,645. By the end of Fiscal Year 2013 OLSD had accepted and received \$19,000,000 of the proceeds and declined the remaining amount that was available. These funds originated from the state's Clean Water State Revolving Fund program revenues and federal domestic assistance grant awards. The loans are revenue-backed, and will be repaid over a twenty-year term. The range of interest rates is 0% to 2.65%

plus an annual administrative fee of 0.50% of the principal balance. The total net interest cost of the entire loan series to maturity, including the administrative fee, is 2.45%. The loans are payable in semi-annual installments of principal and interest.

Annual debt service requirements for OLSD’s State of Oregon Clean Water State Revolving Fund (CWSRF) Loans have been and are as follows:

Fiscal Year	Principal Payment	Interest Rate*	Interest Payment	Administrative Fee Payment	Annual Payment	Debt Outstanding
2014	\$ 0	2.45%	\$ 0	\$ 0	\$ 0	\$ 19,000,000
2015	526,498	2.45%	786,893	47,188	1,360,579	18,473,502
2016	814,036	2.45%	359,960	90,342	1,264,338	17,659,466
2017	829,081	2.45%	344,915	86,234	1,260,230	16,830,385
2018	844,529	2.45%	329,467	82,050	1,256,046	15,985,856
2019	860,388	2.45%	313,608	77,788	1,251,784	15,125,468
2020	876,670	2.45%	297,326	73,446	1,247,442	14,248,798
2021	893,387	2.45%	280,609	69,021	1,243,017	13,355,411
2022	910,550	2.45%	263,446	64,512	1,238,508	12,444,861
2023	928,171	2.45%	245,825	59,915	1,233,911	11,516,690
2024	946,261	2.45%	227,735	55,229	1,229,225	10,570,429
2025	964,834	2.45%	209,162	50,452	1,224,448	9,605,595
2026	983,902	2.45%	190,094	45,580	1,219,576	8,621,693
2027	1,003,481	2.45%	170,515	40,612	1,214,608	7,618,212
2028	1,023,579	2.45%	150,417	35,545	1,209,541	6,594,633
2029	1,044,215	2.45%	129,781	30,376	1,204,372	5,550,418
2030	1,065,401	2.45%	108,595	25,102	1,199,098	4,485,017
2031	1,087,153	2.45%	86,843	19,721	1,193,717	3,397,864
2032	1,109,484	2.45%	64,512	14,230	1,188,226	2,288,380
2033	1,132,411	2.45%	41,585	8,625	1,182,621	1,155,969
	<u>\$ 19,000,000</u>		<u>\$ 4,619,334</u>	<u>\$ 978,873</u>	<u>\$ 24,598,207</u>	<u>\$ 0</u>

\*The interest rate reported is the weighted average interest rate plus the percentage rate for administrative fees charged on debt financing.

## **DEBT DISTRIBUTION**

The properties eligible for levy of any ad valorem taxes are those properties connected to the sanitary sewer system at the date of consolidation and commencement of OLWSD, plus any other properties that connect to and receive service from the sanitary sewer system. The current properties are as set forth below. These properties plus any other properties within OLWSD that receive sanitary sewer services are eligible for assessment and levy.

YR	Tax Code	Tax Rate	Number of Properties	CITY/RURAL
2016	012-057	16.321	6,154	R
2016	012-058	16.321	6	R
2016	062-011	15.4734	1,800	R
2016	062-072	16.9553	11	CITY GLADSTONE
2016	062-073	16.9553	28	CITY GLADSTONE
2016	062-093	14.9352	22	R
2016	115-010	18.4104	76	R
2016	115-013	18.4104	15	R
2016	115-039	19.8923	120	CITY GLADSTONE
2016	115-048	19.8923	11	CITY GLADSTONE
2016	115-051	18.4104	5	R



## **FUTURE DEBT**

The OLSD and OLWD Boards agree that future debt by OLWSD shall be undertaken as approved by the Board of OLWSD in its discretion in compliance with all legal requirements for approval (by voters if necessary), issuance and sale of bonds and payment.



## STAFF REPORT

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**To:** Board of Directors  
**From:** Kelly Stacey, Finance Director  
**Agenda Item:** Finance Department Report  
**Item No.:** 9a  
**Date:** November 20, 2018

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

### **Yearend and Budget**

Jeff and I working on the last of the OLWS audit items and I will begin writing the Management Discussion and Analysis that is required for the final report. As the audit work comes to an end for fiscal year 2018, the budget season is beginning to occupy our thoughts and calendars. With most of the financial software implementation completed, we will be able to devote more time to making this a smoother budget season.

### **Other Items:**

The payroll go-live for NCCWC and CRWP went smoothly as a result of the less complicated deductions and the experience we gained with the OLWS payroll implementation. This has been mostly a do-it-yourself project, and Aleah has been great at taking the lead and getting it done.

Policy work is continuing. The next round of financial policies will be coming your way soon. As the policies are approved, I will work to put into place practices and procedures to meet the requirements of the policies.

My report is a little abbreviated for October, but it does not mean we are not busy. The utility billing cleanup is continuing with Matt making great progress on his task list. Elaine and Rebecca are preparing for the meter change outs that will be coming by working to get the bugs out of the current reads upload and processing. The administration staff did a great job of holding down the fort while I was on vacation for the first 12 days of November.



## STAFF REPORT

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**To:** Board of Directors  
**From:** Todd Knapp, Operations Manager Field  
**Agenda Item:** Field Operations Report  
**Item No.:** 9b  
**Date:** November 20, 2018

### **Background**

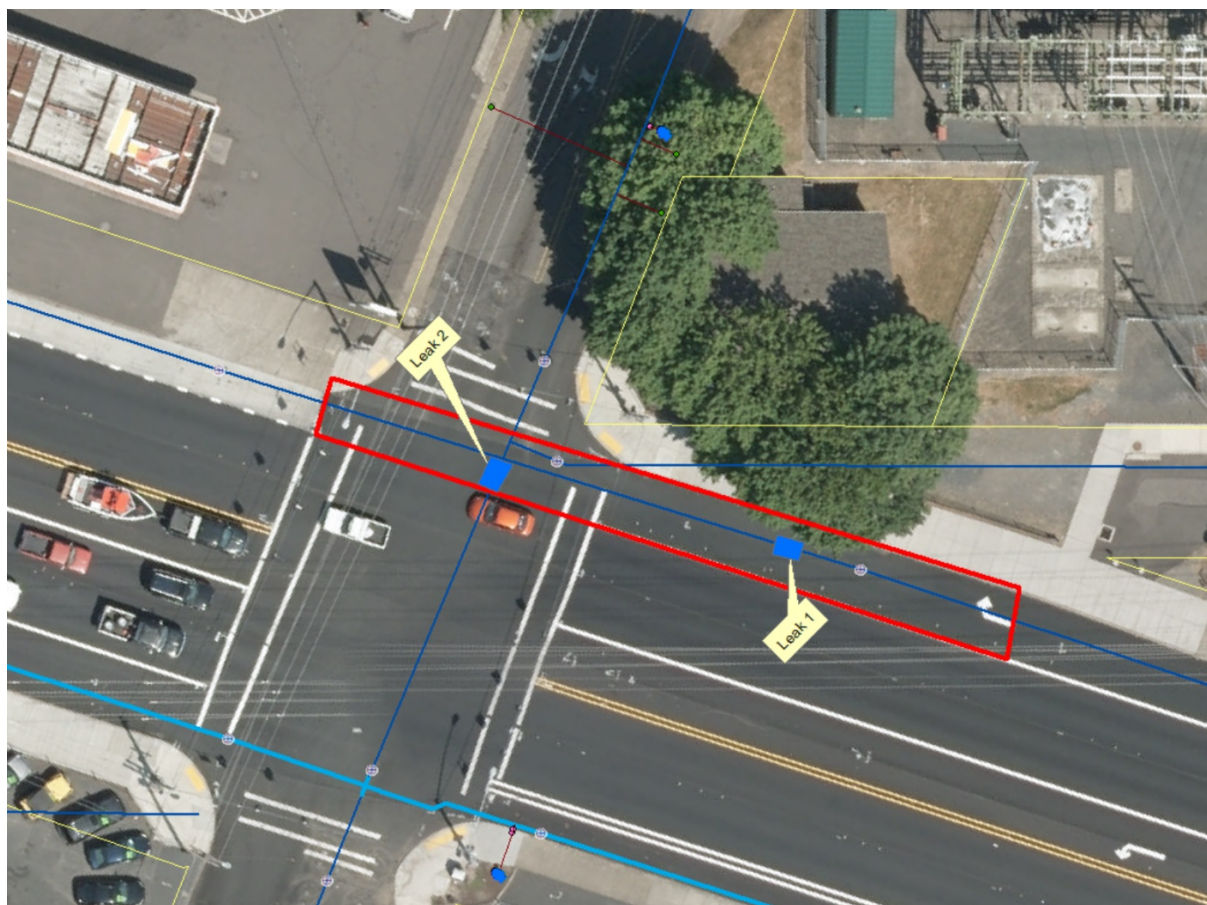
The Board has requested updates at the Regular Meetings of the Board on the status of the District's Operations.

### **Operations Administration**

In October the water side had four main breaks

1. Vista Sunrise Ct
2. Colina Vista
3. Mcloughlin South of Jennings
4. Gordon St. North of Whipple
5. Mcloughlin at the SE corner of the intersection

Unfortunately Mcloughlin had two leaks to repair, The first repair South of Jennings was relatively simple and done during the day but shortly after it was repaired a second leak appeared, ODOT has very strict requirements with regards to the second repair work, which included: all work to be done at night between the hours of 9:00 pm and 5:00 am, with a full flagging team, the traffic lights had to be shut down and turned back on at the conclusion of the work. The second requirement was grinding the road 2 inches in depth, a full lane width for 50' to the North and 50' to the South, (see red outline in map) this work also needs to be done at night with the same requirements. At this time the paving has not been completed.



The sewer crew had a small set back with TV inspections, the TV van was upgraded to a new version of software which took a couple of days working with the vendor and Gary, then there was three days of training. So far all seems good and the crew likes the new version, we should be on track next month.

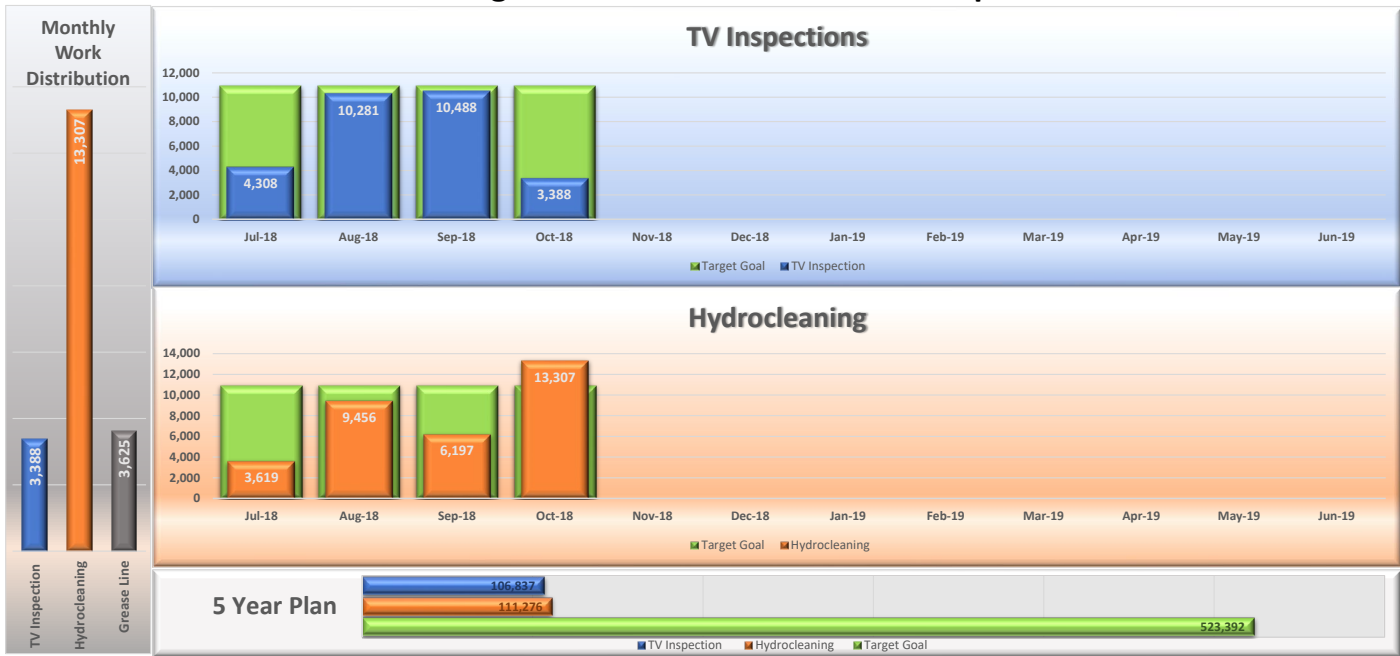
I also updated the sewer collections data graphs, this should allow room for future data and hopefully illustrate the main tasks more effectively.

### **Field Operations Monthly Report for September 2018**

Highlights for the month:

- Meters replaced, new services added, and leaks repaired (See chart)
- New TV software update for the Collections team.
- Water consumption for **October: 86,062,000 Gallons** (above the 10-year average of 81,907,300) (See metered monthly consumption chart)

# Oak Lodge Water Services Collections Report



Month	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Current Month %	To Date Totals	Year 1 % Complete	5 Year %	Total Feet Remaining
TV Inspection	2,512	11,906	13,532	8,961	4,566	4,987	5,092	1,548	1,942	9,212	7,875	6,239	71.52%	78,372	74.87%	14.97%	445,020
Hydrocleaning	6,967	8,539	13,085	10,206	4,472	2,328	4,723	513	4,906	8,953	8,638	5,367	61.53%	78,697	75.18%	15.04%	444,695
Target Goal	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	8,723	100.00%	104,678	100.00%	20.00%	418,714
Grease Line	3,625	5,105	3,276	3,625	10,227	3,859	3,625	4,757	3,625	3,276	11,061	4,225		60,286			

Month	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Current Month %	To Date Totals	Year 2 % Complete	5 Year %	Total Feet Remaining
TV Inspection	4,308	10,281	10,488	3,388									31.08%	28,465	21.76%	20.41%	416,555
Hydrocleaning	3,619	9,456	6,197	13,307									122.06%	32,579	24.90%	21.26%	412,116
Target Goal	10,902	10,902	10,902	10,902									100.00%	43,608	33.33%	28.33%	375,106
Grease Line	3,276	4,757	3,625	3,625										15,283			

Month	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Current Month %	To Date Totals	Year 3 % Complete	5 Year %	Total Feet Remaining
TV Inspection																	0
Hydrocleaning																	0
Target Goal																	0
Grease Line																	

Month	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Current Month %	To Date Totals	Year 3 % Complete	5 Year %	Total Feet Remaining
TV Inspection																	0
Hydrocleaning																	0
Target Goal																	0
Grease Line																	

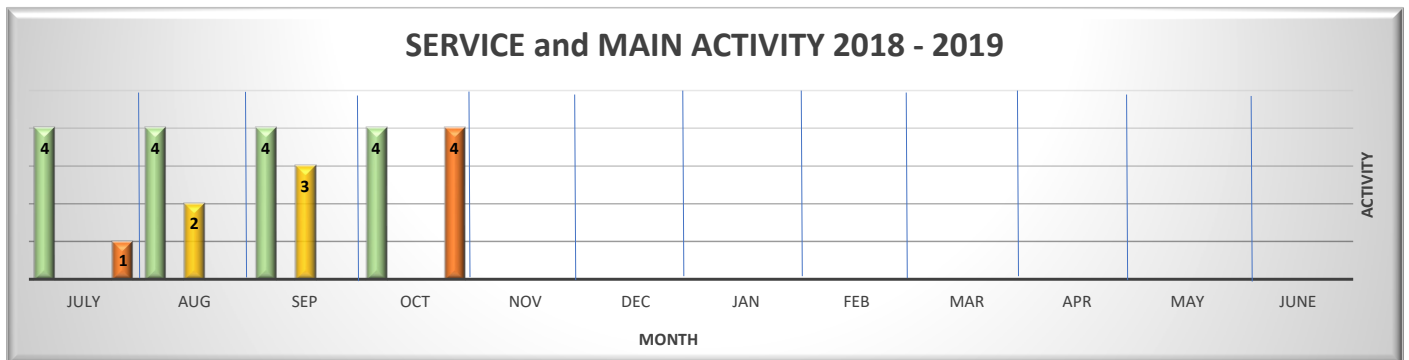
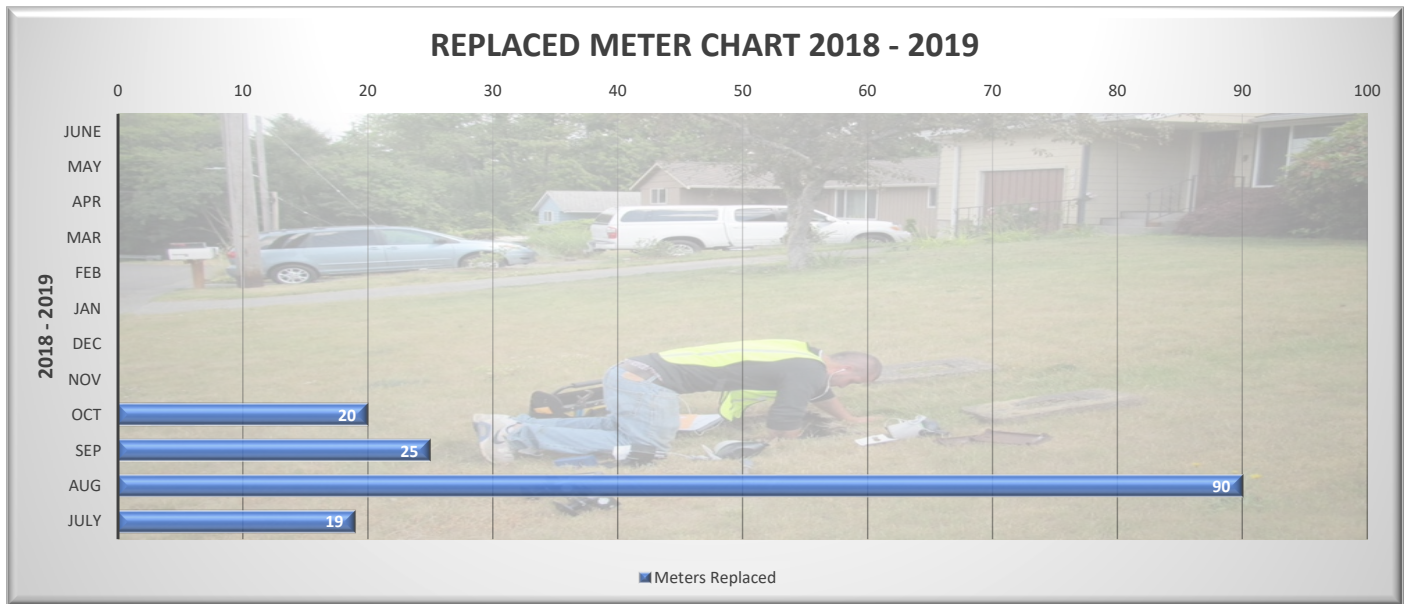
Month	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Current Month %	To Date Totals	Year 3 % Complete	5 Year %	Total Feet Remaining
TV Inspection																	0
Hydrocleaning																	0
Target Goal																	0
Grease Line																	

	Year 1	Year 2	Year 3	Year 4	Year 5	Remaining
Total Feet	523,392	523,392	523,392	523,392	523,392	
Target Per Year	104,678	104,678	104,678	104,678	104,678	
Target Per Month	8,723	10,902				
Actual Per Year TV	78,372	28,465				416,555
Actual Per Year Hyd	78,697	32,579				412,116
Make up	26,144					
Percent Completed	75%	29%	0%	0%	0%	



**Current Basin: A**

# Oak Lodge Water Services Water Report

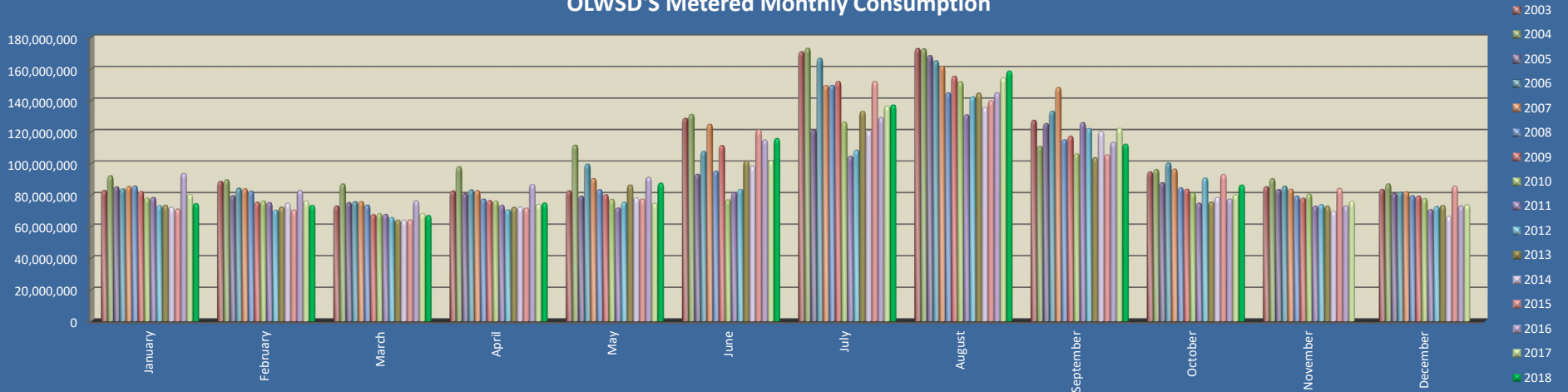


Fiscal Year	Month	Meters Replaced	New Services	Iron Services Renewed	Plastic Services Renewed	Service Leaks Repaired	Main Leaks Repaired
2019	June						
2019	May						
2019	Apr						
2019	Mar						
2019	Feb						
2019	Jan						
2018	Dec						
2018	Nov						
2018	Oct	20	4				4
2018	Sep	25	4		3		
2018	Aug	90	4		2		
2018	July	19	4				1
<b>Yearly Total</b>		<b>154</b>	<b>16</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>

## Consumption By Year

Year	Month												Total Yearly Con	Average Daily Demand	10 Year % Ave
	January	February	March	April	May	June	July	August	September	October	November	December			
2003	82,674,600	88,370,400	72,820,000	82,357,000	82,416,000	128,520,000	170,652,000	172,726,000	127,198,000	94,416,000	85,037,000	83,285,000	1,270,472,000	3.48	
2004	91,933,000	89,441,000	86,755,000	97,665,000	111,392,000	130,863,000	172,883,000	172,499,000	110,696,000	95,973,000	90,079,000	86,823,000	1,337,002,000	3.66	
2005	84,976,000	79,415,000	74,996,000	80,616,000	79,088,000	92,885,000	120,871,000	168,248,000	125,172,000	87,512,000	83,230,500	80,773,500	1,157,783,000	3.17	
2006	83,697,000	84,098,667	75,580,333	83,028,000	99,436,000	107,501,000	166,449,000	164,957,000	132,989,000	100,180,000	85,350,000	81,587,000	1,264,853,000	3.47	
2007	85,179,000	83,766,000	75,622,455	82,508,545	90,129,000	124,696,000	149,207,000	161,512,000	147,980,000	96,159,000	83,445,000	81,921,000	1,262,125,000	3.46	
2008	85,466,000	82,200,000	73,405,000	77,221,722	83,162,278	94,885,000	149,422,000	144,592,000	114,830,000	84,307,000	79,094,000	79,319,000	1,147,904,000	3.14	104.63%
2009	82,042,000	75,196,000	67,364,000	76,238,000	79,968,000	111,127,286	151,804,000	155,069,000	117,099,000	83,457,000	77,782,000	79,107,000	1,156,253,286	3.17	105.39%
2010	77,735,000	75,975,000	67,986,000	75,943,000	76,903,000	76,720,000	125,996,000	151,590,000	105,880,000	81,052,000	80,389,000	77,515,000	1,073,684,000	2.94	97.87%
2011	78,266,000	74,983,000	67,462,000	73,285,000	71,613,000	81,189,000	104,328,000	130,684,000	125,733,000	74,646,000	72,657,000	70,555,000	1,025,401,000	2.81	93.47%
2012	73,041,000	70,104,000	65,501,000	70,380,000	75,148,000	83,256,000	108,236,000	142,023,000	121,981,000	90,545,000	73,672,000	72,454,000	1,046,341,000	2.87	95.38%
2013	73,277,000	72,051,000	63,866,000	71,906,000	86,085,000	101,278,000	132,837,000	144,354,000	103,403,000	75,217,000	72,624,000	73,180,000	1,070,078,000	2.93	97.54%
2014	72,052,000	74,566,000	63,886,000	72,171,000	77,889,000	97,978,000	120,411,000	135,271,000	120,008,000	78,257,000	69,534,000	66,200,143	1,048,223,143	2.87	95.55%
2015	70,840,857	70,318,000	63,972,000	71,515,000	77,173,000	121,185,000	151,728,000	139,696,000	105,238,000	92,781,000	83,966,000	85,368,000	1,133,780,857	3.11	103.35%
2016	93,522,000	82,637,000	76,044,000	86,443,000	90,989,000	114,745,667	128,722,333	144,599,000	113,212,000	77,196,000	72,766,000	72,839,000	1,153,715,000	3.16	105.16%
2017	80,205,000	75,867,000	68,040,000	73,822,000	74,515,000	101,310,000	136,262,000	154,085,000	122,113,000	79,860,000	75,718,000	73,584,000	1,115,381,000	3.06	101.67%
2018	74,389,000	73,219,000	66,754,000	74,713,000	87,263,000	115,543,000	136,887,000	158,433,000	112,001,000	86,062,000					
2019															
2020															
10 Year Average	78,644,686	74,491,600	67,087,500	74,641,600	79,754,600	100,433,195	129,721,133	145,580,400	114,666,800	81,907,300	75,820,200	75,012,114	10 Year ADD	3.01	Winter Ave 76,049,467 Summer Ave 129,989,444

## OLWSD'S Metered Monthly Consumption





## Staff Report

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**To:** Board of Directors  
**From:** David Mendenhall, Plant Superintendent  
**Agenda Item:** Plant Operations  
**Item No.:** 9c  
**Date:** November 20, 2018

### **Background:**

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

### **Water Reclamation Facility Operations**

Rain returned in October and gave us our first test of the current plant situation. Saturday night October 27 it rained over an inch in a short period of time. It was a nervous night because while we had one of our two rebuilt influent pumps returned to us on Friday, we could not get a crane to install it until Tuesday. So, our capacity was limited. Some alarms were triggered as the flow came up quite quickly. Chuck Adams responded to the plant and made some adjustments to the UV system and stayed through the night. He was really surprised to see so much flow so quickly when it had been so dry. The plant flow did peak at a rate of about 7 MGD but the plant stayed calm and passed the test. On Monday, Marty Guenther was in the plant office and Chuck mentioned the flow increase. Marty said there may be a problem at the Boardman wetland project. He checked on it and found that the contractor had left an open-ended upright pipe. When the water got high enough from the rain the pipe began draining the area. Marty had that major inflow problem fixed that day. Otherwise the plant performance was excellent throughout October. Operations increased wasting to 2500 pounds per day because the plant is still building up solids. While the sludge age is in a good operating range at an average of 13.2 based on the effluent results, we want to adjust to get back to the 10-day area.

The new operators have been getting training and getting involved in many aspects of the plant including helping maintenance out with some projects such as the drum screen and helping on confined space entry at the UV valve vaults. Lew McCutcheon, our temporary operator has been very helpful and generous in this area. Lew's last day was October 31 and we thank him for really helping us out during our short-handed period. Paul Witzig was helping with an influent wet well gate operation in conjunction with the influent pump project and made his first confined space entry to help loosen the sticking slide gate. Many of the operations team and Jayson Kahler did some major cleaning of the solids handling building over a couple of days. Sludge hauling was still down to one truck and trailer per week but with 75.8 wet tons hauled a little more volume than September's 61 wet tons. This should go up in November.

On the maintenance side, we continue to have some big projects go on as we get ready for winter. Only one of our influent pumps was ready to come back from APSCO and it was already late. As I mentioned it was a nervous time. I had APSCO deliver the pump as they were able to get it here in



one day. The crane came in Tuesday and along with picking the influent pump and installing it in the wet well, we had him pick the repaired aeration basin mixer and the rebuilt motor for the Mixed Liquor Return pump. We immediately tested out the newly installed pump #6 and it worked well. Operations and Maintenance came together on the above-mentioned gate valve opening and the wet well was fully open and the new pump in the lead and pumping very well. The second pump will be arriving November 6<sup>th</sup>.

The drum screen is a piece of equipment I mentioned last month, and it is a big part of the BOD and debris removal at our plant. The drum screen was rebuilt with new bearings, new trunnions, new stainless steel drive chain, and a new drive motor. Some cracks were noticed on the drive end of the drum and we will bring a welder in to repair those. Jayson was the lead on this, but several operators also got involved to learn about the screen and help with the rebuild. It is running smoothly once again.

The troublesome UV influent valve project continues. We ordered a new actuator and it had a short lead time, but it was delivered to the wrong place and was refused. That added a week, but we did get it and install it. We need the electrician to come and wire it. We also ordered two new 90-degree gears. The first one was shipped, and it was not quite right. We were then told the other gear box is not made any more and this is the replacement. Maintenance has taken the box to Premier gear in Camus and they will machine the shaft we need and make spare gears like the ones in the box. We will not buy the second box. Once all these parts are ready, we should have fully operational valves.

On the pump front, PMs were done on the Digester Sludge pumps #1 & #2 and the Sludge mix pump. Preparations for winter are going on at the pump stations. At pump station #2 the pumps were cleaned out and the air reliefs cleaned. The pressure transducer tubes which are used for level detection in the wet well were cleaned and degreased. The wet well was pumped down and cleaned. John Krogstad fashioned a sound reducing cover for the wet well ventilation fan out of some material that Todd has used on manhole covers. It made the fan significantly quieter at the property line. This project was in response to a call from a neighbor who could hear the fan from his house. We need to run the fan continuously to avoid building up moisture and gasses that would harm equipment and people in the station. At pump station #5 the wet well was drained and flushed. The portable generator was taken out to the site and hooked up and is ready to go.

Haakon Ogbeide and I visited the Gresham treatment plant to see a pilot installation of a system that improves sludge dewatering on belt presses and to see their clarifier rebuild project. There was a good presentation on the system and we were given some good background on the clarifiers. I attended the Pacific Northwest Clean Water Association (PNCWA) conference in Boise ID. This was a very good conference with many relevant classes and I was able to talk to several vendors about equipment that we have and met engineers that we have selected for on call projects.

#### **Attachments:**

9C (i) – Operations Staff Report Rainfall vs Flow data correlation  
April 2018 - October 2018

9C (ii) – Plant Performance BOD-SS graph April 2018-October 2018



The storm at approx. 1130 pm Oct 27th



Paul's first confined space entry



Influent Pump finally rebuilt and returned



Installing the Influent Pump



Lifting the Aeration Basin mixer.



The drum screen

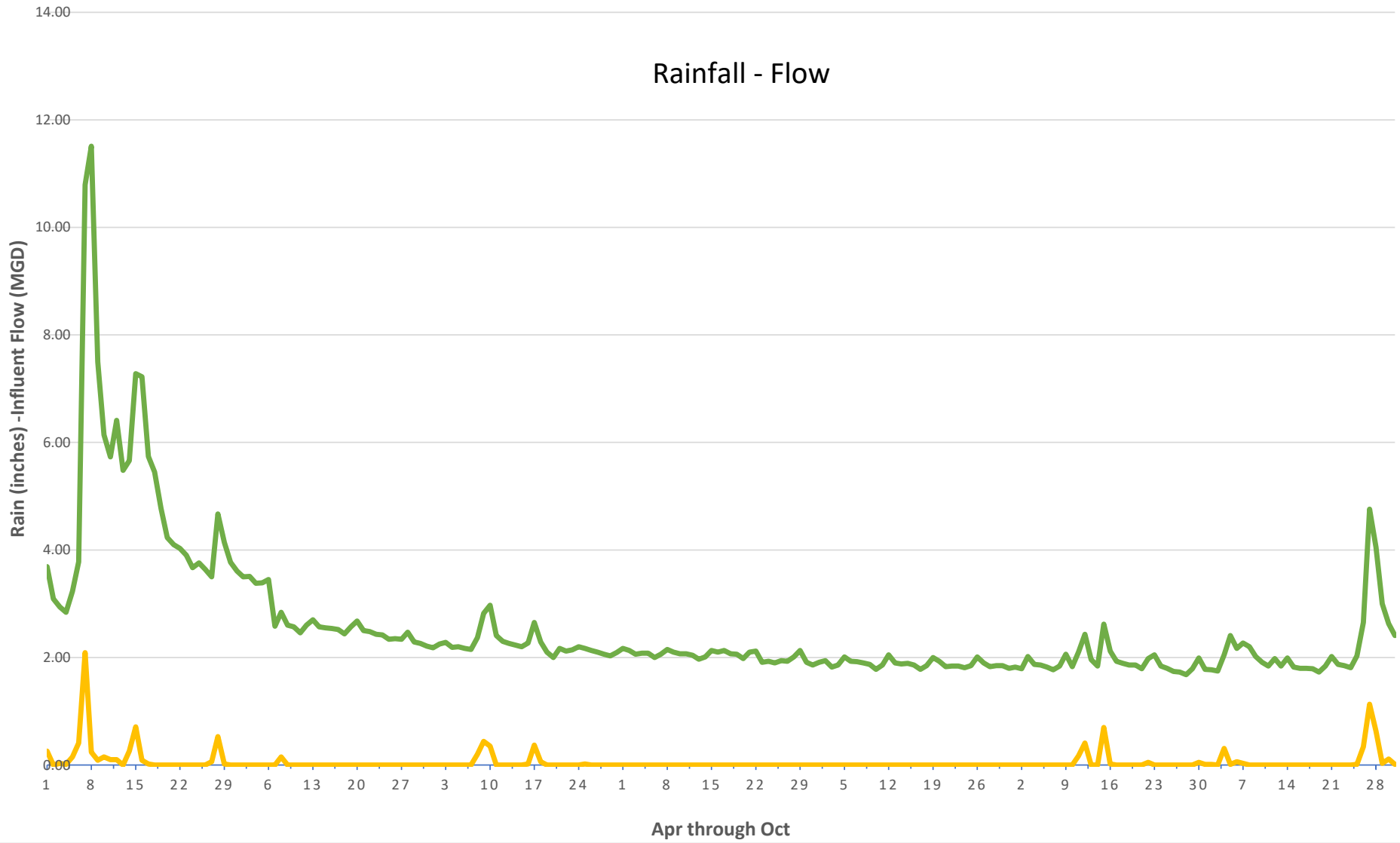


A rebuilt trunnion on the drum screen

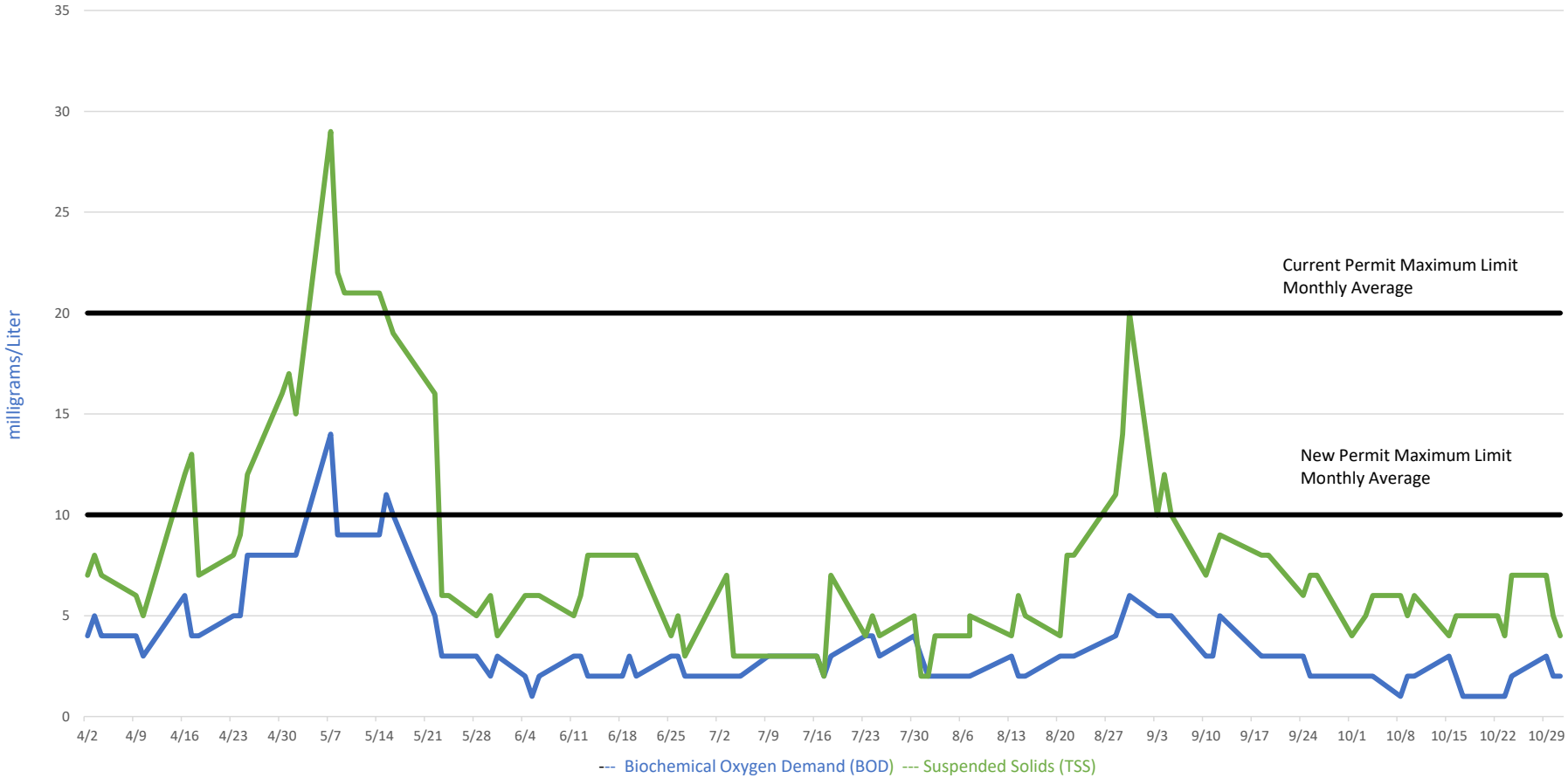


The sound reducing box at Pump Station #2

# Rainfall - Flow



### Effluent Water Quality



<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Under Construction	3127 SE Concord Rd. (Concord Oaks, formerly Concord Vineyards II)	6-acre development (32 residential lots.)	Development Inspections complete. Warranty inspections scheduled. Warranty period expires July 2018 (punchlist items incomplete - minor - awaiting completion)	11/5/18
Under Construction	13012 SE Oatfield	Proposed subdivision; 9 potential lots. Z0407-16	OLWSD approved plans. Sanitary inspections pending. Expires Sept. 2018. Warranty period expires Sept. 2019	11/5/18
Under Construction	4281 SE Manewell Lane	A four-lot SFR minor subdivision.	Z0640-16 erosion control ongoing. Utility inspections complete. Warranty period ends June 2019.	11/5/18
Under Construction	18121 SE River Rd. (Jennings Lodge Estates)	72-lot Subdivision	OLWSD approval. County Approval. Warranty period ends Sept. 2019	11/5/18
Under Construction	3816 SE Hill Rd	Z0428-16 8-lot subdivision	Water and Sewer Inspections ongoing. 1200C permit for erosion control. County timeline.	11/5/18
Under Construction	13715 SE River Road	Z0399-17 Rose Villa - 28 Homes. Garden Grove and North Pocket Development	Also Z0066-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018.	11/5/18
Under Construction	6460 Glen Echo Avenue	Z0461-16_Gladstone_Glen_Echo. (OLSD Service area / out of OLSD Boundary).	10-lot subdivision. Gladstone Plan Review. Gladstone Inspection . OLWSD receives approved plans and asbuilts and inspection reports. Gladstone expiration timeline.	11/5/18
Under Construction	14501 SE Laurie Ave	Z0050-17 2-lot partition	Sanitary and EC Inspections ongoing. Expire April 2019	11/5/18
Under Construction	Willamette View	Riverview Dining Facility Replacement / Expansion; Z0239-17	Plans approved. Expires Oct 2018	11/5/18
Under Construction	SE Manewal at SE Towery LN. 4-lot subdivision	Z0157-17_Manewal_South	OLWSD Inspection approval. Z0156-17 (for original tax lot 2300) is now void. Plans approved. In warranty period. Expires June 2019	11/5/18
Under Construction	SE Courtney at SE Rupert	Z0061-17-D 10-unit apartment	OLWSD inspections ongoing.	11/5/18
Under Construction	3260 SE Oak Grove Blvd	130000+ mini storage facility	Inspections ongoing: sanitary and water. 1200C for erosion control. OLWSD permits expire May 2019	11/5/18
Under Construction	15314 SE RUPERT DR	7-lot subdivision Z0426-17-SS	Seven-lot minor subdivision for one existing and six new home sites. OLWSD permits expire March 2019	11/5/18
Under Construction	13809 SE Linden Ln.	Replace existing home with duplex.	Erosion control ongoing. Sanitary and water inspections ongoing. OLWSD permits expire May 2019	11/5/18
Under Construction	Taxlots 2000 & 2100 located behind 15026 & 15018 SE Linden Ln. (Tilia Ln) Originally "Wanderlust Lane"	3-parcel partition	Z0305-15-M Pubic Main Line Extension. Development approval. Sanitary warranty period ends March 2019. Erosion inspections ongoing. Expires Oct 2018	11/5/18
Under Construction	Z0620-17-D 16885 SE McLoughlin	Design Review - Les Schwab	County expiration timeline.	11/5/18
Under Construction	13755_SE_Schroeder	Rose Villa Units	"The Oaks" PHASE 2B' NET ZERO ENERGY POCKET NEIGHBORHOOD Z0489-17. OLWSD approval for engineering plans. Sanitary, water and stormwater inspections ongoing. Expires Dec. 2018. Z0489-17	11/5/18
Under Construction	16250 SE MCLOUGHLIN BLVD	Commercial with interior storage	Plans approved by OLWSD. OLWSD permits expire June 2018	11/5/18
Under Construction	Willamette View	Multi-family; Z0656-17	Land Use Comments sent. Engineering Review. North Pointe	11/5/18
Plan Review	17908 and 17900 SE Addie Street.	Z0200-17-D_BOARDMAN_WETLAND	Land use comments sent. Awaiting engineering plans. County timeline for expiration.	11/5/18
Plan Review	15510 SE Wallace Street	Z0593-16 13 lot subdivision	First Engineering review. OLWSD Water-only. Drains to WES for SS and SWM.	11/5/18
Plan Review	18107 SE Blanton	3-lot partition	3-lot minor subdivision. County Land Use Timeline.	11/5/18
Plan Review	19421 SE KAY ST	4-10 lots: Subdivision	Revised stormwater approach. Under review. County expiration timeline.	11/5/18
Plan Review	18800 SE MCLOUGHLIN BLVD	Nonconforming Use - Alteration/Verification:	Land use comments sent. Awaiting engineering plans. County expiration timeline.	11/5/18
Plan Review	3016 SE COURTNEY AVE	Z0523-17 Parking lot	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	11/5/18

<b>Project Status</b>	<b>Address</b>	<b>Type of Development</b>	<b>Notes</b>	<b>Last Updated</b>
Plan Review	17624 SE RIVER RD	Z0471-17 : three (3) 2-family_ dwelling units and two (2) three family dwelling units	Land use comments submitted. Awaiting engineering plans. County expiration timeline.	11/5/18
Plan Review	22E07CA03003 (SE Allan Rd @ SE Worthington)	Partition: 2-lots	Engineering approval. Awaiting administrative items for Site Development Permit issuance.	11/5/18
Plan Review	4322 SE Pinehurst Ave	Subdivision	Z0594-17 Water utility only. Awaiting Engineering Plans and building permit. County expiration timeline.	11/5/18
Plan Review	13630 SE Laurie Avenue	Design Review - Rose Villa	Engineering approval. Awaiting administrative items for Site Development Permit issuance.	11/5/18
Plan Review	14107 SE Lee Ave	Partition: 2 lots Z0648-17	Land Use Comments sent. County Expiration Timeline.	11/5/18
Plan Review	14928 SE OATFIELD RD	ZPAC0015-18	Pre-application comments sent. Awaiting land use / subdivision application. Expires Dec. 2018	11/5/18
Plan Review	SE Torbank	(RIVER RD – TROLLEY TR) SIDEWALKS PUBLIC IMPROVEMENTS	Clackamas County Project Number: 22243. County expiration timeline.	11/5/18
Plan Review	3622 SE Pinehurst	4-lot subdivision	Water utility only. County expiration timeline.	11/5/18
Plan Review	14601 SE Rupert	Variance application and a two-family dwelling (duplex).	Not a developmnet per OLWSD definition. This is construction on a single lot of record. Variance n/a for OLWSD. County expiration timeline.	11/5/18
Plan Review	14905 SE River forest Dr	New SFR - Willamette River Greenway	Land Use Comments sent. County expiration timeline.	11/5/18
Plan Review	14497 SE River Rd	3-lot partition	Land Use Comments sent. County expiration timeline.	11/5/18
Plan Review	14868 SE LEE AVE	Temp. Permit: Hardship Care with RV Dwelling Unit	Land Use Comments sent. County expiration timeline.	11/5/18
Plan Review	14905 SE RIVER FOREST DR	SFR Addition: Willamette River Greenway	Land Use Comments sent. County expiration timeline.	11/5/18
Plan Review	4410 SE pinehurst	Residential Subdivision	In OLWSD water service area; Development spans OLWSD boundary; water utility only. County expiration timeline.	11/5/18
Plan Review	14710 SE Lee Ave	DESIGN REVIEW – Nonconforming use	OLWSD attended pre-app. County Timeline.	11/5/18
Plan Review	17025 SE Oatfield Rd	two-parcel partition	OLWSD attended pre-app. County Timeline.	11/5/18
Plan Review	2615 SE VINEYARD WAY	two-parcel partition	Attended pre-app. Awaiting Land Use application. County expiration timeline. County expiration timeline.	11/5/18
Pre-Application	16920 SE Berghammer	Partition 3 lots	Partition. Pre-app attended/comments submitted. Clack. Co. expiration timeline.	11/5/18
Pre-Application	16908 SE Oatfield	3-lot partition	Pre-app. Attended. County expiration timeline.	11/5/18
Pre-Application	2614 SE Tarbell Ave	3-lot partition	Pre-app. Attended. County expiration timeline.	11/5/18
Pre-Application	15601 SE Meadowlark Ln	2-parcel partition	ZPAC0054-18 15601 SE Meadowlark Ln. Pre-app. Attended. County expiration timeline.	11/5/18
Pre-Application	14010 SE Douglas Fir Ct	Partition: duplex and SFD	ZPAC0069-18 Water utility only. Submitted Pre-app comments. County expiration timeline.	11/5/18
Pre-Application	2614 se tarbell Ave	3-lot partition	ZPAC0049-18 Submitted Pre-app Notes. County expiration timeline.	11/5/18
Pre-Application	15303 SE Lee Ave	2-lot partition	OLWSD attended pre-app and provided notes. Expires Jan 2019	11/5/18
Pre-Application	None; south side of SE Maple St. midway between River Rd. and Laurie Ave., Oak Grove area. Legal Description Map 2-1E-11AB, Tax Lot(s) 1100	Subdivision. A 6-7 lot minor subdivision for six home sites and one cell tower site (possible future home site).	OLWSD attended pre-app. Previous Planning File No. Z0298-06-SS, (expired) Expires Jan 2019	11/5/18
Pre-Application	14824 SE Kellogg Ave	Minor Subdivision: two-parcel partition for two home sites / zone change	OLWSD attended pre-app and provided notes. Expires Jan 2019.	11/5/18
Pre-Application	16100 SE Harold	Minor Subdivision: our-lot minor subdivision for new home sites.	OLWSD attended pre-app and provided notes. Expires Jan 2019.	11/5/18
Pre-Application	14919 SE Woodland Way	Partition / Zone Change. Two-lot partition for one existing and one new home.	OLWSD attended pre-app and provided notes. Expires Jan 2019	11/5/18

<i>Project Status</i>	<i>Address</i>	<i>Type of Development</i>	<i>Notes</i>	<i>Last Updated</i>
Pre-Application	16800 SE McLoughlin	Design Review / Commercial	ZPAC0016-18-DR. Auto dealership design review / façade improvements. Pre-app comments submitted. Clack. Co. expiration timeline.	11/5/18
Pre-Application	14063 SE Oatfield Rd	Design PreApp - Shipping Container Condo	Design PreApp - Shipping Container Condos - ZPAC0119-18	11/5/18
Pre-Application	17997 SE Arista Dr	Two parcel partition for one existing home and one new home site.	Pre-app comments sent. County expiration timeline.	11/5/18
Pre-Application	16103 SE Southview	Three-parcel partition for one existing and two new home sites.	Pre-app comments sent. County expiration timeline.	11/5/18



# OAK LODGE

WATER SERVICES

## STAFF REPORT

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**To:** Board of Directors  
**From:** Technical Services Team  
**Agenda Item:** Technical Services Monthly Report  
**Item No.:** 9d  
**Date:** November 20, 2018

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Below is an update of various Technical Services Program efforts:

### **Boardman Wetland Project**

The project is moving along. Site grading on the wetland property is nearly complete other than the areas around where bellies were fixed in the old concrete sewer line. By the time the November Board Meeting takes place, the goal is to have turned off the sewer bypass system and be completely done working with soil in the wetland. This would leave the boardwalk as the only remaining item that will need completing in the wetland; however, most of this work can be completed from up on the framing rather than standing on the soil. Once that work is completed, the contractor will begin work on the parking lot and nature play areas on Addie Street.

Weather so far has benefited this project greatly and the contractor is still on track for finishing the District's project by March. It is unknown at the moment whether the Parks District Nature Play addition will add time to the contract. Either way, we are looking to have a wonderful park opening in the first half of 2019.



## **Building Consolidation Project**

As a part of the consolidation, the Technical Services Department has been assisting the General Manager in gathering information related to the remodel. As a part of this effort, the Technical Services Manager is going through a process by which an architect will be selected to assist the brokerage firm as options arise. At the time this report is being written, staff is still calling references to select the most qualified and best fit for the District's project; Staff will be able to inform the Board as to which architect was selected.

Items that will be included within the architect's scope of work will include: space planning, cost estimating and conceptual drawings for all options presented to them. The initial work will be pulling a more detailed space plan together informed by operational input from employees and the Board. These clearly identified space requirements are precursor data items needed by Cushman & Wakefield as potential options are developed for OLWS. It is anticipated the architect and their team will be working closely with both Cushman & Wakefield and the Facilities Sub-Committee to review options as they are developed by Cushman & Wakefield in terms of fit testing OLWS space needs against alternative spaces and assisting with cost estimating for each option. Since this contract will be under \$50,000, the General Manager will be signing the contract soon. However, once the preferred alternative is selected by the Board, Technical Services will write a Request for Qualifications (RFQ) to select the team moving forward and this contract is expected to require Board approval for the General Manager to sign.

## **Outreach and Education**

This fall has been busy with classroom and field visits to OLWS partner schools. OLWS staff presented stormwater, sewer, and water information to the Environmental Science students at Rex Putnam High School, scheduled tours of the Water Reclamation Facility with students from both Rex Putnam and New Urban High Schools and did restoration and enhancement field work with 5<sup>th</sup> graders from View Acres Elementary School.

The work agreements have been completed and partner contracts are nearly all signed for the year. The final contract with North Clackamas Urban Watersheds Council should be completed by the November Board meeting. NCUWC has been working on a new stormwater program strategy and the contract encapsulates goals for development of that strategy during FY 2018-2019.

The Clackamas County Water Education Team (CCWET) and the Regional Coalition for Rivers and Streams (RCCRS) have both been active, and planning continues for the two big elementary school student events in March and April. One new outreach opportunity has developed which will require a slight increase to the budget for FY 2019-2020. The opportunity would include a small investment to a large media partnership for a strategic package of purchased messages focused on water quality, stormwater, and public engagement through the RCCRS. Through participation in larger

partnerships like RCCRS, OLWS is able to create a bigger impact for its small investment.

Boardman Wetlands continues to be a much-anticipated educational site by many partners, and OLWS outreach staff is looking forward to introducing non-profit partners, students, and the general public to the finished product.

OLWS staff participation in the Advisory Committee for the Clackamas Community College's Environmental Learning Center (ELC) continues at a lower level now that the ELC is up and running. One goal for the center is to be more financially lucrative with regards to programming, and the ELC Director would like to spread the word about the refurbished facilities and stormwater demonstration site (see photo below). **If anyone on the Board is interested in a tour of the ELC facilities, including the stormwater interpretive area, please let Lara Christensen know and she will arrange a visit.**



Photo of adult yoga class at the ELC, Clackamas Community College, with stormwater facilities in the background outdoors.

## Permitting

### October 2018 Development Activity

	<i>This Month</i>	<i>Last Month</i>	<i>Fiscal Year-to-Date</i>	<i>This Month Last Year</i>	<i>Last Year-to-Date</i>
Pre-applications Conferences	1	4	12	3	9
Hours Spent on Development Review*	45	85	300	195	541
Hours spent on Utility Permits*	30	35	165	31	293
Development Permits Issued	2	3	11	0	6
Utility Permits Issued	7	9	30	11	38
New Sewer Connections***	1	5	18	1	41
New Water Services	1	5	-	-	-
Active Erosion Control Permits	39	43	176	18	84
Total Erosion Control Permits Inspected	39	43	176	18	84
Active Construction Permits	22	29	103	7	31
Sanitary SDC Fees Received	\$5,165.00	\$98,135	\$139,455	\$0.00	\$206,600.00
Water SDC Fees Received**	\$5,015.00	\$55,195	\$80,850	-	-
Plan Review Fees Received*	\$1,200.00	\$4,544	\$46,315	\$200.00	\$5,689.44
Inspection Fees Received*	\$1,796.90	\$4,711	\$47,196	\$0.00	\$7,809.94

\*\* includes "service charges" which are installation costs

\*\*\* Sewer lines are replaced for all replacement structures: water services are re-used

## Attachments

1. Capital Project Tracker
2. Development Review Status Tracker

## Capital Project Tracker

Project Name	Fund	Project Manager	Total Budget	Design Contract	Construction Contract	Total Spent	% Spent of Budget	Status	Next Task	Expected Completion Date
Solids Handling Bldg. Refurbishment and Process Improvements	SS	Rice	\$ 300,000.00	\$ -	\$ -	\$ -	0%	Planning	Reviewing Consultant Proposed Cost	6/30/2019
Anaerobic Digester Conversion	SS	Rice	\$ 200,000.00	\$ -	\$ -	\$ -	0%	Planning	Monitoring current process w/o Cannibal	6/30/2019
Secondary Clarifier Refurbishment	SS	Ogbeide	\$ 500,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Aeration Control Strategy Evaluation	SS	Ogbeide	\$ 50,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Mainline Repair Program	SS	Rice	\$ 200,000.00	\$ -	\$ -	\$ -	0%	Planning	Contract with Design Engineer	6/30/2019
Stormwater Master Plan	SW	Rice	\$ 125,000.00	\$ -	\$ -	\$ -	0%	Planning	Planning Public Outreach	12/31/2019
Water Master Plan	W	Rice	\$ 185,720.00	\$ 185,720.00	\$ -	\$ 94,418.00	51%	Active	Review Draft Chapters	3/31/2019
Water Meter Replacement Program	W	Ogbeide	\$ 1,350,000.00	\$ -	\$ -	\$ -	0%	Bids Received	Award Contract	6/30/2019
WRF Decant Expansion	SS,SW,W	Ogbeide	\$ 510,000.00	\$ -	\$ -	\$ -	0%	Planning	Locate Existing Utilities, Space Plan	6/30/2019
Boardman Wetland Complex	SS,SW	Rice	\$ 3,167,665.75	\$ -	\$ 3,167,666.00	\$ 1,089,563.55	34%	Under Construction	Sanitary Sewer testing and Finish Boardwalk	3/1/2019
Last Updated										11/8/2018

**OAK LODGE**  
WATER SERVICES  
**AGENDA ITEM**

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**Agenda Item:** Call for Public Comment  
**Item No.:** 10  
**Presenters:** N/A

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**Background:**

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

**OAK LODGE**  
WATER SERVICES  
**AGENDA ITEM**

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**Agenda Item:** Business from the Board  
**Item No.:** 11  
**Presenters:** N/A

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**Background:**

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

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

November 1, 2018

To: OLWSD Board

From: Kevin Williams 

Re: JL CPO meeting 10-23-18

1. The meeting began at 7:00 p.m. with introductions around the room.
2. Kathryn Krygier from North Clackamas Parks and Recreation District was there to facilitate a discussion about the next steps regarding Development of acquiring local land for parks. I thought it went as well as one might expect if you have collected revenue from a neighborhood for 24 years and haven't delivered a single park to them in that time.
3. Shared community concerns were identified and we went through the dot drill again trying to emphasize the real priorities for the neighborhood.
4. I gave a presentation on our preparation for public involvement in our surface water master plan development. I told people to go to those meetings and help us decide what level of service we should provide at what funding level. This created my first public heckler. The gentleman was wrong and I politely let him know that. He could not understand that we have done project since 1993 when we started collecting the fees.
5. There was a discussion about how to get more community involvement in the Map-it/ CPO efforts to plan the future of McLoughlin.
6. Karen Bjorklund posted the question about modifying or changing the CPO monthly meeting schedule to give the Board a break in their preparation work. She thought maybe every other month would work. This brought up questions and statements from Ed Gronke where he basically stated that the meetings were not well run and did not respect the best use of attendees time. I felt sorry for Karen knowing how much time and effort she puts into this effort. No definitive decisions were made.





**Tuesday, October 23, 2018**

*Church of the Nazarene, 4180 S.E. Jennings Ave.*

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[5:45-6:45 p.m. - County training for CPOs on State public meeting law and County requirements.]

7:00 p.m. **Business Meeting Call to Order**

- Introductions
- Treasurer's Report, Approval of Draft Minutes

7:08 p.m.\* **Discussing Opportunities for Acquiring Local Parks:** Kathryn Krygier, North Clackamas Parks District, will facilitate discussion of next steps regarding local community interest and opportunities in acquiring local parks.

7:50 p.m.\* **Shared Community Concerns:** Which of the concerns identified at recent meetings are most "shared" by community members - which ones do we have most in common?

8:00 p.m.\* **Water District Storm Water Management Master Plan** (Kevin Williams): What are the opportunities for us in the development of the new Water District Storm Water Management master plan? Can it help with preventing flooding and tree preservation? Water District Board Member Kevin Williams will give us a report and answer questions.

8:15 p.m.\* **McLoughlin Area Plan-CPO Outreach:** What are ways to reach out to people in the community with whom we haven't connected before, to broaden community involvement?

8:25 p.m.\* **Exploring Possible Changes to the JLCPO Meeting Schedule**

8:35 p.m.\* **Neighborhood Livability Project report** (Rita Tolonen)

8:45 p.m.\* **Announcements**

\*Times Tentative

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The next regular business meeting of the Jennings Lodge CPO will be held December 4.

**For more information, email [jenningslodgecpo@gmail.com](mailto:jenningslodgecpo@gmail.com)**

## Which Concerns Do You Share?

*We gathered local concerns at the August and September JLCPO meetings.*

*Now we need to find out which of these are most shared - which ones we have most in common.*

*That will help direct our next steps.*

**Imagine you have 5 dots.** You can put each dot on one local concern below that you share; you are able to mark up to 5 concerns. (You can note this with a dot or "X" in the "Dot" column.) ***You can only put one dot per concern, and you don't have to use all your dots.***

	<b>Local Concerns Gathered at August-September Meetings</b>	<b>Dot?</b>
<b>A.</b>	Our laws are not serving us - zoning ordinances don't reflect the Comprehensive Plan.	X
<b>B.</b>	We're losing possible green space and treed park land. There's a need to take action to identify any remaining green space for future parks before the treed land is gone (from small parcels to big lots).	
<b>C.</b>	Community members need to know more about relevant resources and strategies that can help us; and there is a lack of awareness for some on what's going on, pointing to the need for better communication strategies within our community.	
<b>D.</b>	Need to work with county more effectively, as it appears the Board of County Commissioners/county doesn't seem to be listening to us [or not as much as to cities].	X
<b>E.</b>	We, the unincorporated area, are not getting the same funding and/or dollars as cities [not getting as much as cities].	X
<b>F.</b>	We don't know if land use applicants are carrying out required land use approval conditions, since the County doesn't check.	X
<b>G.</b>	Trees are not being preserved, and need to be.	
<b>H.</b>	Development is allowed to continue despite making storm water problems worse.	
<b>I.</b>	We are losing local relationships with the local schools.	
<b>J.</b>	Houselessness and food insecurity.	
<b>K.</b>	We are losing historical sites and waterways, and they need to be preserved.	
<b>L.</b>	We are not getting value for our dollars and/or proportional representation from the North Clackamas Parks District.	
<b>M.</b>	Lack of local control on how our tax dollars are spent, on priorities that are set that affect our area, and on regulations and how they are applied/interpreted.	X

## *Jennings Lodge CPO 9.25.18 Draft Regular Meeting Minutes*

### **Jennings Lodge Community Planning Organization Meeting Minutes**

**MODERATOR:** Karen Bjorklund

**DATE:** September 25, 2018

**RECORDER:** Jane Morrison

**LOCATION:** Church of the Nazarene

Notice for the meeting included press releases to the Clackamas Review newspaper, email notification to all on the JLCO email list, notices on the Clackamas County CPO webpage and the JLCO Facebook page, outdoor lawn signs and social network Next Door.

Total Number of Attendees, 37. Voting Members Present, 24: Lisa Bentley, Steve Berliner, Karen Bjorklund, Grover Bornefeld, Jan Carothers, Donald Evans, Virginia Foster, Paul Gornick, Leanna Gornick, Amanda Gresen, Ed Gronke, Tom Humphrys, Curt Kurzenhauser, Stephanie Kurzenhauser, Carol Mastronarde, Jane Morrison, Linda Neumann, Pat Reinert, Rita Tolonen, Norm Tolonen, Kay Weaver, Tom Weaver, Kevin Williams, Allen Zaugg

Meeting called to order by Jennings Lodge CPO Chair Karen Bjorklund at 7:03 pm, followed by self-introductions of all.

**JLCO Business:** Draft minutes of August meeting approved as submitted; Treasurer's Report.

**Discussing Opportunities for Acquiring Local Parks** with Kathryn Krygier from the North Clackamas Parks District – postponed to future meeting.

#### **Community Preservation Award**

On behalf of the Jennings Lodge CPO and its Preservation Award Committee, Jane Morrison presented the Brush and Palette Association (located on Jennings, just east of McLoughlin) with the inaugural JLCO Community Preservation Award to recognize those who “take action” to preserve our community's built or natural heritage. President Jessica Scarborough accepted on behalf of the Association, and several members spoke about their efforts and plans for the future.

#### **JL Land Use Applications**

On behalf of the Land Use Committee, Ed Gronke reported an application for a home on 4184 Hillside Dr., where the lower level is being converted into a bed and breakfast. The Land Use Committee recommended sending an approval recommendation to the County with one condition: as a “Level 2 Major Home Occupation” (ZDO 822.04), guest and home owner vehicles shall not be parked on the public right-of-way (public road). In discussion that followed, an additional condition was proposed that if the driveway was expanded in the future, pervious surface materials would be required.

Ed Gronke moved to recommend approval of the application with 2 conditions: no parking on the public road; and if the driveway is expanded, it must be done with pervious surface materials. Linda Neumann seconded. Vote: In favor: 22; Against: 0; Abstain: 1.

#### **Jennings Lodge Current MAP Priorities**

As MAP-IT discussions in the future are expected include McLoughlin Area Plan (MAP) priorities, the Jennings Lodge CPO representatives to MAP-IT wanted to check in about 6 MAP project priorities chosen by the JLCO last year. The top MAP priority chosen at that time was: Modify the zoning ordinance to better protect neighborhoods from up-zoning and incompatible development. After reviewing all 6 priorities, Karen Bjorklund asked for a straw poll on whether people still felt the project on modifying the zoning ordinance should continue to be the top priority; the majority of people indicated “yes”. Karen stated that, as it's the top JLCO priority of the MAP projects, there is a need for people to volunteer to work on this priority. There was also discussion of adding houselessness to the project list, as houselessness isn't on the list of MAP because it wasn't not the issue, back when the MAP project list was created, that it is today.

Other MAP comments: while some had a sense of frustration that “nothing has happened,” others complimented MAP-IT for the new signs, lighting and sidewalks on McLoughlin. And some felt the zoning on McLoughlin prevents the kind of retail and mixed use they'd like. During the discussion, Rita Tolonen offered to report on the Neighborhood Livability Project for our October meeting.

### **Shared Concerns Follow Up**

At the last meeting, people gave community concerns, but also strategies that weren't necessarily connected to concerns. In order for the CPO to have an overall list of concerns to work with for next steps, Karen asked what the concerns were behind particular strategies (not wanting to assume anything). People gave concerns about:

- community education and communication strategies within our community;
- relationships with the county and BOC;
- whether land use approval conditions are being followed;
- development is allowed despite causing additional storm water problems;
- for the NCPPD, not getting value for our dollar and/or proportional representation; and
- lack of control on how our tax dollars are spent, how priorities are set that affect our area, and on regulations and how they are applied/interpreted.

### **Future Parks**

Karen reported, from a conversation with Kathryn Krygier of North Clackamas Parks District last week, that as far as Kathryn knew, the three possible future parks mentioned by people in previous meetings are at the Jennings Lodge School, New Urban High School in Oak Grove, and the Boardman Wetlands project.

### **Planning for the Next Election – In February**

There are only two more meetings before the JLOPO meeting in which JLOPO officers and Board member nominations are due. People are needed for these positions in order to carry on the work of the CPO. Our new bylaws create staggered years for JLOPO Board members, so there will be a one-time adjustment - some of the next terms will be for 1 year and some for 2 years. There are no limits on the number of board members; and we can have co-officers, such as Co-Secretaries and Co-Chairs.

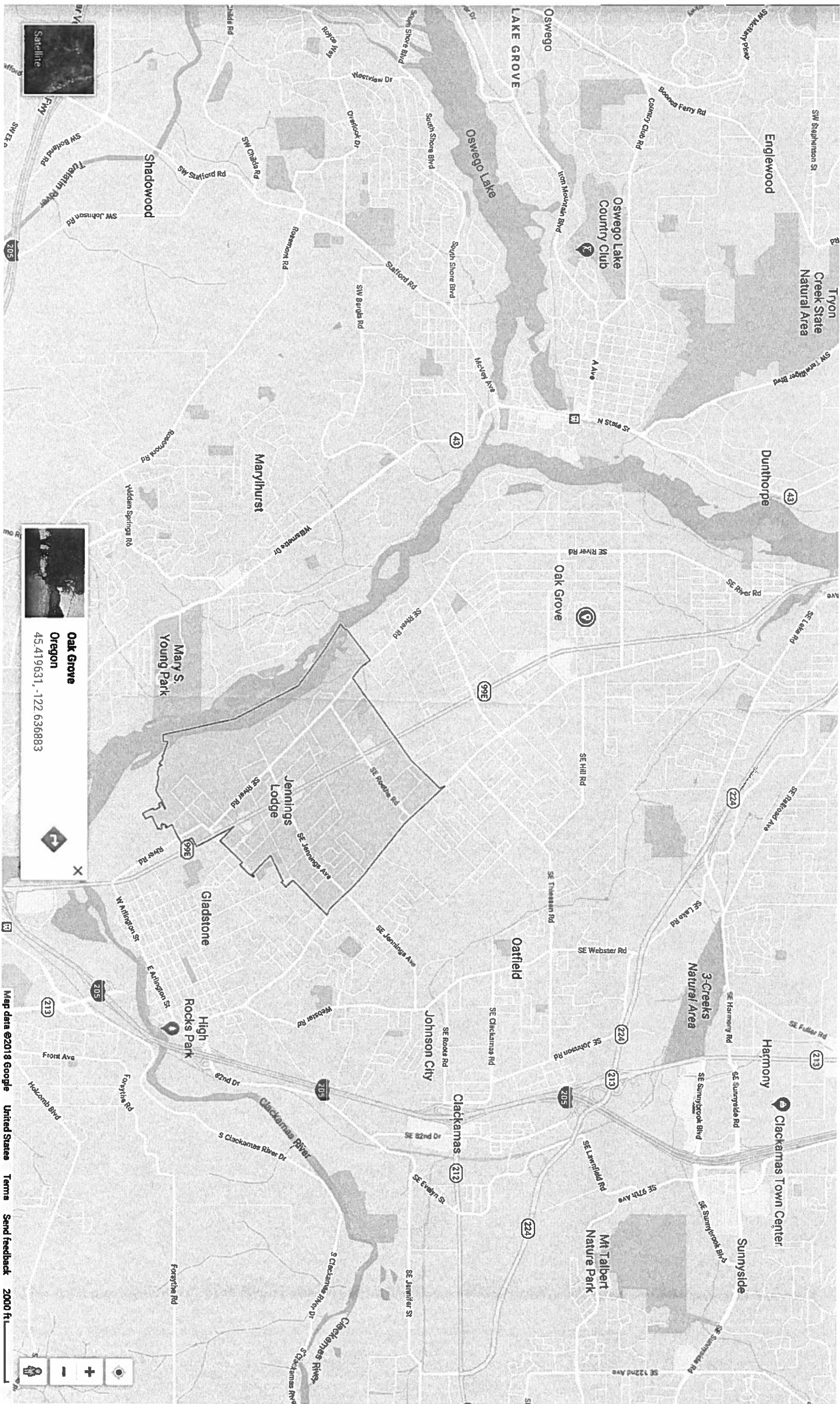
### **Announcements**

- Historical Mitigation Agreement on development of the Evangelical property: One requirement for mitigation is a commemorative sign. There will also be \$185,000 available in the education fund. We will need a group to work on a proposed master plan.
- CPO Summit (CPO chairs from across the county) had their regular meeting last night. Karen reported there was discussion of a proposed vehicle registration fee that the BOC is contemplating - it is within BOC authority to create this additional fee without a vote of county voters. Proposals have been circulated of how the money would be used in cities vs. unincorporated areas, and there questions about the proportional use of that money. The county plans to have regional meetings to provide information and answer questions.

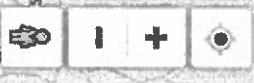
### **General Comments/ Questions**

- Members should think about how we could use JLOPO funds besides meeting and event expenses like rent, signs, supplies, and copying.
- Thelma Haggemiller announced that CIA will hold a Candidates Forum on Tuesday, October 9, evening at Rose Villa Performing Arts Center with county and state representatives.
- Should we hold another Jewels of Jennings Lodge event? To be added to a future agenda.

Meeting adjourned: 8:37 pm



**Oak Grove**  
Oregon  
45.419631, -122.636883



**Clackamas County VRF Presentations: October-November 2018**  
**November 1, 2018**

<b>When</b>	<b>Where</b>	<b>Major Audience</b>	<b>Host</b>
Monday, Oct. 15 6 – 8 pm	Clackamas County Development Services Bldg.	Community Leaders Forum	Clackamas County
Tuesday, Oct. 23 11:30 am – 1 pm	Abernethy Center	Business	Oregon City Business Association
Thursday, Nov. 1 11:30 am – 1 pm	Estacada City Hall	Mountain/Rural Business	Clackamas County
Monday, Nov. 5 6-7:30 p.m.	Estacada Community Center	Community	Clackamas County
Tuesday, Nov. 13 7:30-8:30 a.m.	Clackamas Community College - Harmony West	Business	Clackamas County Committee for Community Involvement (CCI)
Monday, Nov. 19 6-7:30 pm	Molalla Public Library	Community	Clackamas County Committee for Community Involvement (CCI)
Monday, Nov. 26 6-7:30 pm	Rose Villa, Oak Grove	Community	Clackamas County Committee for Community Involvement (CCI)
Tuesday, Nov. 27 6-7:30 pm	Resort at the Mountain, Welches	Community	Clackamas County Committee for Community Involvement (CCI)



10602 S.E. 129th Avenue, Happy Valley, OR 97086-6218  
tel: 503.761.0220 • fax: 503.761.7406  
www.sunrisewater.com

Board of Commissioners: Regular Meeting  
**Wednesday, October 24, 2018 - 6:00 p.m.**

## AGENDA

### CALL REGULAR MEETING TO ORDER

- Pledge of Allegiance
- Approval of Agenda
- Outstanding Items – *Items 2.2 & 2.3*

### PUBLIC COMMENT

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

### BOARD CANDIDATE INTERVIEWS

#### 1. CONSENT AGENDA

- 1.1 Approval of Minutes of September 2018
- 1.2 Adoption of Resolution 2018-12, Annexation of Service Territory

#### 2. DISCUSSION ITEMS

- 2.1 Financial Statements – September 2018
- 2.2 Adoption of Resolution 2018-11 Authorizing Policy for Repayment and Collection of Over and Under Charged Customer Bills
- 2.3 Customer Satisfaction Survey (Updated)

#### 3. STAFF REPORTS

- 3.1 Manager's Update
- 3.2 Engineering & Construction Reports
- 3.3 Operational Reports

#### 4. BOARD BUSINESS

- 4.1 Board Calendar
- 4.2 Liaison Reports
- 4.3 Information Items
- 4.4 Future Agenda Items

## 5. EXECUTIVE SESSION

An Executive Session of the Sunrise Water Authority Board of Commissioners will be conducted pursuant to ORS 192.660 (2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

**POSTED PER REQUIREMENTS, FRIDAY, OCTOBER 19, 2018.**

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



**Sunrise Water Authority  
October 24, 2018 Board Meeting  
Paul Gornick's Notes**

- **After interviews of two applicants, Andy Coate was selected for appointment to the open Zone #4 commissioner position.**
- **On consent agenda the board adopted Resolution 2018-12 to annex a 9 acre parcel at SE 172<sup>nd</sup> and Hemrich into the service area.**
- **Board approved financial statements for the prior period.**
- **Board adopted Resolution 2018-11 authorizing policy for repayment and collection of over and under charged customer billings.**
- **Board approved content and deployment of a Customer Satisfaction survey, using SurveyMonkey as the platform. The incentives to encourage response were a drawing for four Red Cross 3-day emergency preparedness kits.**
- **General Manager confirmed that the NCCWC IGA was filed with the Secretary of State's office.**
- **Board discussed the future calendar and gave their liaison reports.**
- **The open meeting was recessed and the board went into executive session to discuss a real estate transaction.**

November 20, 2018

To: Sarah Jo Chaplen

From: Paul Gornick

Re: OLWSD Disaster/Emergency Preparedness

I think it would be appropriate if the Board was updated on the status of disaster preparedness of the district, so we can identify potential capital projects, staff training, participation in regional disaster drills, and outreach to other agencies to enable better recovery efforts in the event of a regional disaster.

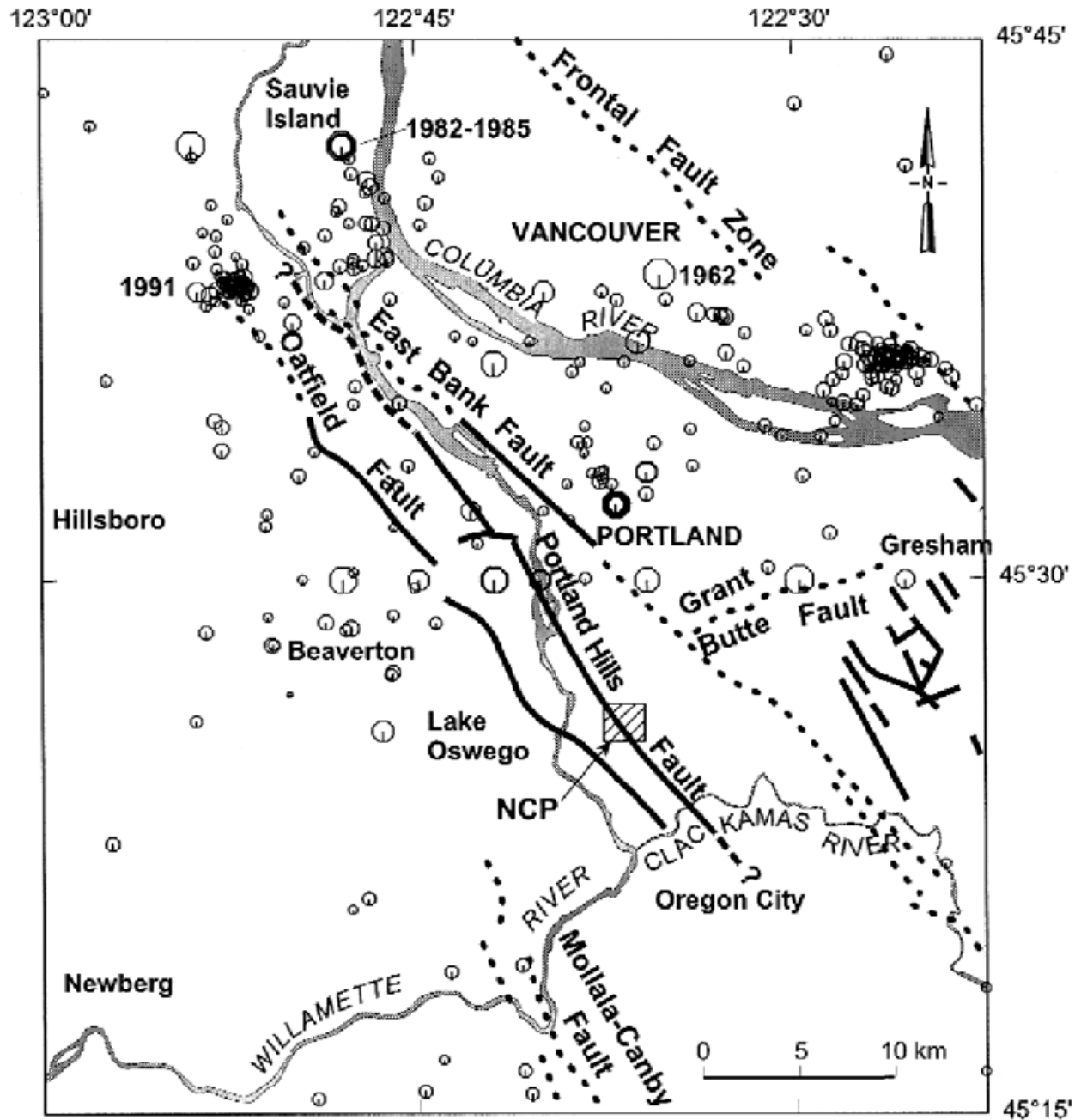
Specifically, my concern is a large seismic event that would impact OLWSD as well as other agencies in the region. This would include either a Cascade Subduction Zone event or a Portland Hills/Oatfield fault event (Attached is a map showing these local faults. NCP on the map is North Clackamas Park). In addition, heavy rainfall events may induce landslide activity in hilly regions that could also impact OLWSD facilities. From personal experience of the 1996 rainfall events, the City of Portland had around 200 landslides, about 40% of which required engineered repairs. Although FEMA resources were available, they had to be spent within such a short period (I think 120 or 180 days after the event), that there was not enough design time or contractors available to meet that requirement, so other funds were needed to do repairs.

We know the OLWSD water storage facilities have been seismically upgraded, but I have concerns about other parts of our physical infrastructure as well as some other issues.

A report addressing the following items would help identify such needs:

- The vulnerability of the water transmission mains from the NCCWC plant to the storage facilities, as well as vulnerability of interties to other water providers. Are there areas of the sewer collection system with larger size lines that are in terrain that could be unstable during a seismic or heavy rainfall event?
- The vulnerability of the WRF to seismic activity. I know portions of the plant are nearly new, but are some parts older and in need of upgrading? The access to the WRF is less than optimal; if road access fails, should we have a plan in place to access the plant from the river side?
- The vulnerability of the pump stations and pressure lines, as well as any access issues to effect repairs. Are any of the pump stations in areas where a failure of the roadway due to earthquake or landslide will prolong the time to make repairs?
- Assuming we have an extended period where our ratepayer revenue isn't available, what length of time will our reserves allow us to operate?
- Have we participated in regional disaster drills? If so, how recent is the experience?
- Assuming we have an event causing so many water line breaks that we can't address them with our own staff in a timely fashion, do we (or should we) have specific contractors available to assist with recovery efforts?
- A disaster may leave us with fewer available staff in both administrative and field operations. Is adequate cross training occurring that would enable us to continue to operate effectively?
- If we are unable to supply water to customers via some or all of the distribution system, do we have plans in place to make drinking/cooking water available by other methods?

I don't consider this list to be exhaustive; if staff is aware of other issues they should be included as well. If we could have a report in about 90 days (for the February board meeting), that may give enough time to determine if we want to devote any resources in the 2019-2020 budget to address these issues.



Magnitude	○ < 1.0	⊙ 3.0 - 3.9
	⊙ 1.0 - 1.9	⊙ 4.0 - 4.9
	⊙ 2.0 - 2.9	⊙ 5.0 - 5.9

**OAK LODGE**  
WATER SERVICES  
**AGENDA ITEM**

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**Agenda Item:** Executive Session  
**Item No.:** 12  
**Presenters:** N/A

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**Background:**

Recess to Executive Session under ORS 192.660 2(h) for consultation with counsel concerning legal rights and duties regarding current litigation or litigation likely to be filed.

**OAK LODGE**  
WATER SERVICES  
**AGENDA ITEM**

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

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**Background:**

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